

ABL *Stock Fund*

ANNUAL
REPORT

2013



 **ABL Asset Management**

Discover the potential
RATED AM2 (JCR-VIS)
(A wholly owned subsidiary of Allied Bank Ltd.)

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Vision

“Creating investment solutions
within everyone's reach”



Mission & Core Values

- To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABL AMC strives to be the 'employer of choice' for young and experienced talent.
- To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.
- To adhere to the highest industry standard for integrity and quality across all the spheres of the company.
- To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.
- To enhance Stakeholders Value.

FUND'S INFORMATION

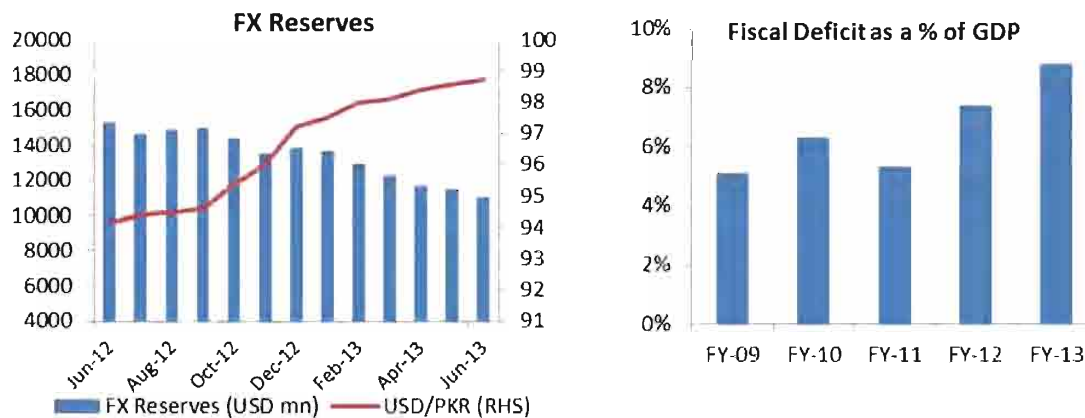
Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Khalid A. Sherwani Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Khawaja Muhammad Almas	Chairman Member Member
Human Resource Committee:	Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Stock Fund (ABL-SF), is pleased to present the Audited Financial Statements of ABL Stock Fund for the year ended June 30, 2013.

ECONOMIC PERFORMANCE REVIEW

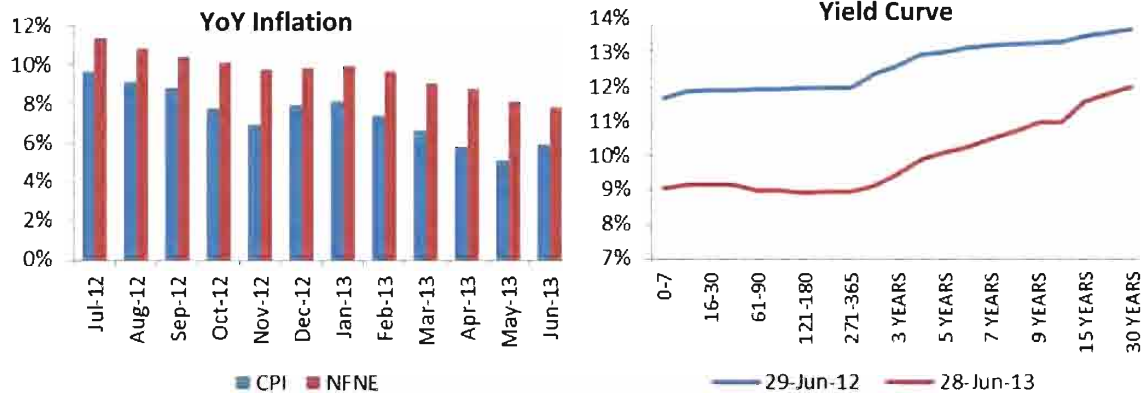
Pakistan's economic landscape remained checkered during FY13 as it continued to be marred by crippling power shortages and an adverse law and order situation. Low investment levels, poor large scale industrial growth and a grid-locked energy chain kept the economic growth under check. As a result, GDP growth was recorded at 3.6%, well below the target of 4.3%. Despite SBP adopting a monetary easing stance (Discount Rate cut by 300bps to 9% in FY13), private sector credit off-take failed to pick up (down by PKR19 billion YoY). Fiscal deficit was recorded at 8.8% of GDP owing to heavy government spending and low revenue generation (PKR1,952 billion vs initial target of PKR2,381 billion) exacerbated by weak foreign inflows. Due to poor revenue collection, government borrowing for budgetary support increased by a massive PKR1.6 trillion in FY13 (PKR1.0 trillion from banks and PKR0.6 trillion from the SBP). Inflation, however, declined considerably clocking in at 7.4% against a target of 9.5% due to stable commodities and a high base effect. Dominant victory for PML N in the 2013 elections rekindled hopes of economic revival as the new Government with clear majority in parliament is expected to better implement its policies. Early signs have been positive as immediate steps have been taken to address major structural issues facing Pakistan's economy such as power outages (payment of circular debt dues) and weak revenue collection (revenue focused FY14 budget).



On the external account front, the situation remained precarious as the current account posted a deficit of US\$2.3 billion in FY13. However, the figure stood improved over FY12 deficit of US\$4.5 billion, backed by strong remittances of US\$13.9 billion and price stability of essential commodities. Financial account for FY13 recorded a deficit of US\$80 million, an improvement over the preceding year's US\$386 million deficit owing to foreign direct inflow of US\$1.45 billion in FY13. Yet, FX Reserves continued their downward stride (settling at US\$11 billion against US\$15.2 billion a year ago) on account of significant IMF repayments. Resultantly the Rupee depreciated by 5.3% to close the year at PKR99.57 vs. the US dollar. As the fiscal situation deteriorated, the new government immediately sought IMF support for US\$5.3 billion under the Extended Finance Facility (EFF). The IMF seems to have obliged in return for an improved fiscal behavior; however, these would entail harsh conditions which may fuel inflation.

In order to boost credit off-take growth and encouraged by a low inflation figure, the central bank cut the key policy rate by 300bps to 9% during the year. However, the move proved ineffective in spurring private sector growth due to power shortages and security related problems. Overall M2 growth was recorded at 17% for FY13 as fiscal deficit soared to 8.8% of GDP. To tackle this perennial issue, the FY14 budget focused on revenue collection (FY14 tax collection target PKR2,598 billion) and lowering expenditures to contain fiscal deficit at 6.3%. An increase in GST, resolution of circular debt, cut in power subsidies and reduction in corporate tax rate (excluding banks) were some of the key initiatives taken in the FY14 budget.

However, the announced budgetary measures are likely to fuel inflation which could eventually lead to monetary adjustments by Central Bank. Improved revenue collection, reduction in size of the government and tackling security concerns to promote a business friendly environment are paramount for economic growth. The steps taken by the new government to tackle these challenges will dictate the future growth trajectory of the country.



MARKET OVERVIEW

Equities had a robust year in FY13 with the benchmark KSE 100 gaining 52% to close at an all-time high of 21,006 points. Trading volumes also improved significantly with average daily volume recorded at 200 million shares, +55% YoY. The 2013 general elections, strong foreign flows, an accommodating monetary policy and strong corporate earnings growth boosted investor sentiment. The pre-election excitement was followed by a dominant victory for PML N which resulted in the market staging an extended rally. Investors cheered the election results as the new set-up is perceived to be more business friendly and is expected to attract foreign capital as well as jump start the privatization process. Delisting announced by Unilever contributed heavily in the foreign flows number of USD569 million; however, foreign inflow ex-Unilever was still recorded at a commendable USD211 million for FY13 against USD251 million outflow in FY12. In the midst of improving market dynamics, corporate earnings growth remained robust with textiles and cements leading the way. Furthermore, announcement of payment of circular debt dues towards the fag end of the year boosted valuations in the energy chain as payout capacity for E&Ps, OMC and IPPs will improve significantly going ahead. SBP's decision to aggressively reduce the policy rate (discount rate cut to 9% from 12%) was also welcomed by investors as fixed income yields fell into single digits and improved the relative attractiveness of equities.

