



ABL *Stock Fund*

CONDENSED INTERIM FINANCIAL STATEMENT

HALF YEARLY REPORT FOR THE PERIOD
ENDED DECEMBER 31, 2013



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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. Muhammad Waseem Mukhtar Mr. Tariq Mahmood 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 Shahr-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 un-audited Condensed Interim Financial Statements of ABL-SF for the half year ended December 31, 2013.

ECONOMIC PERFORMANCE REVIEW

The year 2013 marked a new chapter in Pakistan's history with a smooth civilian to civilian transition of Government. Acting swiftly to address the economic morass, the newly elected Government entered into a fresh IMF program (USD6.64bn to be released over a period of 36 months) to steer the country out of economic doldrums. As it turned out, the stringent conditions set forth by the IMF defined the contours of the economic policy to a great extent. Revenue enhancement measures, removal of subsidies and kick starting the privatization process were at the top of the agenda for policy makers. As measures were enforced, key economic indicators suffered with inflation sky rocketing (10.9% in November after hitting a low of 7.4% in September) and PKR weakening (5.8% depreciation over 1HFY14) significantly against the dollar. Monetary authorities, sighting inflationary pressures and low FX reserve position (SBP reserves at USD3.66 billion at year end after hitting a low of USD2.96 billion in December), retreated on their monetary easing stance and increased the discount rate cumulatively by 100bps to 10% during the period.

On the fiscal front, tax collection increased to PKR1,031 billion (+14% YoY), but still fell short of the target by Rs 59 billion. Removal of electricity subsidies had little bearing on circular debt which has again piled up after the Government cleared the dues following the FY14 budget. Balance of Payment position remained precarious (posting a deficit of USD1.86 billion for 1HFY14) as the current account deficit swelled to USD1.59 billion. To give the credit where it's due, the Government has undertaken some tough decisions which have paved way for 2nd generation of reforms. Inflation was back in single digits during December 2013 while the critical FX reserve position was rescued by the release of IMF's second tranche. The rupee also recovered to close year end at PKR105.3 vs. USD after hitting a low of 108.6.

MARKET OVERVIEW

Equities had a fabulous 1HFY14 with the benchmark KSE-100 index gaining 20.3% to close at 25,261.14 points. Strong performance was primarily attributable to cement, textiles, and FMCGs sectors. Overall volumes were strong, averaging 193.43 million shares (up 30% YoY), while value traded averaged USD 76.47 million (+73% YoY). Grant of GSP plus status, timely IMF EFF disbursements, robust earnings growth and strong foreign flows boosted investor sentiment. FIPI was recorded at USD 132 million (excluding one-time sale of KAPCO shares by international power) vs. USD 157 million inflows in the corresponding period of last year. Buoyant investor sentiment was also evident in IPO's, with IPO's of both Engro Fertilizer and Avanceon Limited oversubscribed. At year end, the market was trading at an attractive 2014E P/E of 8.3x and dividend yield of 6%.

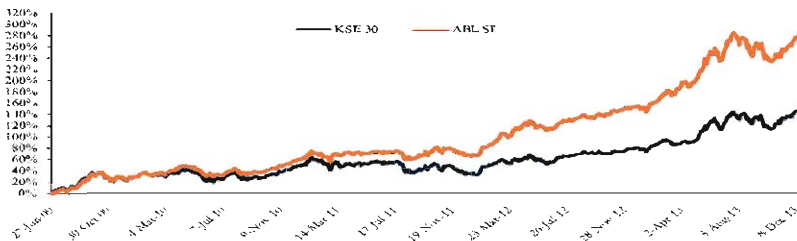
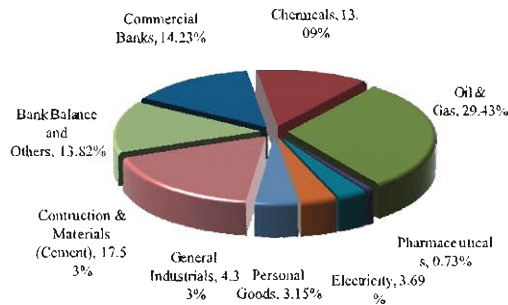
MUTUAL FUND INDUSTRY REVIEW

Equity funds' AUMs increased by 28% during 1HFY14 to close at PKR 79.1 billion against 20.3% increase in KSE-100 index in the same period. Figures are encouraging given net declining trend witnessed in previous years. We expect AUMs in equity funds to rise further as investors are attracted by the bullish trend in local bourses and mutual fund industry uses sophisticated products such as CPPI Funds to attract cautious investors into equities.