SECTOR REVIEW

FY13 was a difficult year for the banking sector as the outgoing year saw a 300bps cut in the discount rate from 12% to 9%, which shrank spreads considerably (80bps) with full impact to be felt in FY14. Furthermore, SBP kept the minimum deposit rate flat at 6% which worsened the margin squeeze. Overall, banking deposits depicted growth of 14% during FY13, with bulk of this liquidity channeled into low risk government securities. As a result, advances only increased by 3.4% YoY during FY13 leading to ADR ratio dropping to 47% for the sector. On the other hand, only slight improvement in asset quality (NPLs decreased by 3.2% during 9MFY13 to PKR580bn as at March 2013) was witnessed during the year with limited provisioning reversals. Despite the low interest rates, the double whammy of energy shortage and precarious security conditions has kept private sector investment at bay while the Government continues to be the biggest borrowers from commercial banks. Overall, the sector's core profitability remained depressed due to low interest rates and higher deposit costs with large banks reporting ROEs close to 17%.

Higher subsidy allocation, cheaper availability of imported urea and declining international prices led to margin contraction for urea manufacturers in FY13 as additional costs could not be passed on. However, this was compensated by higher urea sales by local manufacturers which replaced sales of imported urea (total urea imports during FY13 clocked in at 832k tons down 45% YoY). Industry urea sales plunged 13% YoY to 5,196k tons during the period; this decline is mainly attributable to the one-off sales in June last year due to anticipated price hike and piled-up inventory with the local producers. DAP off-take surged 25% YoY to 1,375k tons. With the continuous downward trajectory of phos-acid price since Jul'12 (last settled at USD 750/ton) and firm local DAP prices, primary margin of DAP surged 48% YoY to USD 320/ton in FY13.

Oil sectors fortunes fluctuated during the year. Benchmark Arab Light prices in FY13 averaged at US\$108/bbl, slightly lower than last year's average of US\$111/bbl as concerns over growth prospects of China in addition to additional supplies coming in from Iraq and Libya weighed in on oil prices. On the domestic front, total oil production for FY13 rose by an encouraging 13% YoY to 75.8k bpd, however gas production slipped by 4% YoY to 4.1bcfd. There was a marked uptick in exploration activities with a total of 97 wells spud in FY13 against 57 wells last year. In this regard, 35 exploratory wells (+67% YoY) and 62 app/dev wells (+72% YoY) were spud in FY13. The new government, eager to improve the energy production, pumped in PKR260bn in the system to alleviate the circular debt which should enable E&P companies and OMCs, particularly PSO, to deliver better dividend payouts with the FY13 results.

IPPs continued to get the short end of the stick as liquidity crunch owing to circular debt pile up affected payout capacities. Regular liquidity injections (including PKR 82bn TFC issue in Sep-12) provided some temporary relief towards alleviating liquidity drought in the energy chain. However, the year ended on a promising theme as the government injected PKR 342bn to clear the stock of circular debt thereby improving the payout capacity of IPPs. Moreover, electricity tariff hike (expected in Sep-13) along with new government's focus on power sector reforms will likely bode well for IPPs, though an increase in credit period/decrease in penal mark-up could hurt their earnings profile.

Cement industry had another banner year in FY13 as price consensus amongst manufacturers firmed up and was complimented by strong local demand. Furthermore, decline in international coal prices significantly enhanced profitability, though the increase in local energy prices somewhat mitigated the impact of drop in price of imported coal. Domestic cement prices increased considerably while export prices to Afghanistan saw some pressure in the later part of the year. Domestic dispatches registered a healthy recovery in FY13, reaching a record high level of 25mn tons (up 4% YoY). Overall export dispatches fell to 8.3mn tons (down 3% YoY) in FY13, as total production inched up.

International clearing house (ICH) remained the key theme in the telecom sector as fixed line operators witnessed significant revenue improvement post ICH implementation. Margin improvement on incoming international traffic boosted top-line though rising grey traffic remained the primary concern. Although, Competition Commission of Pakistan imposed penalties on LDI operators for violating Competition Act, a stay order in the Sindh High Court against CCP's decision is likely to result in a long legal battle.

Cotton output declined by 4% to 13mn bales in FY13 as against 13.6mn bales in FY12 while cotton prices increased by 13% to Rs7,038 per 40kg. In spite of economic woes, volatile law & order situation and energy crisis, textile sector remained in the limelight due to strong yarn and grey cloth demand from China and neighboring countries. However financial crisis in EU nations kept affecting exports to the region. In FY13, country's textile exports increased to US\$13.06bn, up 6% from US\$12.34bn last year.

MUTUAL FUND INDUSTRY REVIEW

The open end mutual fund industry contracted by 8% during the year to close at PKR324 billion. Money market funds remained the dominant asset class closing at PKR124 billion despite a 17% decline YoY as investors preferred the comfort of stable and risk free returns. Equities on the other hand showed the highest growth in AUMs, as the market rallied during the period due to declining political risk premium and continued foreign inflows in the bourses. As a result Assets under Management (AUM) of equity funds grew by 18%, closing the year at PKR62 billion surpassing income funds which closed the year at PKR 55 billion - down 36% YoY. Investor bias towards money market funds remained strong despite handsome gains earned on bond holdings of income funds due to declining interest rates. However those were mostly one time jumps against as baseline yields on fixed income instruments declined making both income and money market funds less attractive compared to equity funds. Moreover, mixed sentiments towards rate cuts led to extreme volatility on long bonds which did not bode well with conservative investors.

FUND PERFORMANCE

During the year under review, ABL Stock Fund's AUM increased by 206.3% to Rs. 783.39 million. ABL-SF delivered an absolute return of 55.9% during the year ended June 30, 2013, which once again positioned ABL-SF in the top quartile of the equity funds category. ABL Stock Fund earned total income of 219.32 million for the year ended June 30, 2013, of which Rs.118.86 million was net capital gain on sale of investments, Rs.21.47 million was dividend income and Rs.75.65 million was unrealized appreciation on re-measurement of financial assets at fair value. After accounting for expenses of Rs.22.91 million (comprising mainly of the management fee of Rs.13.06 million, Sindh Sales Tax on management fee of Rs.2.1 million and Brokerage expense of Rs.3.65 million) net income from operating activities for the year ended June 30, 2013 stood at Rs.196.411 million. With the net element of income and capital gains of Rs.90.11 million included in the prices of units issued less those in units redeemed and Rs.5.73 million as provision for workers welfare fund, the net income for the year ended June 30, 2013 stood at Rs.280.79 million.

During FY13 ABL-SF outperformed its benchmark KSE-30 index by 210 bps, once again ranking among the best performing funds in the sector. Since its inception on June 28th, 2009 ABL-SF has been the best performing fund in the equity markets of Pakistan. Prudent fund management style with focus on value investments continues to be the key reason for our superior performance over past few years and we strive to maintain our standards as we move ahead.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained;
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 12 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees post-employment benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse except as disclosed below and in notes to the financial statements;

S. No.	Name	Designation	Units Issued	Units Redeemed	Bonus Units
1	Mr. Saqib Matin	CFO	-	49,738.0000	1

12. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year five meetings were held. The 27th, 28th, 29th, 30th and 31st Board meetings were held on August 10, 2012, October 25, 2012, December 20, 2012, February 15, 2013 and April 25, 2013 respectively. Information in respect of attendance by directors in the meetings is given below:

S.No.	Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
1	Sheikh Mukhtar Ahmed	5	5	-	
2	Mr. Muhammad Waseem Mukhtar	5	5	-	
3	Mr. Khalid A. Sherwani*	5	4	1	31 st BOD
4	Mr. Kamran Nishat	5	5	-	
5	Mr. M. Shakeb Murad	5	2	3	27 th , 29 th and 30 th BOD
6	Mr. M. Jawaid Iqbal	5	4	1	31 st BOD
7	Mr. Zia Ijaz**	4	3	1	27 th BOD,
8	Mr. Khawaja Muhammad Almas***	1	1	-	
9	Mr. Farid Ahmed Khan****	5	5	-	

*Resigned from the services as Director on the Board of ABL AMCL which has been approved on July 12, 2013

**Resigned in the 30th BOD Meeting of ABL AMCL held on February 15, 2013

***Appointed as new Directors of the ABL AMCL in the 30th Meeting of the BOD of ABL AMCL held on February 15, 2013

****Deemed Director under section 200 of the Companies Ordinance, 1984.

13. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in a year. During the year, four meetings were held. The 9th, 10th, 11th, and 12th meetings of the Board's Human Resource and Remuneration Committee were held on January 17, 2013, February 13, 2013, February 28, 2013 and March 05, 2013 respectively. Information in respect of attendance by member in the meetings is given below:

S.No.	Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
1	Mr. M. Jawaid Iqbal	4	4	-	-
2	Mr. Kamran Nishat	4	4	-	-
3	Mr. Farid Ahmed Khan	4	4	-	-

14. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year, four meetings were held. The 21st, 22nd, 23rd, and 24th meetings of the Board's Audit Committee were held on August 9, 2012, October 24, 2012, February 15, 2013 and April 25, 2013 respectively. Information in respect of attendance by directors in the meetings is given below:

S.No.	Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
1	Mr. Kamran Nishat	4	4	-	-
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. Zia Ijaz*	3	2	1	21 st AC Meeting
4	Mr. Khawaja Muhammad Almas**	1	1	-	-

*Resigned in the 30th BOD Meeting of ABL AMCL held on February 15, 2013

**Appointed as new Directors of the ABL AMCL in the 30th Meeting of the BOD of ABL AMCL held on February 15, 2013

15. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Stock Fund, is given hereunder:

S. No.	Particulars	Units Held on June 30, 2013
1	Associated Companies, undertakings and related parties	
	● ABL Asset Management Company Limited	1,612,416
	● Allied Bank Limited	10,000,000
2	Mutual Funds	Nil
3	Directors and their spouse(s) and minor children	Nil
4	Executives	Nil
5	Public Sector Companies and corporations	Nil
6	Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund	22,566,206
7	Shareholders holding five percent or more voting rights in the listed company	Not Applicable

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants) being eligible for re-appointment, have been appointed as auditors, on the recommendation of the Audit Committee of the Board of Directors, for the year ending June 30, 2014 for ABL Stock Fund (ABL-SF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on February 12, 2013 assigned MFR 4-Star to ABL-SF (based on Three years average), which denotes 'good performance'.

MANAGEMENT QUALITY RATING

On June 21, 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK

The steps for unwinding of circular debt have been lauded by the investor community. However, tough reforms, which include eliminating subsidies and raising utility tariffs, are critical for a sustainable solution. On the other hand, implementation of IMF program loan terms and conditions may be a key challenge and a key determinant for market performance.

We continue to remain optimistic on market on the back of government's commitment towards fiscal and public sector reforms, consistent foreign flows, strong corporate earnings outlook with large payout expectations and subdued outlook of global commodity prices. Political noise and security conditions remain the key risks, where any escalation in the same may dampen sentiments and cap upside. Our long-term view on Pakistan equities, nevertheless, remains very bullish and we continue to position the fund accordingly.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Karachi Stock Exchange (Guarantee) Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For and on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 06, 2013

FUND MANAGER'S REPORT

INVESTMENT OBJECTIVE

To provide higher risk-adjusted returns over the long term by investing in a diversified portfolio of equity instruments offering capital gains and dividends.

FUND PERFORMANCE

ABL-SF returned 55.9% to its investors during FY13, outperforming its benchmark of KSE-30 index by 2000 basis points. ABL-SF, which is the best performing stock fund since its inception, continued to remain in the top quartile in FY13 as well. This strong performance can be attributed to better stock selection and timely trading tactics. Owing to its stellar performance, the fund almost tripled its size YoY and closed FY13 with AUMs of Rs783mn.

ABL-SF, as at June 30, 2013, was nearly 88.5% invested in equities and the rest in cash and cash equivalents. Equity investments were mainly concentrated in Oil & Gas, Chemicals and Construction sectors with exposures of 34.1%, 10.1%, and 19.1% respectively. Oil & Gas and Chemical sectors are an ideal match for enterprising investors pursuing higher dividend yields, superior business dynamics and strong growth prospects while construction sector is a key beneficiary of enhanced infrastructure spending and rising utilization levels within the industry.

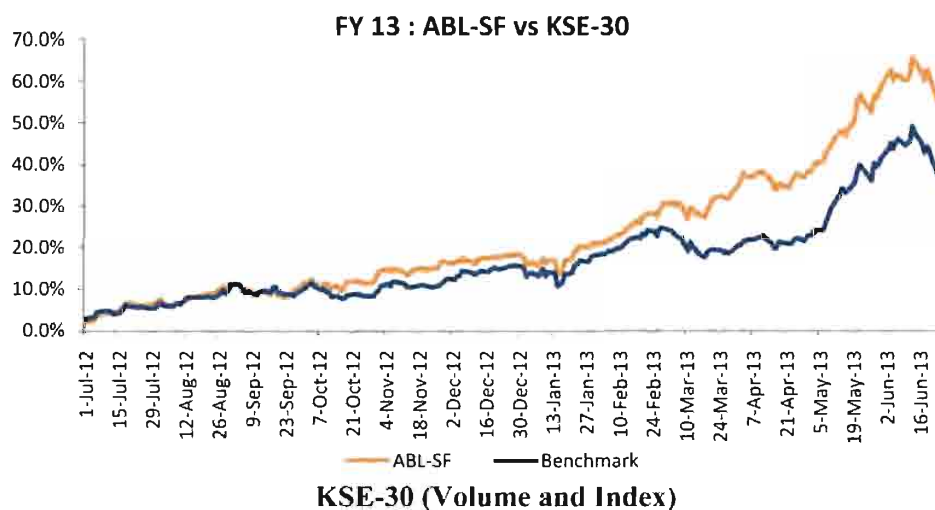
The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 5.85mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.1194 per unit.

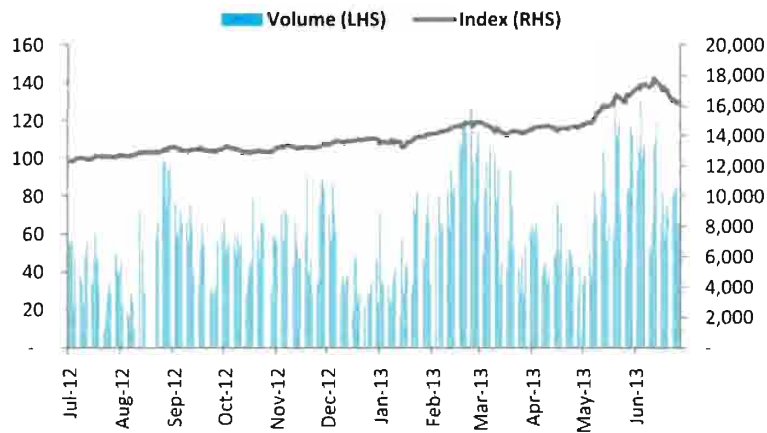
FUTURE OUTLOOK AND STRATEGY

Looking ahead, we believe capital markets will look at tangible signs of progress on fiscal reforms, privatization and law and order before we could see further re-rating. The government's immediate focus on energy problems and circular debt payments last month bode well for cash-starved energy sector as well as for the market and reflects seriousness of current government to address structural malaise affecting the economy. An agreement with IMF will be crucial to soothe market's fears about balance of payment gap and progress on program targets will be keenly followed.

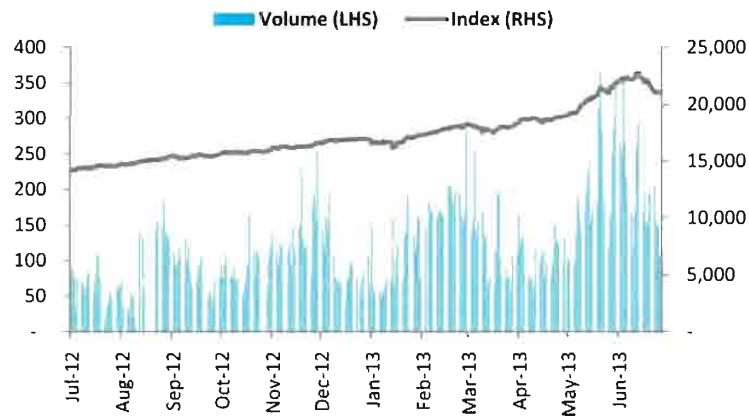
We continue to remain optimistic on market on the back of government's commitment towards fiscal and public sector reforms, consistent foreign flows, strong corporate earnings outlook with large payout expectations and subdued outlook of global commodity prices. Political noise and security conditions remain the key risks, where any escalation in the same may dampen sentiments and cap upside.