FUND PERFORMANCE

During the period under review, ABL Stock Fund's AUM decreased by 8.1% to PKR 719.7 million compared to PKR 783.4 million as at June 30, 2013. On the other hand, ABL-SF posted an absolute return of 14.1% against the benchmark return of 16.1%, an under-performance of 2.0% during 1HFY14. In view of the record high index level, the fund adopted a cautious approach with primary investments in quality blue chip scrips.

When measured from its inception date, ABL-SF posted a return of 284.3% as compared to its benchmark return of 147.4%, depicting a significant out-performance of 136.9%.



OUTLOOK

Recent appreciation in Pak Rupee (3% against USD in Dec'13) and decline in SPI in last few weeks, give a semblance of hope on the monetary policy front and offer early encouragement signs for equity investors. Both the factors, coupled with abundant liquidity lying with local institutions have re-ignited confidence in equity markets. While we share the optimism reflected in the recent rally, significant re-rating of multiples from the current levels would require clarity on reform process, improvement in the law & order situation and global liquidity position. Equity market may consolidate at these levels as investors look for tangible progress on factors mentioned above. As the low hanging fruit has been plucked, market performance from here will be more measured and fundamental driven.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2014 for ABL Income Fund (ABL-IF).

FUND RANKING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on September 18, 2013 assigned MFR 4-Star to ABL-SF (based on Three years average), which denotes 'good performance'.

MANAGEMENT QUALITY RATING

The Management Quality Rating of ABL Asset Management Limited (ABL AMC) is 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

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 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, February 7, 2014



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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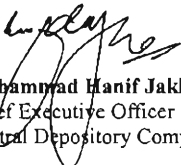
TRUSTEE REPORT TO THE UNIT HOLDERS

ABL STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 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: February 13, 2014





INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Stock Fund** as at December 31, 2013 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (herein-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2013. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Date: February 12, 2014

Karachi

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Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (799) 315320, +93 (799) 315320

**ABL STOCK FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2013**

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	----- Rupees -----	
ASSETS			
Balances with banks	4	57,976,542	87,063,365
Investments	5	679,165,339	708,390,910
Dividend and profit receivable		832,623	1,331,583
Security deposits and prepayments		2,624,811	2,600,000
Receivable against sale of investments		-	1,758
Preliminary expenses and floatation costs		353,969	715,161
Total assets		740,953,284	800,102,777
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	5,013,800	4,152,705
Payable to Central Depository Company of Pakistan Limited - Trustee		115,290	140,350
Payable to the Securities and Exchange Commission of Pakistan		355,481	413,628
Accrued expenses and other liabilities	7	13,710,435	11,508,107
Payable against purchase of investments		2,110,126	-
Payable against redemption of units		-	500,000
Total liabilities		21,305,132	16,714,790
NET ASSETS		719,648,152	783,387,987
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		719,648,152	783,387,987
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE	9	----- Number of units ----- 56,775,183	49,038,380
NET ASSET VALUE PER UNIT		----- Rupees ----- 12.6754	15.9750
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