The market trades at an attractive 2013E P/E of 8.2x and offers dividend yield of 6.0%. Results for equity investors since 2008 crash have been very impressive on YoY basis owing to attractive valuations. As fixed income yields remain low relative to high dividend yield structure of equities, we believe such performance can be repeated in upcoming period(s).

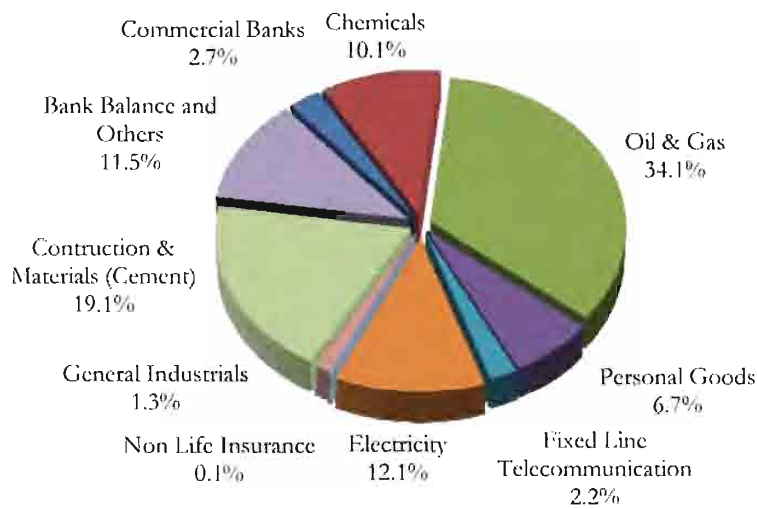




KSE-100 (Volume and Index)



Sector Allocation (% of Total Assets)



ABL STOCK FUND PERFORMANCE TABLE

	June 2013	June 2012	June 2011	June 2010
	(Rupees in '000)			
Net Assets	783,388	255,749	642,032	376,158
Net Income	280,795	54,303	139,931	112,454
	(Rupees per unit)			
Net Assets value	15.9750	10.2491	10.0408	10.0134
Interim distribution	-	-	-	-
Final distribution	5.3270	2.4077	2.928	3.2813
Distribution date final	August 06, 2013	June 25, 2012	June 29, 2011	June 28, 2010
Closing offer price	16.4543	10.5566	10.3420	10.3138
Closing repurchase price	15.9750	10.2491	10.0408	10.0134
Highest offer price	17.4915	13.8094	13.6462	15.3833
Lowest offer price	10.7908	9.6120	10.2011	10.3082
Highest repurchase price per unit	16.9820	13.4072	13.2487	14.9352
Lowest repurchase price per unit	10.4765	9.3320	9.9040	10.0080
	Percentage			
Total return of the fund				
- capital growth	55.87%	2.27%	-0.12%	0.134%
- income distribution	0.0%	24.08%	29.28%	32.81%
Average return of the fund				
First Year	55.87%	26.34%	29.16%	32.72%
Second Year	96.93%	63.19%	71.06%	0.00%
Third Year	154.36%	116.49%	0.00%	0.00%
Forth year	237.44%	-	-	-
Since Inception	236.71%	116.02%	-	-
Weighted average Portfolio duration in days	-	-	-	-

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

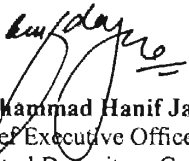

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**
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Karachi - 74400, Pakistan
Tel. (92-21) 111-111-500
Fax. (92-21) 34326020 - 23
URL www.cdcpakistan.com
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TRUSTEE REPORT TO THE UNIT HOLDERS
ABL STOCK FUND
Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Stock Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2013 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Muhammad Hanif Jakhura
 Chief Executive Officer
 Central Depository Company of Pakistan Limited

Karachi: September 13, 2013





A. F. FERGUSON & CO.

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of ABL Asset Management Company Limited, the Management Company of **ABL Stock Fund** to comply with the Listing Regulation No.35 of Chapter XI contained in the Listing Regulations issued by the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Sub-Regulation (x) of Listing Regulation No. 35 as notified by the Karachi Stock Exchange on which the Fund is listed requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length prices recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.

Chartered Accountants

Karachi

Dated: August 6, 2013

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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STATEMENT OF COMPLIANCE BY ABL STOCK FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No.35 of the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The board of directors ("the Board") of ABL Asset Management Company Limited ("the Management Company"), an un-listed public company, manages the affairs of ABL Stock Fund ("the Fund"). The Fund being a unit trust open ended scheme does not have its own board of directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Karachi Stock Exchange, in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present, the Board includes:

Category	Names
Executive Director	Mr. Farid Ahmed Khan (deemed director u/s 200 of Companies Ordinance 1984)
Independent Director	Mr. Muhammad Shakeb Murad Mr. Kamran Nishat
Non-Executive Directors	Mr. Sheikh Mukhtar Ahmed Mr. Muhammad Waseem Mukhtar Mr. Khalid A. Sherwani Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year a casual vacancy occurred on the Board which has been simultaneously filled by the Board in the 30th Meeting of the Board of the Management Company on February 15, 2013.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Two directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance. However, the Management Company is arranging orientation program for its directors in near future.
10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Chief Internal Auditor, including their remuneration and terms and conditions of employment.
11. The Directors' Report of the Fund for the year ended June 30, 2013 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. There exists an internal audit function within the Management Company.
18. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the Committee.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Fund's units, was determined and intimated to directors, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 06, 2013



A. F. FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ABL Stock Fund** (herein after referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2013, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2013 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: August 6, 2013

Karachi

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**ABL STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2013**

	Note	June 30, 2013	June 30, 2012
----- Rupees -----			
ASSETS			
Balances with banks	4	87,063,365	20,845,250
Investments	5	708,390,910	238,031,019
Dividend and profit receivable	6	1,331,583	451,726
Security deposits	7	2,600,000	2,600,000
Receivable against sale of investments		1,758	756,518
Preliminary expenses and floatation costs	8	715,161	1,431,656
Total assets		800,102,777	264,116,169
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	9	3,933,019	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee	10	140,350	58,070
Payable to Securities and Exchange Commission of Pakistan	11	413,628	373,976
Accrued expenses and other liabilities	12	11,727,793	5,047,425
Payable against redemption of units		500,000	-
Total liabilities		16,714,790	8,366,982
NET ASSETS		783,387,987	255,749,187
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		783,387,987	255,749,187
CONTINGENCIES AND COMMITMENTS			
	13	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	14	49,038,380	24,953,264
----- Rupees -----			
NET ASSETS VALUE PER UNIT		15.9750	10.2491
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 29 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


KAMRAN NISHAT
DIRECTOR

**ABL STOCK FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	For the year ended June 30, 2013	For the year ended June 30, 2012
----- Rupees -----			
INCOME			
Dividend income		21,468,025	27,403,813
Capital gain on sale of equity investments - net		118,855,274	37,248,220
Income from government securities - net		-	2,452,986
Profit on deposits with banks		3,341,457	3,498,604
		143,664,756	70,603,623
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	75,651,274	3,530,730
Total income		219,316,030	74,134,353
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company		13,060,304	11,809,870
Sindh sales tax on remuneration of Management Company		2,090,029	1,889,579
Federal excise duty on remuneration of Management Company		189,384	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		894,181	872,388
Annual fee - Securities and Exchange Commission of Pakistan		413,628	373,976
Brokerage and securities transaction costs		3,646,438	4,817,498
Auditors' remuneration	15	400,000	405,000
Amortisation of preliminary expenses and floatation costs	8	716,495	718,458
Printing charges		150,000	81,344
Annual rating fee		110,000	110,000
Legal and professional charges		-	34,871
Listing fee		30,000	30,000
Settlement and bank charges		51,854	334,316
Other expenses		1,152,702	79,777
Total operating expenses		22,905,015	21,557,077
Net income from operating activities		196,411,015	52,577,276
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		90,114,372	2,834,093
Provision for Workers' Welfare Fund	12.2	(5,730,508)	(1,108,227)
Net income before taxation		280,794,879	54,303,142
Taxation	16	-	-
Net income after taxation		280,794,879	54,303,142
Other comprehensive income		-	-
Total comprehensive income		280,794,879	54,303,142
Earnings per unit	17		

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

**ABL STOCK FUND
DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	For the year ended June 30, 2013	For the year ended June 30, 2012
	----- Rupees -----	
Undistributed income brought forward comprising of:		
- Realised income / (loss)	2,686,688	(6,372,928)
- Unrealised income	3,530,730	8,983,826
	<u>6,217,418</u>	<u>2,610,898</u>
Distribution during the year		
- Rs. Nil per unit (2012: Rs 2.4077 per unit on June 25, 2012)		
Cash distribution	-	(24,080,801)
Issue of Nil bonus units (2012: 2,471,197 units)	-	(25,025,071)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	5,990,905	(1,590,750)
Net income after taxation	280,794,879	54,303,142
Undistributed income carried forward comprising of:	<u>293,003,202</u>	<u>6,217,418</u>
Undistributed income carried forward comprising of:		
- Realised income	217,351,928	2,686,688
- Unrealised income	75,651,274	3,530,730
	<u>293,003,202</u>	<u>6,217,418</u>

The annexed notes 1 to 29 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


KAMRAN NISHAT
DIRECTOR

**ABL STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	For the year ended June 30, 2013	For the year ended June 30, 2012
	----- Rupees -----	
Net assets at the beginning of the year	255,749,187	642,032,395
Issue of 54,487,696 units (2012: 14,593,772 units)	767,120,196	163,425,275
Redemption of 30,402,580 units (2012: 56,053,942 units)	(430,161,903)	(577,096,731)
	336,958,293	(413,671,456)
Issue of Nil bonus units (2012: 2,471,197 units)	-	25,025,071
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		
- amount representing (income) / loss and capital (gains) / losses - transferred to income statement	(90,114,372)	(2,834,093)
- amount representing (income) / loss and capital (gains) / losses - transferred to distribution statement	(5,990,905)	1,590,750
	(96,105,277)	(1,243,343)
Capital gain on sale of equity investments - net	118,855,274	37,248,220
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	75,651,274	3,530,730
Other net income	86,288,331	13,524,192
	280,794,879	54,303,142
Final distribution		
- Nil		
(2012: Rs 2.4077 per unit on June 25, 2012)		
Cash distribution	-	(24,080,801)
Issue of Nil bonus units (2012: 2,471,197 units)	-	(25,025,071)
	-	(49,105,872)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement - net	5,990,905	(1,590,750)
Net assets at the end of the year	783,387,987	255,749,187

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

**ABL STOCK FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	For the year ended June 30, 2013	For the year ended June 30, 2012
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxation		280,794,879	54,303,142
Adjustments for non-cash and other items:			
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(75,651,274)	(3,530,730)
Dividend income		(21,468,025)	(27,403,813)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		(90,114,372)	(2,834,093)
Amortisation of preliminary expenses and floatation costs		716,495	718,458
Federal excise duty on remuneration of Management Company		189,384	-
Provision for Workers' Welfare Fund		5,730,508	1,108,227
		<u>100,197,595</u>	<u>22,361,191</u>
(Increase) / decrease in assets			
Investments		(394,708,617)	293,123,311
Profit receivable		(480,275)	118,872
Receivable against sale of investments		754,760	1,802,619
Receivable against sale of units		-	412,996
		<u>(394,434,132)</u>	<u>295,457,798</u>
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		1,045,508	(1,595,687)
Payable to Central Depository Company of Pakistan Limited - Trustee		82,280	(47,325)
Payable to Securities and Exchange Commission of Pakistan		39,652	(57,891)
Accrued expenses and other liabilities		760,476	(233,885)
		<u>1,927,916</u>	<u>(1,934,788)</u>
Dividend received		21,068,443	28,785,131
Net cash (used in) / generated from operating activities		<u>(271,240,178)</u>	<u>344,669,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		767,120,196	163,425,275
Payments against redemption of units		(429,661,903)	(577,096,731)
Cash distribution paid		-	(82,645,424)
Net cash generated from / (used in) from financing activities		<u>337,458,293</u>	<u>(496,316,880)</u>
Net increase / (decrease) in cash and cash equivalents		<u>66,218,115</u>	<u>(151,647,548)</u>
Cash and cash equivalents at the beginning of the year		20,845,250	172,492,798
Cash and cash equivalents at the end of the year	4	<u><u>87,063,365</u></u>	<u><u>20,845,250</u></u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL STOCK FUND NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Stock Fund (the Fund) was established under a trust deed executed on April 23, 2009 between ABL Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised the constitution of the Trust Deed vide letter no. NBFC-II/DD/ABLAMC/422/09 on April 10, 2009 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 7, 2007. The Registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund is an open-ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. The units of the Fund are offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-end income scheme as per the criteria laid down by the SECP for categorisation of Collected Investment Schemes (CISs).

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of equity instruments. The investment objectives and policies of the Fund are more fully explained in the Fund's offering document.

The JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of 'AM2 (stable outlook)' to the Management Company as at June 21, 2013 and Fund Performance Ranking of MFR 3-Star for one year and MFR-4 Star for two and three years to the Fund as at December 31, 2012.

The assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2012:

- IAS 1, 'Financial statement presentation'. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments do not have any effect on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There are certain new and amended standards and interpretations that are mandatory for the accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i) Classification and valuation of investments (notes 3.2 and 5)
- ii) Amortisation of preliminary expenses and floatation costs (notes 3.12 and 8)
- iii) Impairment of financial assets (note 3.2.5)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been carried at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are classified as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

- Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value and on sale of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in other comprehensive income is shown as part of net income for the year.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and shown as part of income before taxation. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Collateral

Cash collateral provided by the Fund is identified in the statement of assets and liabilities as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of assets and liabilities separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 Taxation

The income of the Fund is exempt from income tax under clause 99 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no tax liability has been recorded for the current year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

3.10 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the year in which such distributions are declared.

3.11 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realisation of subscription money.

The offer price represents the net asset value per unit as of the close of the business day plus the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the previous day net asset value per unit as of the close of the business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable. Back end loads are recorded as income of the Fund.

3.12 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) and capital gains / (losses) included in the prices of the units issued less those units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting year which pertains to unrealised income / (loss) held in the unit holder's fund and undistributed income / (loss) of the Fund in a separate reserve account and any amount remaining in this reserve account at the end of accounting year (whether gain or loss) is included in the amount available for distribution to the unit holders.

The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year is recognised in the income statement.

3.13 Net assets value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.14 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive dividend is established.
- Realised capital gains / (losses) arising on sale of equity investments are included in the income statement on the date at which the sale transaction takes place.
- Profit on bank deposits and income from government securities is recognised on an accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets at fair value through profit or loss are included in the income statement in the year in which they arise.

	Note	2013	2012
		----- Rupees -----	
4 BALANCES WITH BANKS			
Savings accounts	4.1	<u>87,063,365</u>	<u>20,845,250</u>
4.1	These accounts carry mark-up at rates ranging from 6.00% to 9.50% (2012: 6.00% to 12.28%) per annum. Deposits in these accounts include Rs. 84,083,493 (2012: Rs. 10,836,148) maintained with Allied Bank Limited, a related party.		
5 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Listed equity securities	5.1	<u>708,390,910</u>	<u>238,031,019</u>