**ABL STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

		For the half year ended December 31, 2013	For the half year ended December 31, 2012	For the quarter ended December 31, 2013	For the quarter ended December 31, 2012
		Rupees			
INCOME	Note				
Dividend income		20,918,810	11,911,150	7,662,610	7,073,025
Capital gain on sale of equity investments - net		36,107,820	24,436,660	8,257,309	15,467,010
Income from government securities - net		79,389	-	79,389	-
Profit on deposits with banks		3,328,308	1,316,463	1,753,533	586,032
Back end load		403	-	-	-
		60,434,730	37,664,273	17,752,841	23,126,067
Unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	5.3	57,360,733	26,184,711	77,447,694	7,927,938
Total income		117,795,463	63,848,984	95,200,535	31,054,005
EXPENSES					
Remuneration of ABL Asset Management Company Limited - Management Company		11,225,694	5,177,144	5,104,853	2,870,720
Sindh sales tax on remuneration of Management Company	6.1	2,083,473	828,256	947,431	459,274
Federal excise duty on remuneration of Management Company	6.2	1,796,038	-	816,742	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		748,380	369,395	340,324	192,956
Annual fee - Securities and Exchange Commission of Pakistan		355,480	163,943	161,654	90,906
Brokerage and securities transaction costs		2,532,605	2,057,709	1,093,664	1,068,764
Auditors' remuneration		270,505	202,501	169,684	101,764
Amortisation of preliminary expenses and floatation costs		361,192	361,192	180,596	180,596
Printing charges		75,624	75,000	37,812	37,188
Annual rating fee		65,131	45,001	30,268	17,309
Listing fee		25,189	15,000	12,604	7,500
Settlement and bank charges		286,566	168,310	121,960	96,654
Total operating expenses		19,825,877	9,463,451	9,017,592	5,123,631
Net income for the period from operating activities		97,969,586	54,385,533	86,182,943	25,930,374
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		(6,084,280)	14,157,914	(33,727,182)	11,275,185
Provision for Workers' Welfare Fund	7.1	(2,398,542)	(1,426,012)	(1,609,959)	(744,079)
Net income for the period before taxation		89,486,764	67,117,435	50,845,802	36,461,480
Taxation	8	-	-	-	-
Net income for the period after taxation		89,486,764	67,117,435	50,845,802	36,461,480
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		89,486,764	67,117,435	50,845,802	36,461,480
Earnings per unit	10				

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

**ABL STOCK FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	For the half year ended December 31, 2013	For the half year ended December 31, 2012
Note	----- Rupees -----	
Undistributed income brought forward comprising of:		
- realised income	217,351,928	2,686,688
- unrealised income	<u>75,651,274</u>	<u>3,530,730</u>
	293,003,202	6,217,418
Distribution during the period		
Rs 5.3270 per unit on August 6, 2013 (2012: NIL)		
Cash distribution	(53,273,290)	-
Issue of 16,878,820 bonus units (2012: NIL)	<u>(205,361,227)</u>	-
	(258,634,517)	-
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	28,041,825	2,756,672
Net income for the period after taxation	89,486,764	67,117,435
Undistributed income carried forward	<u>151,897,274</u>	<u>76,091,525</u>
Undistributed income carried forward comprising of:		
- realised income	94,536,541	49,906,814
- unrealised income	<u>57,360,733</u>	<u>26,184,711</u>
	<u>151,897,274</u>	<u>76,091,525</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

**ABL STOCK FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	For the half year ended December 31, 2013	For the half year ended December 31, 2012
	----- Rupees -----	
Net assets at the beginning of the period	783,387,987	255,749,187
Issue of 22,928,551 units (2012: 18,036,752 units)	302,405,016	208,179,298
Redemption of 32,070,568 units (2012: 6,953,423 units)	(408,442,605)	(80,431,426)
	(106,037,589)	127,747,872
Issue of 16,878,820 bonus units (2012: NIL)	205,361,227	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	6,084,280	(14,157,914)
- amount representing (income) / loss and capital (gains) / losses transferred to distribution statement	(28,041,825)	(2,756,672)
	(21,957,545)	(16,914,586)
Capital gain on sale of equity investments - net	36,107,820	24,436,660
Unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	57,360,733	26,184,711
Other net income	(3,981,789)	16,496,064
	89,486,764	67,117,435
Distribution during the period		
Rs 5.3270 per unit on August 6, 2013 (2012: NIL)		
- Cash distribution	(53,273,290)	-
- Issue of 16,878,820 bonus units (2012: NIL)	(205,361,227)	-
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed transferred to distribution statement	28,041,825	2,756,672
Net assets as at the end of the period	<u>719,648,152</u>	<u>436,456,580</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