5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of investee company	Number of Shares					Balance			Market value as a percentage of net assets	Market value as a percentage of total market value of investments	Market value as a percentage of paid-up capital of investee company
	As at July 01, 2012	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at June 30, 2013	Carrying value	Market value	Appreciation / (diminution)			
-----Rupees-----											
Oil and Gas											
Attock Petroleum Limited	17,897	10,600	-	28,497	-	-	-	-	-	-	
Oil and Gas Development Company Limited	42,348	658,000	-	424,148	276,200	59,917,894	63,180,750	3,262,856	8.07%	8.92%	
Pakistan Oilfields Limited	54,961	169,839	-	85,300	139,500	64,735,642	69,383,115	4,647,473	8.86%	9.79%	
Pakistan Petroleum Limited	122,835	314,400	35,400	139,635	333,000	61,169,354	70,456,140	9,286,786	8.99%	9.95%	
Pakistan State Oil Company Limi	-	316,400	10,460	109,600	217,260	54,673,225	69,605,759	14,932,534	8.89%	9.83%	
	238,041	1,469,239	45,860	787,180	965,960	240,496,115	272,625,764	32,129,649	34.81%	38.49%	
Chemicals											
Engro Corporation Limited	-	826,600	-	454,800	371,800	44,692,924	45,311,266	618,342	5.78%	6.40%	
Fatima Fertilizer Company Limi	491,468	1,868,532	-	1,140,000	1,220,000	29,830,873	30,292,600	461,727	3.87%	4.28%	
Fauji Fertilizer Company Limited	225,189	810,912	-	986,101	50,000	5,822,161	5,371,500	(450,661)	0.69%	0.76%	
ICI Pakistan Limited	91,704	32,081	-	123,785	-	-	-	-	-	-	
	808,361	3,538,125	-	2,704,686	1,641,800	80,345,958	80,975,366	629,408	10.34%	11.44%	
Construction and materials											
Akzo Nobel Pakistan Limited	-	54,284	-	54,284	-	-	-	-	-	-	
D.G. Khan Cement Limited	412,476	1,775,524	-	1,403,500	784,500	55,891,870	65,654,805	9,762,935	8.38%	9.27%	
Fauji Cement Limited	-	6,755,500	-	4,454,500	2,301,000	27,209,388	30,580,290	3,370,902	3.90%	4.32%	
Fecto Cement Limited	-	714,500	-	594,000	120,500	6,219,500	5,785,205	(434,295)	0.74%	0.82%	
Kohat Cement Limited	-	400,584	-	400,584	-	-	-	-	-	-	
Maple Leaf Cement Factory Limited	-	3,604,000	-	1,285,000	2,319,000	51,456,611	50,855,670	(600,941)	6.49%	7.18%	
Lucky Cement Limited	156,996	297,604	-	454,600	-	-	-	-	-	-	
	569,472	13,601,996	-	8,646,468	5,525,000	140,777,369	152,875,970	12,098,601	19.51%	21.59%	
General industrials											
Packages Limited	-	179,500	-	134,000	45,500	8,077,662	10,163,335	2,085,673	1.30%	1.43%	
	-	179,500	-	134,000	45,500	8,077,662	10,163,335	2,085,673	1.30%	1.43%	
Automobile and parts											
Pak Suzuki Motors Company Lim	50,000	50,100	-	100,100	-	-	-	-	-	-	
	50,000	50,100	-	100,100	-	-	-	-	-	-	
Personal goods (Textiles)											
Nishat Mills Limited	-	1,013,000	-	490,000	523,000	42,291,357	49,271,830	6,980,473	6.29%	6.96%	
Nishat (Chunian) Limited	-	541,400	-	541,400	-	-	-	-	-	-	
Saif Textile Limited	-	170,000	-	170,000	-	-	-	-	-	-	
Gadoon Textile Limited	-	82,000	-	44,000	38,000	4,120,764	4,712,000	591,236	0.60%	0.67%	
	-	1,806,400	-	1,245,400	561,000	46,412,121	53,983,830	7,571,709	6.89%	7.63%	
Food Producers											
Engro Foods Limited	-	201,100	-	201,100	-	-	-	-	-	-	
Unilever Pakistan Limited	-	1,680	-	1,680	-	-	-	-	-	-	
	-	202,780	-	202,780	-	-	-	-	-	-	
Fixed line Telecommunications											
Pakistan Telecommunication Company Limited	-	4,275,000	-	3,475,000	800,000	16,761,204	17,752,000	990,796	2.27%	2.51%	
	-	4,275,000	-	3,475,000	800,000	16,761,204	17,752,000	990,796	2.27%	2.51%	
Balance carried forward	1,665,874	25,123,140	45,860	17,295,614	9,539,260	532,870,429	588,376,265	55,505,836	75.12%	83.08%	

Name of investee company	Number of Shares					Balance as at June 30, 2013			Market value as a percentage of net assets	Market value as a percentage of investment	Market value as a percentage of paid-up capital of investee company
	As at July 01, 2012	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at June 30, 2013	Carrying value	Market value	Appreciation/ (diminution)			
Rupees											
Balance brought forward	1,665,874	25,123,140	45,860	17,295,614	9,539,260	532,870,429	588,376,265	55,505,836	75.12%	-	83.08%
Industrial Metals and Mining											
Aisha Steel Limited	300,000	-	-	300,000	-	-	-	-	-	-	-
	300,000	-	-	300,000	-	-	-	-	-	-	-
Electricity											
Pakgen Power Limited	-	140,000	-	140,000	-	-	-	-	-	-	-
Nishat Chuman Power Limited	-	970,500	-	970,500	-	-	-	-	-	-	-
Nishat Power Limited	-	1,023,000	-	253,000	770,000	17,387,420	25,787,300	8,399,880	3.29%	3.64%	0.73%
Hub Power Company Limited	572,375	1,161,125	-	579,000	1,154,500	60,847,415	71,174,925	10,327,510	9.09%	10.05%	0.62%
	572,375	3,294,625	-	1,942,500	1,924,500	78,234,835	96,962,225	18,727,390	12.38%	13.69%	
Commercial Banks											
Bank Al Habib Limited	500,000	28,500	-	528,500	-	-	-	-	-	-	-
MCB Bank Limited	60,360	145,040	-	205,400	-	-	-	-	-	-	-
Askari Bank Limited	-	1,467,500	-	1,467,500	-	-	-	-	-	-	-
United Bank Limited	245,198	595,500	-	637,698	203,000	20,676,309	21,838,740	1,162,431	2.79%	3.06%	0.18%
Bank Alfalah Limited	1,209,900	181,100	-	1,391,000	-	-	-	-	-	-	-
National Bank of Pakistan	-	685,000	-	683,500	1,500	66,159	61,680	(4,479)	0.01%	0.01%	-
	2,015,458	3,102,640	-	4,913,598	204,500	20,742,468	21,900,420	1,157,952	2.80%	3.07%	
Non Life Insurance											
IGI Insurance Limited	-	70,500	-	62,500	8,000	891,904	1,152,000	260,096	0.15%	0.16%	0.10%
	-	70,500	-	62,500	8,000	891,904	1,152,000	260,096	0.15%	0.16%	
Tobacco											
Pakistan Tobacco Company Limi	-	78,500	-	78,500	-	-	-	-	-	-	-
	-	78,500	-	78,500	-	-	-	-	-	-	-
Total - June 30, 2013	4,553,707	31,669,405	45,860	24,592,712	11,676,260	632,739,636	708,390,910	75,651,274	90.44%	100.00%	

5.1.1 The above investment includes shares having a market value (in aggregate) amounting to Rs 37,714,200 (2012: Rs 42,029,020) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

- Attock Petroleum Limited : Nil (2012: 15,000) shares.
- Fauji Fertilizer Company Limited: 8,000 (2012: 8,000) shares.
- Lucky Cement Limited : Nil (2012: 5,000) shares.
- Oil & Gas Development Company Limited: 15,000 (2012: 15,000) shares.
- Pakistan Oilfields Limited: 33,000 (2012: 33,000) shares.
- Pakistan Petroleum Limited: 60,000 (2012: 60,000) shares.
- The Hub Power Company Limited: 70,000 (2012: 70,000) shares.
- United Bank Limited: Nil (2012: 60,000) shares.

5.2 Unrealised appreciation on re-measurement of investments classified as fair value through profit or loss - net

	2013	2012
	-----Rupees-----	
Market value of securities	708,390,910	238,031,019
Less: carrying value of securities	632,739,636	234,500,289
	<u>75,651,274</u>	<u>3,530,730</u>

6 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	583,100	183,518
Profit receivable on deposit balances with banks	748,483	268,208
	<u>1,331,583</u>	<u>451,726</u>

	2013	2012
	-----Rupees-----	
7 SECURITY DEPOSITS		
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Central Depository Company of Pakistan Limited	100,000	100,000
	<u>2,600,000</u>	<u>2,600,000</u>
8 PRELIMINARY EXPENSES AND FLOATATION COSTS		
Opening balance	1,431,656	2,150,114
Less: amortised during the year	(716,495)	(718,458)
Closing balance	<u>715,161</u>	<u>1,431,656</u>

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund. As per the requirement of the Trust Deed, these costs are being amortised over a period not exceeding five years.