**ABL STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	For the half year ended December 31, 2013	For the half year ended December 31, 2012
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	89,486,764	67,117,435
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	(57,360,733)	(26,184,711)
Dividend income	(20,918,810)	(11,911,150)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	6,084,280	(14,157,914)
Amortisation of preliminary expenses and floatation costs	361,192	361,192
Federal excise duty on remuneration of Management Company	1,796,038	-
Provision for Workers' Welfare Fund	2,398,542	1,426,012
	<u>21,847,273</u>	<u>16,650,864</u>
(Increase) / decrease in assets		
Investments	86,586,304	(156,658,701)
Profit receivable	155,060	115,142
Security deposits and prepayment	(24,811)	(15,000)
Receivable against sale of investments	1,758	756,518
	<u>86,718,311</u>	<u>(155,802,041)</u>
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(934,943)	501,796
Payable to Central Depository Company of Pakistan Limited - Trustee	(25,060)	14,672
Payable to Securities and Exchange Commission of Pakistan	(58,147)	(210,033)
Payable against purchase of investments	2,110,126	5,648,490
Accrued expenses and other liabilities	(196,214)	348,341
	<u>895,762</u>	<u>6,303,266</u>
Dividend received	21,262,710	11,876,447
Net cash generated from / (used in) operating activities	<u>130,724,056</u>	<u>(120,971,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(53,273,290)	-
Receipts from issuance of units	302,405,016	208,179,298
Payments against redemption of units	(408,942,605)	(80,415,994)
Net cash (used in) / generated from financing activities	<u>(159,810,879)</u>	<u>127,763,304</u>
Net (decrease) / increase in cash and cash equivalents	<u>(29,086,823)</u>	<u>6,791,840</u>
Cash and cash equivalents at the beginning of the period	87,063,365	20,845,250
Cash and cash equivalents at the end of the period	<u>57,976,542</u>	<u>27,637,090</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

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 (ABL AMCL) 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.

The Fund has been categorised as an open-ended equity scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Scheme (CIS).

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in a 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, MFR 5-Star for two years and MFR-4 Star for three years to the Fund as at June 30, 2013.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) 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 Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the 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 the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2013.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2013.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2013.

The preparation of this condensed interim financial information 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. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2013.

The financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Fund for the year ended June 30, 2013.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2013. None of these amendments are expected to have a significant effect on this condensed interim financial information.

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	----- Rupees -----	
4	BALANCES WITH BANKS		
	Savings accounts	4.1 <u>57,976,542</u>	<u>87,063,365</u>
4.1	These savings accounts carry mark-up at rates ranging from 6.50% to 8.50% (June 30, 2013: 6.00% to 9.50%) per annum. Deposits in savings accounts include Rs 56,367,073 (June 30, 2013: Rs 84,083,493) maintained with Allied Bank Limited, a related party and carry mark-up at rate of 8.50% (June 30, 2013: 9.25%)		
		(Un-audited) December 31, 2013	(Audited) June 30, 2013
5	INVESTMENTS		
	Financial assets at fair value through profit or loss		
	- Listed equity securities	5.1 638,563,514	708,390,910
	- Advance for purchase of equity securities	5.1.2 15,945,000	-
	- Government securities	5.2 <u>24,656,825</u>	<u>-</u>
		<u>679,165,339</u>	<u>708,390,910</u>

5.1 Listed equity securities

Name of investee company	Number of Shares				Balance as at December 31, 2013			Market value as a percentage of total net assets	Market value as a percentage of total investments	Market value as a percentage of paid-up capital of investee company	
	As at July 01, 2013	Purchased during the period	Bonus shares received during the period	Sold during the period	As at December 31, 2013	Carrying value	Market value				Appreciation / (diminution)
Rupees											
Oil and gas											
National Refinery Limited	-	9,800	-	-	9,800	2,110,150	2,112,096	1,946	0.29%	0.31%	0.26%
Oil and Gas Development Company Limited	276,200	159,200	-	304,800	130,600	32,338,017	36,092,616	3,754,599	5.02%	5.31%	0.08%
Pakistan Oilfields Limited	139,500	45,500	-	53,200	131,800	64,768,211	65,598,178	829,967	9.12%	9.66%	2.77%
Pakistan Petroleum Limited	333,000	92,700	57,400	177,000	306,100	56,982,535	65,493,156	8,510,621	9.10%	9.64%	0.33%
Pakistan State Oil Company Limited	217,260	186,700	-	257,100	146,860	46,021,719	48,789,829	2,768,110	6.78%	7.18%	1.98%
	965,960	493,900	57,400	792,100	725,160	202,220,632	218,085,875	15,865,243	30.31%	32.10%	
Chemicals											
Engro Corporation Limited	371,800	209,800	-	461,000	120,600	16,500,670	19,100,628	2,599,958	2.65%	2.81%	0.37%
Fatima Fertilizer Company Limited	1,220,000	1,328,500	-	1,916,300	632,200	16,167,349	18,055,632	1,888,283	2.51%	2.66%	0.09%
Fauji Fertilizer Company Limited	50,000	471,600	-	126,000	395,600	42,504,646	44,291,376	1,786,730	6.15%	6.52%	0.35%
Fauji Fertilizer Bin Qasim Limited	-	569,000	-	214,000	355,000	14,280,791	15,552,550	1,271,759	2.16%	2.29%	0.17%
	1,641,800	2,578,900	-	2,717,300	1,503,400	89,453,456	97,000,186	7,546,730	13.47%	14.28%	
Construction and materials (cement)											
D.G. Khan Cement Company Limited	784,500	290,000	-	821,500	253,000	19,865,605	21,689,690	1,824,085	3.01%	3.19%	0.50%
Fauji Cement Limited	2,301,000	3,060,000	-	3,244,500	2,116,500	28,696,537	33,758,175	5,061,638	4.69%	4.97%	0.25%
Fecto Cement Limited	120,500	-	-	120,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	2,319,000	2,049,000	-	2,765,500	1,602,500	38,904,921	43,956,575	5,051,654	6.11%	6.47%	0.83%
Lucky Cement Limited	-	225,600	-	124,000	101,600	24,279,168	30,466,792	6,187,624	4.23%	4.49%	0.94%
	5,525,000	5,624,600	-	7,076,000	4,073,600	111,746,231	129,871,232	18,125,001	18.04%	19.12%	
General Industrials											
Packages Limited	45,500	104,700	-	32,500	117,700	27,870,378	32,088,551	4,218,173	4.46%	4.72%	3.80%
	45,500	104,700	-	32,500	117,700	27,870,378	32,088,551	4,218,173	4.46%	4.72%	
Food producers											
Engro Foods Limited	-	145,000	-	145,000	-	-	-	-	-	-	-
	-	145,000	-	145,000	-	-	-	-	-	-	-
Personal goods (textiles)											
Nishat Mills Limited	523,000	256,000	-	595,400	183,600	18,185,740	23,361,264	5,175,524	3.25%	3.44%	0.66%
Nishat (Chunian) Limited	-	379,150	-	379,150	-	-	-	-	-	-	-
Gadon Textile Limited	38,000	-	-	38,000	-	-	-	-	-	-	-
	561,000	635,150	-	1,012,550	183,600	18,185,740	23,361,264	5,175,524	3.25%	3.44%	
Fixed line telecommunications											
Pakistan Telecommunication Company Limited	800,000	12,000	-	812,000	-	-	-	-	-	-	-
	800,000	12,000	-	812,000	-	-	-	-	-	-	-
Electricity											
Nishat Power Limited	770,000	114,000	-	884,000	-	-	-	-	-	-	-
Hub Power Company Limited	1,154,500	199,000	-	903,200	450,300	27,923,783	27,342,216	(581,567)	3.80%	4.03%	0.24%
	1,924,500	313,000	-	1,787,200	450,300	27,923,783	27,342,216	(581,567)	3.80%	4.03%	
Commercial banks											
Bank Al Habib Limited	-	502,000	-	45,500	406,500	14,843,373	16,890,075	2,046,702	2.35%	2.49%	0.17%
MCB Bank Limited	-	72,700	-	72,700	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited	-	406,000	-	51,500	354,500	8,450,233	8,887,315	437,082	1.23%	1.31%	0.08%
United Bank Limited	203,000	271,000	-	318,000	156,000	21,036,127	20,677,800	(358,327)	2.87%	3.04%	0.17%
Bank Alfalah Limited	-	2,278,000	-	838,000	1,440,000	34,633,349	38,937,600	4,304,251	5.41%	5.73%	0.29%
National Bank of Pakistan	1,500	922,000	-	578,500	345,000	20,241,075	20,030,700	(210,375)	2.78%	2.95%	0.09%
	204,500	4,451,700	-	1,954,200	2,702,000	99,204,157	105,423,490	6,219,333	14.64%	15.52%	
Non life insurance											
ICI Insurance Limited	8,000	-	-	8,000	-	-	-	-	-	-	-
	8,000	-	-	8,000	-	-	-	-	-	-	-
Pharma and bio tech											
Ferozsons Laboratories	-	34,000	-	-	34,000	4,586,015	5,390,700	804,685	0.75%	0.79%	1.79%
	-	34,000	-	-	34,000	4,586,015	5,390,700	804,685	0.75%	0.79%	
	11,676,260	14,392,950	57,400	16,336,850	9,789,760	581,190,892	638,563,514	57,373,122	88.72%	94.00%	

5.1.1 The above investment includes shares having a market value (in aggregate) amounting to Rs 101,070,030 (2013: Rs 37,714,200) 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 and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

- D.G.Khan Cement Company Limited: 50,000 (2013: Nil) shares.
- Engro Corporation Limited: 50,000 (2013: Nil) shares.
- Fauji Fertilizer Company Limited: Nil (2013: 8,000) shares.
- Oil & Gas Development Company Limited: 65,000 (2013: 15,000) shares.
- Pakistan Oilfields Limited: 63,000 (2013: 33,000) shares.
- Pakistan Petroleum Limited: 90,000 (2013: 60,000) shares.
- Pakistan State Oil Company Limited: 30,000 (2013: Nil) shares.
- The Hub Power Company Limited: 170,000 (2013: 70,000) shares.

5.1.2 This represents advance for purchase of equity shares of Engro Fertilizer Limited (500,000 shares at a strike price of Rs 28.25 per share) and Avanceon Limited (130,000 shares at a strike price of Rs 14.00 per share). The Fund has subscribed to the initial public offering (IPO) of these companies. As at December 31, 2013 these companies have allotted shares against the subscribed amount.

5.2 Government securities - Market treasury bills

Issue date	Tenor	Face Value				Balance as at December 31, 2013			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
		As at July 01, 2013	Purchased during the period	Disposed of / matured during the period	As at December 31, 2013	Carrying value	Market value	Appreciation / (diminution)		
November 28, 2013	3 months	-	25,000,000	-	25,000,000	24,669,214	24,656,825	(12,389)	3.43%	3.63%

5.2.1 Market treasury bill carry effective interest rate at 9.82% per annum.

	(Un-audited) December 31, 2013	(Audited) June 30, 2013
Note	-----	-----
5.3	Unrealised appreciation on re-measurement of investments classified as financial asset at fair value through profit or loss - net	
Market value of securities	679,165,339	708,390,910
Less: carrying value of securities	621,804,606	632,739,636
	<u>57,360,733</u>	<u>75,651,274</u>
6	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY	
Remuneration of Management Company	1,706,884	2,082,773
Sindh sales tax on remuneration of Management Company	6.1 590,772	363,546
Federal excise duty on remuneration of Management Company	6.2 1,985,422	189,384
Preliminary expenses and floatation costs	717,013	1,433,575
Sales load	13,709	83,427
	<u>5,013,800</u>	<u>4,152,705</u>

6.1 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.

- 6.2 As per the requirements of the Finance Act 2013, 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 6.1, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 1.985 million. Had the provision not been made the net asset value per unit of the Fund as at December 31, 2013 would have been higher by Re 0.0350 per unit.

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	----- Rupees -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		221,809	284,936
Rating fee		59,792	110,000
Brokerage and other charges		688,934	585,680
Provision for Workers' Welfare Fund	7.1	12,395,511	9,996,969
Other payables		344,389	530,522
		<u>13,710,435</u>	<u>11,508,107</u>

- 7.1 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 connection, a constitutional petition had been filed by certain CISs through their trustees in the Honorable 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 Labor 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 Honorable 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 Honorable 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 12.396 million (including Rs 2.399 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at December 31, 2013 would have been higher by Re 0.2183 per unit.

8 TAXATION

The income of the Fund is exempt from income tax as per 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 management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

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

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2013 and as at June 30, 2013.

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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 and the directors and officers of the Management Company and Sindh Province Pension Fund being connected person.

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

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

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

11.1 Details of transactions with connected persons / related parties during the period are as follows:

	----- (Un-audited) -----	
	For the half year ended December 31, 2013	For the half year ended December 31, 2012
	----- Rupees -----	
ABL Asset Management Company Limited - Management Company		
Remuneration for the period	11,225,694	5,177,144
Sindh sales tax on remuneration of Management Company	2,083,473	828,256
Federal excise duty on remuneration of Management Company	1,796,038	-
Bonus of 705,965 units (2012: NIL units)	8,589,337	-
Allied Bank Limited		
Profit on bank deposits	3,272,635	1,042,998
Cash distribution paid	53,270,000	-
Bank charges	30,125	13,208
Sindh Province Pension Fund*		
Bonus of 2,318,724 units	28,211,456	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	748,380	369,395
Settlement charges	80,271	34,588
DIRECTORS OF THE MANAGEMENT COMPANY		
Mr. Sheikh Mukhtar Ahmad		
Issue of 1,019,195 units (2012: NIL units)	12,000,000	-

----- (Un-audited) -----
For the half **For the half**
year ended **year ended**
December 31, **December 31,**
2013 **2012**
----- Rupees -----

Mr. Khawaja Muhammad Almas
Issue of 1,097,603 units (2012: NIL units)
Redemption of 1,097,603 units (2012: NIL units)

19,994,479 -
19,711,188 -

KEY MANAGEMENT PERSONNEL

Executives

Issue of NIL units (2012: 69,942 units)
Redemption of NIL units (2012: 25,532 units)

- 781,445
- 299,520

11.2 Amounts outstanding with connected persons / related parties as at the period end:

(Un-audited) (Audited)
December 31, **June 30,**
2013 **2013**
----- Rupees -----

ABL Asset Management Company Limited - Management Company

Remuneration payable
Preliminary expenses and floatation costs payable
Federal excise duty payable on remuneration of Management Company
Sales load payable
Sindh sales tax payable on on remuneration of Management Company
Outstanding 2,318,381 units (June 30, 2013: 1,612,416 units)

1,706,884 2,082,773
717,013 1,433,575
1,985,422 189,384
13,709 83,427
590,772 363,546
29,386,394 25,756,564

Allied Bank Limited

Mark-up accrued on bank deposits
Bank balances held
Outstanding 10,000,000 units (June 30, 2013: 10,000,000 units)

589,521 602,878
56,367,073 84,083,493
126,754,000 159,739,000

Sindh Province Pension Fund

Outstanding 7,614,661 units (June 30, 2013: 5,295,937 units)

96,518,874 84,602,594

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable
Security deposit receivable

115,290 140,350
100,000 100,000

DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Sheikh Mukhtar Ahmad

Outstanding 1,019,195 units (June 30, 2013: NIL units)

12,918,704 -

* Prior period comparative has not been presented as the entity did not classify as a related party / connected person as at December 31, 2012.

12 DATE FOR AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 7, 2014.

13 GENERAL

13.1 Figures have been rounded off to the nearest rupee.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR



ABL Asset Management

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