	Note	2013	2012
		-----Rupees-----	
9 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Remuneration of Management Company	9.1	2,082,773	621,856
Sales load		83,427	16,022
Preliminary expenses and floatation costs		1,433,575	2,150,137
Sindh sales tax payable on remuneration of Management Company	9.2	333,244	99,496
		<u>3,933,019</u>	<u>2,887,511</u>

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter an amount equal to 2 percent of such assets of the Fund. In the current year, the Management Company has charged remuneration at the rate of 3 percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

9.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

	Note	2013	2012
		-----Rupees-----	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	140,350	57,377
Settlement charges		-	693
		<u>140,350</u>	<u>58,070</u>

10.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure:

Net Assets Value (NAV)	Tariff per annum
Upto Rs 1,000 million	Rs 0.7 million (2012: Rs 0.7 million) or 0.20% (2012: 0.20%) per annum of NAV whichever is higher.
Exceeding Rs 1,000 million	Rs 2 million (2012: Rs 2 million) plus 0.10% (2012: 0.10%) per annum of NAV exceeding Rs. 1,000 million.

	Note	2013	2012
		-----Rupees-----	
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	11.1	413,628	373,976

- 11.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as equity scheme is required to pay as annual fee to the SECP at the rate of 0.095 percent of the average annual net assets of the scheme.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2013	2012
	-----Rupees-----	
Auditors' remuneration	284,936	295,000
Rating fee	110,000	100,000
Brokerage and other charges	585,680	234,847
Provision for Federal Excise Duty	12.1 189,384	-
Provision for Workers' Welfare Fund	12.2 9,996,969	4,266,461
Other payables	560,824	151,117
	<u>11,727,793</u>	<u>5,047,425</u>

- 12.1 As per the requirement of the Finance Act 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 9.2, further levy of the FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 189,384.

12.2 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 9.997 million (including Rs 5.731 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2013 would have been higher by Rs 0.2039 per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2013.

14 NUMBER OF UNITS IN ISSUE	2013	2012
	-----Number of units-----	
Total units in issue at the beginning of the year	24,953,264	63,942,237
Add: units issued	54,487,696	14,593,772
Add: bonus units issued	-	2,471,197
Less: units redeemed	(30,402,580)	(56,053,942)
Total units in issue at the end of the year	<u>49,038,380</u>	<u>24,953,264</u>

15	AUDITORS' REMUNERATION	2013	2012
		-----Rupees-----	
	Annual audit fee	220,000	220,000
	Half yearly review fee	110,000	110,000
	Other certifications and services	50,000	50,000
	Out of pocket expenses	20,000	25,000
		<u>400,000</u>	<u>405,000</u>

16 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute more than ninety percent of the Fund's accounting income for the current year to its unit holders.

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2013, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than at fair value through profit or loss.

-----As at June 30, 2013-----			
	Loans and receivables	At fair value through profit or loss	Total
-----Rupees-----			
Financial assets			
Balances with banks	87,063,365	-	87,063,365
Investments	-	708,390,910	708,390,910
Dividend and profit receivable	1,331,583	-	1,331,583
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	1,758	-	1,758
	<u>90,996,706</u>	<u>708,390,910</u>	<u>799,387,616</u>

-----As at June 30, 2013-----			
	At fair value through profit or loss	Other financial liabilities	Total
-----Rupees-----			
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	3,599,775	3,599,775
Payable to Central Depository Company of Pakistan Limited - Trustee	-	140,350	140,350
Accrued expenses and other liabilities	-	1,541,440	1,541,440
Payable against redemption of units	-	500,000	500,000
	<u>-</u>	<u>5,781,565</u>	<u>5,781,565</u>

-----As at June 30, 2012-----			
	Loans and receivables	At fair value through profit or loss	Total
-----Rupees-----			
Financial assets			
Balances with banks	20,845,250	-	20,845,250
Investments	-	238,031,019	238,031,019
Dividend and profit receivable	451,726	-	451,726
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	756,518	-	756,518
	<u>24,653,494</u>	<u>238,031,019</u>	<u>262,684,513</u>

	As at June 30, 2012		
	At fair value through profit or loss	Other financial liabilities	Total
	Rupees		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	2,887,511	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee	-	58,070	58,070
Accrued expenses and other liabilities	-	780,964	780,964
Payable against redemption of units	-	-	-
	-	3,726,545	3,726,545

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited - Employees Superannuation (Pension) Fund, Allied Bank Limited - Staff Provident Fund, Cyan Limited, Cyan Limited - Employees Provident Fund and CFA Association of Pakistan being entities under common management and / or directorship, the Central Depository Company of Pakistan limited being the Trustee of the Fund, the directors and officers of the Management Company and Sindh Province Pension Fund being connected person.

19.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

19.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

19.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

19.5 Details of transactions during the year

	For the year ended June 30, 2013	For the year ended June 30, 2012
	Rupees	
ABL Asset Management Company Limited - Management Company		
Bonus of Nil units (2012: 602,325 units)	-	6,099,564
Redemption of 1,523,266 units (2012: Nil units)	25,000,000	-
Remuneration	13,060,304	11,809,870
Sindh sales tax on remuneration of Management Company	2,090,029	1,889,579
Allied Bank Limited		
Profit on bank deposits	2,842,037	1,611,600
Cash distribution paid	-	24,077,000
Bank charges	36,998	38,147
Allied Bank Limited - Employees Superannuation (Pension) Fund		
Redemption of Nil units (2012: 10,000,000 units)	-	97,021,000
Ibrahim Agencies (Private) Limited		
Redemption of Nil units (2012: 26,530,977 units)	-	258,894,581
Sindh Province Pension Fund *		
Issue of 5,295,937 units	75,000,000	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	894,181	872,388
Settlement charges	69,903	274,725

KEY MANAGEMENT PERSONNEL

Executives

Issue of Nil units (2012: 40,185 units)	-	504,922
Bonus of Nil units (2012: 9,554 units)	-	96,752
Redemption of 49,739 units (2012: 58,343 units)	579,985	647,409

19.6 Details of amounts outstanding as at year end

	2013	2012
	Rupees	
ABL Asset Management Company Limited - Management Company		
Remuneration payable	2,082,773	621,856
Preliminary expenses and floatation costs payable	1,433,575	2,150,137
Sales load payable	83,427	16,022
Outstanding 1,612,416 units (2012: 3,135,682 units)	25,756,564	32,137,918
Sindh sales tax on remuneration of Management Company	333,244	99,496

	2013	2012
	-----Rupees-----	
Allied Bank Limited		
Profit receivable on saving accounts	602,878	91,584
Bank balance	84,083,493	10,836,148
Units held 10,000,000 (2012: 10,000,000 units)	159,739,000	102,491,000
Sindh Province Pension Fund *		
Outstanding 5,295,937 units	84,602,594	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	140,350	57,377
Settlement charges payable	-	693
Security deposit	100,000	100,000
Key Management Personnel		
Executives		
Outstanding Nil units (2012: 49,738 units)	-	509,770

* Prior year comparatives have not been presented as the entity did not classify as related party / connected person as at June 30, 2012.

20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of the members of investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Farid Ahmed Khan	Chief Executive Officer	19	CFA
2	Muhammad Imran	Chief Investment Officer	14	MBA
3	Abid Jamal	Head of Research	10	BS
4	Kamran Aziz	Fund Manager	6	CFA
5	Faizan Saleem	Fund Manager	6	MBA

- 20.1 Mr. Kamran Aziz is the Fund Manager of the Fund. He is also managing ABL Islamic Income Fund, ABL AMC Capital Protected Fund and ABL Islamic Stock Fund.

21 TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2013

S. No.	Particulars	Percentage
1	Fortune Securities (Private) Limited	11.97%
2	AKD Securities Limited	11.20%
3	BMA Capital Management Limited	9.18%
4	Arif Habib Limited	7.76%
5	JS Global Capital Limited	7.52%
6	Optimus Capital Management (Private) Limited	6.38%
7	Topline Securities (Private) Limited	6.19%
8	NAEL Capital (Private) Limited	4.38%
9	Foundations Securities (Private) Limited	4.34%
10	Invest & Finance Securities Limited	4.25%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2012

S. No.	Particulars	Percentage
1	Optimus Capital Management (Private) Limited	11.31%
2	Taurus Securities (Private) Limited	10.32%
3	Fortune Securities (Private) Limited	9.73%
4	Invest & Finance Securities Limited	6.11%
5	Invisor Securities (Private) Limited	5.90%
6	BMA Capital Management Limited	5.66%
7	Arif Habib Limited	5.22%
8	Topline Securities (Private) Limited	4.98%
9	KASB Securities Limited	4.83%
10	Foundation Securities Limited	4.82%

22 PATTERN OF UNIT HOLDING

-----As at June 30, 2013-----				
Category	Number of unit holders	Number of units held	Net assets value of the amount invested (Rupees)	Percentage of total investment
Individuals	338	13,606,453	217,363,087	27.75%
Associated companies / directors	2	11,612,416	185,508,337	23.68%
Insurance companies	3	2,516,798	40,205,847	5.13%
Retirement Fund	16	20,049,408	320,289,279	40.89%
Others	2	1,253,305	20,021,437	2.55%
	361	49,038,380	783,387,987	100.00%

-----As at June 30, 2012-----				
Category	Number of unit holders	Number of units held	Net assets value of the amount invested (Rupees)	Percentage of total investment
Individuals	154	5,085,120	52,118,592	20.38%
Associated companies / directors	2	13,135,682	134,628,918	52.64%
Insurance companies	-	-	-	-
Retirement funds	5	3,661,392	37,525,973	14.67%
Others	2	3,071,070	31,475,704	12.31%
	163	24,953,264	255,749,187	100.00%

23 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 27th, 28th, 29th, 30th and 31st Board of Directors meetings were held on August 10, 2012, October 25, 2012, December 20, 2012, February 15, 2013 and April 25, 2013 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	No. of meetings			Meetings not attended
		Held	Attended	Leave granted	
Directors					
1	Sheikh Mukhtar Ahmed	5	5	-	-
2	Muhammad Waseem Mukhtar	5	5	-	-
3	Khalid A. Sherwani*	5	4	1	31st BOD
4	Kamran Nishat	5	5	-	-
5	M. Shakeb Murad	5	2	3	27th BOD, 29th BOD and 30th BOD
6	M. Jawaid Iqbal	5	4	1	31st BOD
7	Farid Ahmed Khan**	5	5	-	-
8	Zia Ijaz***	4	3	1	27th BOD
9	Khawaja Muhammad Almas****	1	1	-	-
Other persons					
1	Saqib Matin*****	5	5	-	-

* Resigned from the services as director on the Board of ABL AMCL which has been approved on July 12, 2013.

** Deemed director under section 200 of the Companies Ordinance, 1984.

*** Resigned in the 30th BOD Meeting of ABL AMCL held on February 15, 2013.

**** New director of ABL AMCL appointed in the 30th meeting of the BODs of ABL AMCL held on February 15, 2013.

***** Attended BOD meetings as Company Secretary.

24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

24.1 Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Fund is mainly exposed to interest rate risk on balances held with banks.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to any material interest rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	-----As at June 30, 2013-----					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	-----Rupees-----				

On-balance sheet financial instruments

Financial assets

Balances with banks	6.00 - 9.50	87,063,365	-	-	-	87,063,365
Investments		-	-	-	708,390,910	708,390,910
Dividend and profit receivable		-	-	-	1,331,583	1,331,583
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	1,758	1,758
Sub total		87,063,365	-	-	712,324,251	799,387,616

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	3,599,775	3,599,775
Payable to Central Depository Company of Pakistan Limited-Trustee		-	-	-	140,350	140,350
Accrued expenses and other liabilities		-	-	-	1,541,440	1,541,440
Payable against redemption of units		-	-	-	500,000	500,000
Sub total		-	-	-	5,781,565	5,781,565

On-balance sheet gap (a)

	87,063,365	-	-	706,542,686	793,606,051
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap (b)

	-	-	-	-	-
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Total interest rate sensitivity gap (a+b)

	87,063,365	-	-	706,542,686	793,606,051
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Cumulative interest rate sensitivity gap

	87,063,365	87,063,365	87,063,365
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Particulars	As at June 30, 2012					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6.0 - 12.28	20,845,250	-	-	-	20,845,250
Investments		-	-	-	238,031,019	238,031,019
Dividend and profit receivable		-	-	-	451,726	451,726
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	756,518	756,518
Sub total		20,845,250	-	-	241,839,263	262,684,513
Financial liabilities						
Payable to ABL Asset Management Company Limited						
- Management Company		-	-	-	2,887,511	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	58,070	58,070
Accrued expenses and other liabilities		-	-	-	780,964	780,964
Payable against redemption of units		-	-	-	-	-
Sub Total		-	-	-	3,726,545	3,726,545
On-balance sheet gap (a)		20,845,250	-	-	238,112,718	258,957,968
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		20,845,250	-	-	238,112,718	258,957,968
Cumulative interest rate sensitivity gap		20,845,250	20,845,250	20,845,250		

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust deed. The Fund's constitutive document / NBFC Regulations also limit individual equity securities based on the net assets, or issued capital of the investee company and sector exposure limit.

In case of 5% increase / decrease in KSE 100 index on June 30, 2013, net income for the year would increase / decrease by Rs 9.574 million (2012: Rs 2.927 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on increase / decrease of equity index by 5% with all other variables held constant and with an assumption that all the Fund's equity instruments will move according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the aforementioned sensitivity analysis is not necessarily indicative of the effects on the Fund's net assets of future movements in the level of KSE 100 index.

24.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable on equity securities. For banks and financial institutions only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company System. The risk of default is considered minimal due to inherent systematic measures taken therein.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

24.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2013:

Balances with banks by rating category

Bank Name	Rating agency	Published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	96.59%
Askari Commercial Bank Limited	PACRA	AA	0.22%
Bank Alfalah Limited	PACRA	AA	1.17%
Faysal Bank Limited	PACRA	AA	0.01%
MCB Bank Limited	PACRA	AAA	0.76%
United Bank Limited	JCR-VIS	AA+	0.05%
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	1.20%

There are no financial assets that are past due or impaired.

24.2.2 Concentration of credit risk

The Fund mainly deals in equity securities which are primarily subject to price risk. The concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of other financial instruments comprise of bank balances which are broadly diversified and kept with credit-worthy counterparties / Banks and financial institutions thereby mitigating any significant concentrations of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable as they are listed on the Stock Exchanges.

In order to manage the Fund's overall liquidity, the Fund may withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

-----As at June 30, 2013-----			
Upto three months	More than three months and upto one year	More than one year	Total

----- Rupees -----

Liabilities

Payable to ABL Asset Management Company Limited - Management Company	2,882,695	-	717,080	3,599,775
Payable to Central Depository Company of Pakistan Limited - Trustee	140,350	-	-	140,350
Accrued expenses and other liabilities	1,541,440	-	-	1,541,440
Payable against redemption of units	500,000	-	-	500,000
	<u>5,064,485</u>	-	<u>717,080</u>	<u>5,781,565</u>

-----As at June 30, 2012-----			
Upto three months	More than three months and upto one year	More than one year	Total

----- Rupees -----

Liabilities

Payable to ABL Asset Management Company Limited - Management Company	1,454,086	-	1,433,425	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee	58,070	-	-	58,070
Accrued expenses and other liabilities	780,964	-	-	780,964
Payable against redemption of units	-	-	-	-
	<u>2,293,120</u>	-	<u>1,433,425</u>	<u>3,726,545</u>

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

International Financial Reporting Standard 7 'Financial Instruments: Disclosure' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, whether directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (level 3)

Investments of the Fund carried at fair value are categorised as follows:

----- As at June 30, 2013 -----			
Level 1	Level 2	Level 3	Total

----- Rupees -----

ASSETS

Financial assets at fair value through profit or loss - Investment in listed equity securities	708,390,910	-	-	708,390,910
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----- As at June 30, 2012 -----			
Level 1	Level 2	Level 3	Total

----- Rupees -----

ASSETS

Financial assets at fair value through profit or loss - Investment in listed equity securities	238,031,019	-	-	238,031,019
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26 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holder's fund is represented by the net assets attributable to unit holders / redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' funds.

The Fund has no restrictions or specific funding requirements on the subscription and redemption of units.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

27 NON-ADJUSTING EVENT AFTER JUNE 30, 2013

The Board of Directors of the Management Company in their meeting held on August 6, 2013 approved a distribution of Rs 5.3270 per unit for the year ended June 30, 2013. The financial statements of the Fund for the year ended June 30, 2013 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2014.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 06, 2013 by the Board of Directors of the Management Company.

29 GENERAL

- 29.1** Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification were made in these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR