



ABL Cash Fund

Annual Report -2015

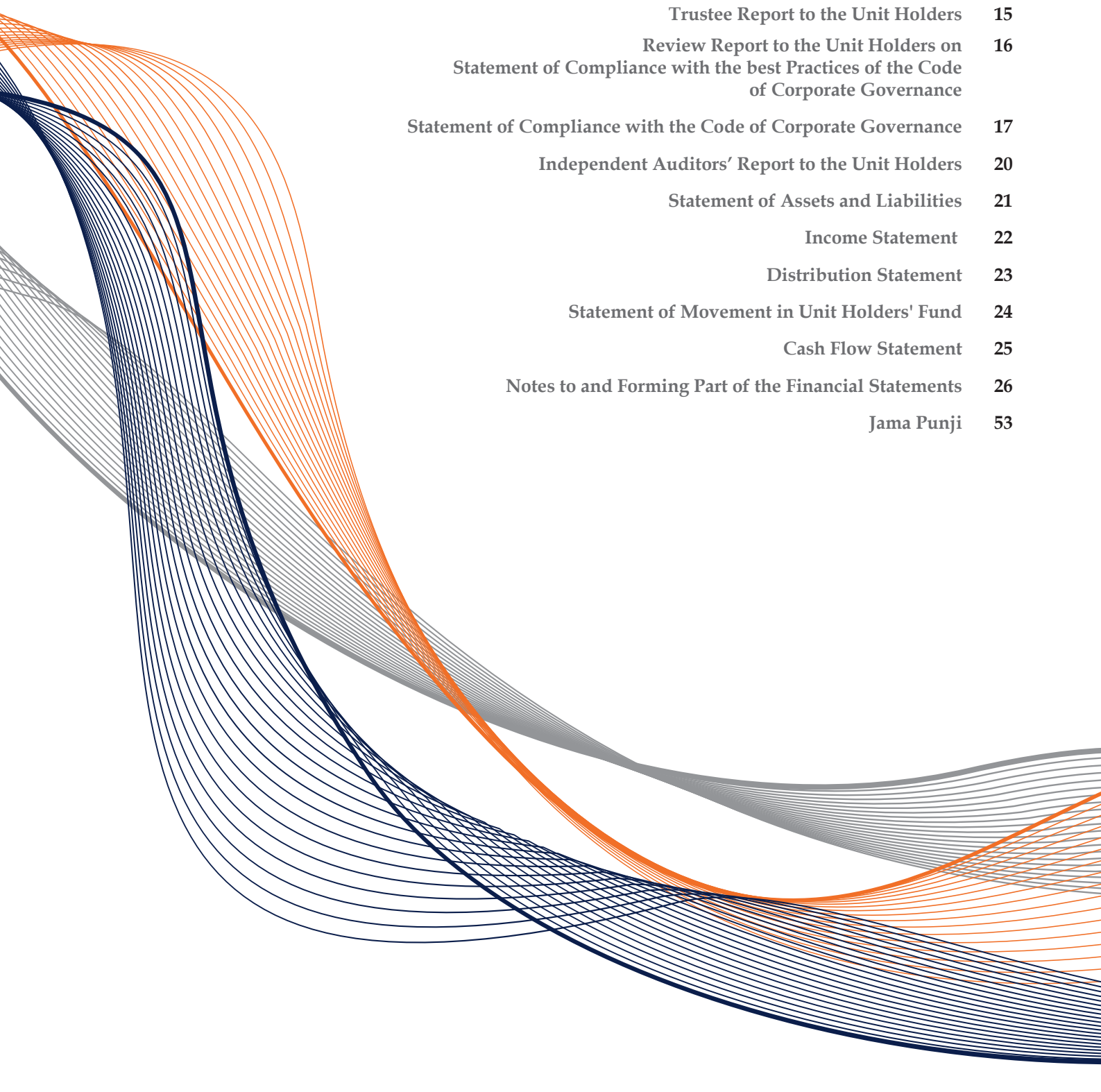


ABL Asset Management

Discover the potential

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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. ABLAMC 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. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar 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 Shakra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited United Bank Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA 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 Cash Fund (ABL-CF), is pleased to present the Audited Financial Statements of ABL Cash Fund for the year ended June 30, 2015.

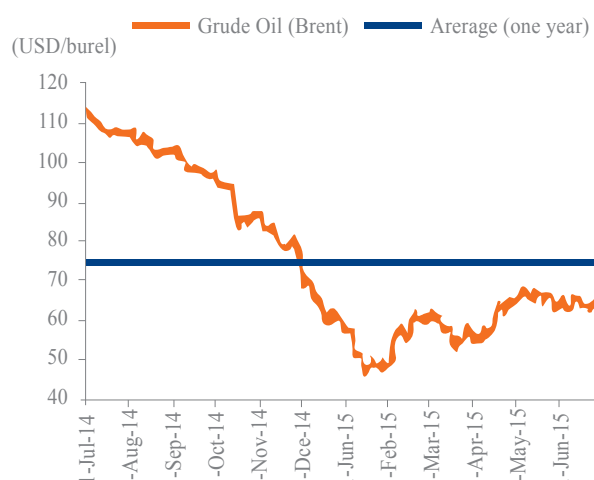
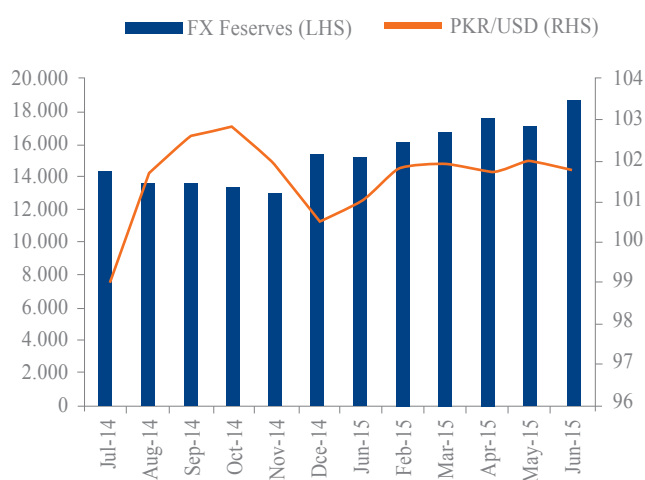
ECONOMIC PERFORMANCE REVIEW

The story of Pakistan's economic revival continued throughout FY15 underpinned mainly by free-fall in international oil prices (Brent Crude plummeted by 45.2% in FY15) due to surging US production and insipid global economic growth. The effects of this oil price crash were profound on oil importers such as Pakistan and distinctly discernible on its key macroeconomic indicators like CPI and CAD.

Despite reduction in import bill and positive developments on macro front, Pakistan's GDP clocked-in at a modest 4.2%, below the target of 5.1% envisaged at the start of the year. Subpar growth in GDP can be attributed to persistent energy crisis prevailing in the country which hampered industrial output as well as lack of developmental spending due to budgetary constraints. This, combined with floods, law & order situation and political upheaval (sit-ins in the capital) remained the major cause behind lower than expected economic output. Encouragingly, IMF program, albeit with some hitches, went smoothly and government, by and large, managed to meet its performance criteria in each quarter which resulted into timely disbursements of EFF tranches. Moreover, progress on Pak-China Economic Corridor (CPEC) and rising foreign exchange reserves strengthened conviction of credit agencies (S&Ps and Moody's) who responded by upgrading Pakistan's credit rating.

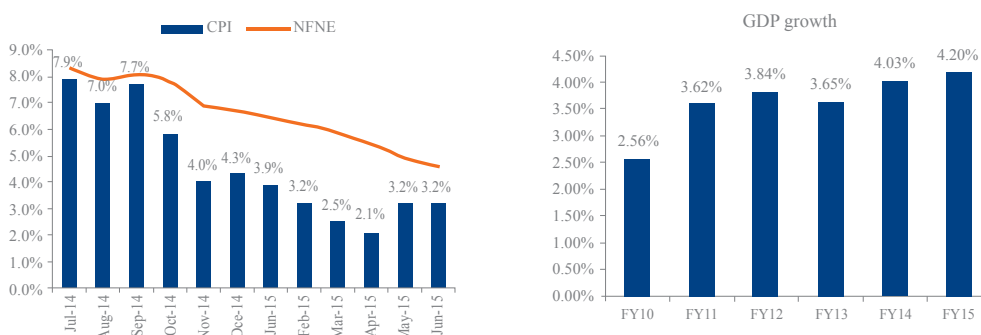
Windfall benefits of oil prices were also visible in import bill of the country which declined by 1.1%YoY to USD 41.1bn. However, weak commodity prices and overall weak global economy (especially the Eurozone) and sharp appreciation of the PKR against the Euro during FY15 (+15.9%YoY) resulted into a decline of 3.75%YoY in exports. Helped by lower import bill, trade deficit was contained at USD 17.03bn vis-à-vis USD 16.59bn recorded in FY14.

Subdued trade deficit along with lower services deficit (down 5.01%YoY on account of CSF inflows of USD 1.5bn) and a staggering 16.5%YoY growth in foreign remittances to USD 18.5bn, helped in reducing CAD by 27%YoY to USD 2.28bn. The effect of lower CAD, steady growth in workers' remittances, inflows from IMF and privatization proceeds strengthened FX reserves from USD 14.1bn to USD 18.7bn in FY15. Marked improvement in FX reserves also helped the country in restricting PKR depreciation to just 3%YoY and end the year at PKR 101.77/USD.



Taking cue from a benign inflationary outlook and strengthening external account, SBP slashed Discount Rate by a cumulative 300bps in FY15 to a 42-year low of 7% to support economic growth. The effect of this large cut will take some time to translate into numbers as fresh private sector credit offtake stood at PKR 208.7bn only (down ~44% YoY) during FY15.

Although challenges still remain on fiscal and energy fronts, the recent measures taken by the government should help control the bleeding. Government managed to curtail fiscal deficit at 5% of GDP against IMF's target of 4.9% for FY15. However recent initiatives such as imposition of 0.3% tax on all banking transactions for non-filers and plans to abolish SROs should help in broadening the tax base and expand the tax base. Therefore, we expect investment spending and overall economic activity to pick up in coming months due to 1) increase in investment spending in response to recent monetary easing, 2) fast-track work on CPEC, 3) government's focus on infrastructure spending (PKR 1.5trn PSDP budgeted for FY16), 4) improvement in tax collection, and 5) Government's efforts to solve energy circular debt.



MUTUAL FUND INDUSTRY REVIEW

Improvement in economic landscape together with low interest rate environment kept open-end mutual fund industry in lime light throughout the year until Government spoiled the party by raising the tax rates in FY16 budget, particularly for banking and corporate sector on investments in mutual funds. Consequently, significant outflows at year end pulled industry AUM growth down to just 6% YoY to close FY15 at PKR402 billion. AUMs of conventional fixed Income funds (Income Fund, Aggressive Fixed Income and Money Market) declined by PKR34 billion during FY15 to close the year at PKR146 billion led by 43% YoY dip in Money Market category to PKR65 billion. Drop in AUMs was largely due to SBP's aggressive monetary easing stance (300bps cut in DR in FY15) especially in 2HFY15 that made short tenor portfolios less attractive.

On the other hand, declining interest rates and the resultant gains on long bond portfolios made income funds the shining stars of the industry. As a result, Income Fund Category posted a handsome growth of 24% YoY to PKR80.5 billion compared to PKR65 billion in FY14. Going forward, industry growth amidst unfavorable taxes regime particularly for corporate sector is likely to remain the key challenge; however, flow of funds in riskier asset classes like aggressive income and equities is anticipated due to attractive returns, higher risk appetite of investors and improvement in economic land scape.

MONEY MARKET REVIEW

FY15 turned out to be an eventful year for money markets as SBP pursued an aggressive monetary easing policy by slashing the discount rate by a cumulative 300 bps (from 10.00% to 7.00%). SBP's stance was based on improving macroeconomic conditions, particularly an 11 years low inflation and decent FX inflows which provided ample fiscal space. Declining energy prices and muted uptick in food prices had a significant impact on inflation figures and CPI dropped from 7.9% YoY in July 2014 to 3.16% YoY in June 2015. Along with reduction in DR, SBP also narrowed the interest rate corridor by 50bps to 200bps and introduced a Target Rate which was 50bps below the ceiling of the corridor. Hence, this target rate effectively became the discount or policy rate since FIs were able to get liquidity from SBP at this rate.

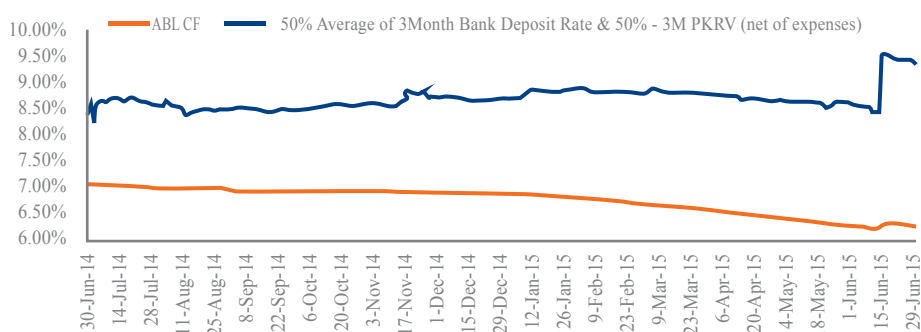
Despite the significant easing, money markets remained tight throughout the period as massive government borrowing of ~PKR 1.33trn from commercial banks drained all liquidity. Besides, majority of the market participants preferred

taking positions in government securities against borrowing through OMO to exploit the rate gap. SBP kept obliging the participants and increased the quantum of OMO injections, which jumped from ~PKR 150 billion in July-14 to peak around PKR 1 trillion in April-15 and closed the year at ~PKR 660 billion.

M2 growth for the period clocked-in at 13.23% against a target of 12.9% and compared to 12.5% in SPLY. Encouragingly, the increase primarily came from balanced rise in Net Domestic Asset (up by Rs1.1trn i.e. 11.75% YoY) and Net Foreign Assets (NFA), up by 26.7% YoY. Consequently, NDA/NFA ratio reduced to 11.13x in FY15 versus 15.6x in FY14. Government borrowings from CBs currently stand at ~PKR 1.33 trillion against ~PKR 106bn in FY14 whereas a net amount of PKR 474bn was retired to SBP. Moreover, the improved NFA reflects better external account position driven by lower commodity prices, issuance of international Eurobonds and Sukuks as well as privatization proceeds through secondary market offerings.

FUND PERFORMANCE

During the period under review, ABL Cash Fund (ABL CF) delivered an impressive return of 9.37%, comprehensively outperforming the benchmark of 6.06% by 331bps. In terms of returns, ABL CF was consistently ranked as one of the best performing funds in money market category. The returns were mainly attributed to valuation gains on government securities due to steep decline in interest rates. Moreover, active management of portfolio also helped ABL CF to achieve such promising returns. Fund's duration was kept generally high by purchasing long duration T-Bills along with placing longer maturity deposits with banks and DFIs. At year end, allocation in TDRs and Bank deposits stood at 40.77% of the total fund size due to better rates offered by commercial banks on account of June end, while investment in Treasury Bills accounted for 59.13% of the fund. During the period under review, AUMs of ABL Cash Fund reduced by 58.7% to PKR 6.352 billion on June 30, 2015 from PKR15.396 billion a year back due to redemptions by corporate clients in response to changes in tax laws and cannibalization effect of investors transferring their investments into high duration Income Funds.



DIVIDENDS

The Chief Executive Officer of ABL Asset Management Company Limited (ABL AMCL) on behalf of the Board of Directors, on June 16, 2015 has approved and declared Interim dividend distribution of Re.0.9422 per unit (9.42% of the par value of Rs.10) for the year ending June 30, 2015.

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 # 14 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 retirement 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 excepts as disclosed below and in notes to the financial statements;

S.No	Name	Designation	Units Issued	Units Redeemed	Bonus Units
1	Mr. Muhammad Waseem Mukhtar	Director	135	974,963	-
2	Mr. M. Jawaid Iqbal*	Director	-	76,255	-
3	Mr. Tahir Yaqoob Bhatti**	Director	101,353	47,291	-
4	Mr. Farid Ahmed Khan	CEO	8,420,882	9,056,026	-

* Retired in the 7th AGM of the ABL AMCL hold on March 31, 2015.

** Elected as new director in the 7th AGM and retired on June 30, 2015.

12. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year five meeting were held. The 38th, 39th, 40th, 41st, and 42nd Board of Directors meetings were held on August 26, 2014, October 28, 2014, December 22, 2014, February 06, 2015 and April 29, 2015 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name of Director	Number of Meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	5	4	1	38th
2	Mohammad Naeem Mukhtar	5	2	3	38th, 39th, 42nd
3	Muhammad Waseem Mukhtar	5	5	-	-
4	Tariq Mahmood	5	5	-	-
5	Kamran Nishat	5	5	-	-
6	M. Shakeb Murad*	4	2	2	40th, 41st
7	M. Jawaid Iqbal*	4	2	2	38th, 41st
8	Muhammad Kamran Shehzad**	1	1	-	-
9	Tahir Yaqoob Bhatti***	1	1	-	-
10	Farid Ahmed Khan****	5	5	-	-

* Retired in the 7th AGM of the ABL AMCL held on March 31, 2015.

** Elected as new director in the 7th AGM.

*** Elected as new director in the 7th AGM and retired on June 30, 2015.

**** Appointed as new director on June 30, 2015.

13. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year three meeting were held. The 15th, 16th and 17th meetings of the Board's Human Resource and Remuneration Committee were held on March 20, 2015, April 13, 2015 and June 24, 2015 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of Meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	3	3	-	-
2	Mr. Kamran Nishat	3	3	-	-
3	M. Jawaid Iqbal*	1	-	1	15th
4	Mr. Farid Ahmed Khan	3	3	-	-

* Retired in the 7th AGM of the ABL AMCL hold on March 31, 2015.

14. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year four meeting were held. The 29th, 30th, 31st, and 32nd meetings of the Board's Audit Committee were held on August 26, 2014, October 28, 2014, February 06, 2015 and April 29, 2015 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of Meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	4	-	-
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. M. Shakeb Murad*	2	1	1	31st

* Retired in the 7th AGM of the ABL AMCL hold on March 31, 2015.

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

S. No.	Particulars	Units Held on June 30, 2015
1	Associated Companies, undertakings and related parties	
	• ABL Asset Management Company Limited	73,447,758
	• CFA Association of Pakistan	980,810
	• Indus motor Co. Ltd.,	89,904,701
2	Mutual Funds	Nil
3	Directors and their spouse(s) and minor children	213,164
4	Executives	Nil
5	Public Sector Companies and corporations	178,569,594
6	Others Corporates	103,472,175
7	Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund	80,129,626
8	Shareholders holding five percent or more voting rights in the listed company	Not Applicable

AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors being eligible for appointment have been appointed as auditors for the year ending June 30, 2016 for ABL Cash Fund (ABL-CF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on August 13, 2014 has reaffirmed the Fund Stability of ABL Cash Fund at 'AA (f)' (double A (f)).

MANAGEMENT QUALITY RATING

On December 31, 2014, JCR-VIS Credit Rating Company Limited reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK AND STRATEGY

The strong foundation laid in FY15 provides a launching pad for a strong economic recovery in FY16 as we still foresee low single digit inflation in FY16 mainly on account of low oil prices. In addition FX reserves are expected to rise further with improving current account position and inflows from IMF, CSF, donor agencies and Euro Bond Issuance. Furthermore, reforms in energy sector like reduction in power subsidies and circular debt should alleviate the energy crisis which has been restraining economic growth. In this regard, CPEC and realization of IP gas pipeline can kick start the long awaited growth era in Pakistan.

With low inflation, particularly in 1HFY16, we cannot rule out the possibility of another 50bps cut in discount rate. The government has thus far stuck to its fiscal targets and borrowings have been under targeted limits. The recent upgrades by international rating agencies also point out towards tightening of spreads and could fuel bullish sentiment in the fixed income markets. However, reversal in oil prices, challenging security situation, political instability and persistent energy shortages are the key risk to potential economic revival of the country. We intend to maintain a high duration portfolio but will realign our strategy in case of any change in inflation outlook.

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 & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 27, 2015

FUND MANAGER REPORT - ABL CASH FUND

OBJECTIVE

To provide investors, consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments.

FUND PERFORMANCE

ABL-CF yielded an outstanding return of 9.37% during the period, surpassing the benchmark return of 6.06% by an impressive 331 bps. On YTD basis, ABL CF was amongst the top performing funds in money market category. Fund return was boosted by massive valuation gains on Treasury Bills due to 300 bps fall in discount rate in FY15. Moreover, the fund manager actively moved the fund's duration to benefit from movements in yield curve.

In a declining interest rate environment, ABL Cash Fund was carefully balanced with short to medium term government securities (3 to 6 months), along with medium term bank placements at attractive rates in order to stabilize return of the fund. Based on the expected year end redemptions due to changes in the tax laws, we reduced exposure in T-Bills beforehand in order to reduce the volatility in returns. The weighted average maturity of the portfolio was generally kept high during the year; however, at the year-end it was confined to 58.5 days.

Towards the end of the fiscal year, we placed Term deposits (TDRs) of around 15.26% of the total assets by offloading T-Bills. Moreover, we placed around 25.51% of the assets in bank deposits due to attractive rates on account of year end.

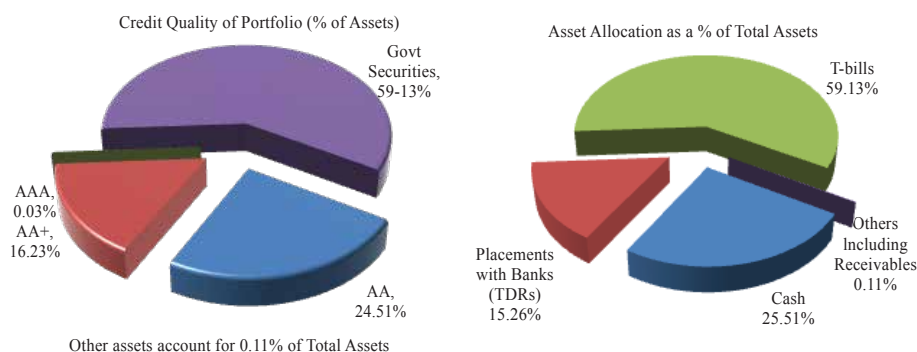
The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 119.795 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.1890 per unit.

FUTURE OUTLOOK AND STRATEGY

With low inflation, particularly in 1HFY16, we cannot rule out the possibility of another 50bps cut in discount rate. The government has thus far stuck to its fiscal targets and borrowings have been under targeted limits. The recent upgrades by international rating agencies also point out towards tightening of spreads and could fuel bullish sentiment in the fixed income markets. However, reversal in oil prices, challenging security situation, political instability and persistent energy shortages are the key risk to potential economic revival of the country.

In FY15-16, we will initially keep the duration of the fund high to benefit from the market's view on declining interest rates. Short term returns will get help from the significant TDR placements at highly attractive rates.

ABL Cash Fund Performance		FY-2015
Yield		9.37%
Benchmark (50%- Average of 3Month Bank Deposit Rate & 50% - 3M PKR) net of expenses		6.06%
Weighted Average Time to Maturity of Net Assets		58.5 days
Asset under management as at June 30,2015 (PKR mn)		6,351.79
Closing NAV per unit as on June 30,2015 (PKR) (Ex-Dividend)		10.0203



PERFORMANCE TABLE

	June 2015	June 2014	June 2013	June 2012	June 2011
	(Rupees in '000)				
Net Assets	6,351,795	15,395,723	13,952,631	16,385,230	10,650,817
Net Income	128,995	1,309,745	940,953	2,596,950	893,326
	(Rupees per unit)				
Net Assets value	10.0203	10.0247	10.0077	10.0247	10.0188
Interim distribution*	-	0.7248	0.8294	0.9904	0.7466
Final distribution	0.9422	0.0472	0.0661	0.0835	0.2832
Distribution date final	June 16, 2015	June 23, 2014	June 28, 2013	June 25, 2012	June 29, 2011
Closing offer price	10.0203	10.0247	10.0077	10.0247	10.0188
Closing repurchase price	10.0203	10.0247	10.0077	10.0247	10.0188
Highest offer price	10.8317	10.0740	10.2077	10.3008	10.2943
Lowest offer price	10.0000	10.0000	10.0000	10.0023	10.0020
Highest repurchase price per unit	10.8317	10.0740	10.2077	10.3008	10.2943
Lowest repurchase price per unit	10.0000	10.0000	10.0000	10.0023	10.0020
	Percentage				
Total return of the fund					
- capital growth	-0.05%	0.46%	0.18%	0.49%	1.64%
- income distribution	9.42%	7.72%	8.96%	10.74%	10.30%
Average return of the fund					
First Year	9.37%	8.18%	9.13%	11.23%	11.94%
Two Year	9.16%	9.03%	10.69%	12.18%	-
Three Year	9.71%	10.44%	11.87%	-	-
Forth Year	10.91%	11.65%	-	-	-
Fifth Year /Since Inception	12.06%	-	-	-	-
Weighted average Portfolio duration in days	59	40	65	47	69

* Distribution History

Monthly Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
1st Interim distribution	July 30, 2013	0.0688	-	-	-	-	-	-
2nd Interim distribution	August 29, 2013	0.0589	August 29, 2012	0.2105	-	-	-	-
3rd Interim distribution	October 25, 2013	0.0588	October 24, 2012	0.0876	-	-	-	-
4th Interim distribution	November 28, 2013	0.0679	November 29, 2012	0.0844	-	-	-	-
5th Interim distribution	January 30, 2014	0.0733	January 30, 2013	0.0757	-	-	-	-
6th Interim distribution	February 27, 2014	0.0650	February 27, 2013	0.0585	-	-	-	-
7th Interim distribution	April 29, 2014	0.0763	April 30, 2013	0.0839	-	-	-	-
8th Interim distribution	May 30, 2014	0.0694	May 30, 2013	0.0635	May 21, 2012	0.1604	-	-

Quarterly Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
First quarter Interim distribution	September 27, 2013	0.0592	September 24, 2012	0.0587	September 27, 2011	0.3008	September 29, 2010	0.1781
Second quarter Interim distribution	December 30, 2013	0.0667	December 27, 2012	0.0575	December 26, 2011	0.2738	December 30, 2010	0.2742
Third quarter Interim distribution	March 27, 2014	0.0605	March 22, 2013	0.0491	March 26, 2012	0.2554	March 30, 2011	0.2943

Final Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
Final distribution	June 23, 2014	0.0472	June 28, 2013	0.0661	June 25, 2012	0.0835	June 29, 2011	0.2832

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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Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL CASH 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 Cash 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, 2015 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.

Aftab Ahmed Diwan
Officiating Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 08, 2015 *





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 enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of ABL Asset Management Company Limited, the Management Company of **ABL Cash Fund** (the Fund) for the year ended June 30, 2015 to comply with Regulation 5.19 of the Karachi Stock Exchange Limited Regulations, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company (ABL Asset Management Company Limited) 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of Fund's 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. 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 upon recommendation of 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 as applicable to the Fund for the year ended June 30, 2015.

Chartered Accountants

Karachi

Dated: September 19, 2015

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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STATEMENT OF COMPLIANCE BY ABL CASH FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 5.19 of the listing regulations of the Karachi Stock Exchange 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 Cash 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 June 30, 2015 the Board includes:

Category	Names
Executive Director	Mr. Farid Ahmed Khan
Independent Directors	Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad
Non-Executive Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood

Mr. Farid Ahmed Khan, Chief Executive Officer, has been appointed as an executive director as at 30 June 2015 in place of casual vacancy due to resignation of Mr. Tahir Yaqoob Bhatti. His appointment has been approved by the SECP on 28 July 2015.

The independent directors meets the criteria of independence under clause i (b) of the Code.

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 Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII 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 on June 30, 2015.
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Management 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), other executive and non-executive directors have been taken by the Board. There is no executive director of the Management Company other than the CEO.
8. The meetings of the Board were presided over by the Chairman except for the meeting held on 26 August 2014, which was presided by Mr. Waseem Mukhtar 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. As required by the code, all the directors of the Management Company are required to attend the training program for directors by the year 2016 and at least one director will attend the training program each year during the period from 30 June 2012 to 30 June 2016. During the year, no director on the Board attended training as required under the Code. However, two directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. As per the Code, Directors of the Company having 15 years of experience on the Board of listed company and 14 years of education are exempted from directors' training program. One Board members of the Company qualify for exemption under the provision of the Code. The Company will however, arrange training program for remaining directors by 2016.
10. The Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit continued their services and no change in these positions were made during this financial year.
11. The Directors' Report of the Fund for the year ended June 30, 2015 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. The Board has formed Human Resource and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the chairman of the Committee is a non-executive director.
18. The Board has set up an effective internal audit function within the Management Company.
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 NAV of the Fund’s units, was determined and intimated to directors, employees and the Stock Exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.
24. As per the Code, a mechanism was required to be put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e., April 2014. The mechanism is in place and annual evaluation of the Board has been done accordingly.

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 27, 2015



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 Cash Fund** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2015, 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 (**ABL Asset Management Limited**) 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, 2015 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.

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: September 19, 2015

Karachi

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ABL CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2015

	Note	June 30, 2015	June 30, 2014
----(Rupees in '000)----			
ASSETS			
Balances with banks	4	1,671,854	5,005,766
Investments	5	4,875,931	12,168,511
Profit receivable	6	7,054	61,792
Prepayments		-	257
Preliminary expenses and floatation costs	7	74	1,006
Total assets		6,554,913	17,237,332
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	8	62,079	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	501	977
Payable to the Securities and Exchange Commission of Pakistan	10	8,272	12,469
Payable against purchase of investments		-	1,658,001
Dividend payable	11	3,699	-
Accrued expenses and other liabilities	12	128,551	118,032
Payable against redemption of units		16	1,230
Total liabilities		203,118	1,841,609
NET ASSETS		6,351,795	15,395,723
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,351,795	15,395,723
CONTINGENCIES AND COMMITMENTS			
	13	---Total Number of units---	
NUMBER OF UNITS IN ISSUE	14	633,894,490	1,535,785,122
NET ASSET VALUE PER UNIT			
		10.0203	10.0247
FACE VALUE PER UNIT			
		10.0000	10.0000

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL CASH FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30 2015

	Note	For the year ended June 30, 2015	For the year ended June 30, 2014
----(Rupees in '000)----			
INCOME			
Capital gain / (loss) on sale of government securities - net		36,726	(12,517)
Income from government securities		600,420	1,121,907
Income from term deposit receipts		312,162	302,640
Income from letters of placements		81,286	103,209
Income from reverse repurchase transactions		155	2,863
Income from sukuk		273	392
Profit on deposits with banks		47,881	79,511
		1,078,903	1,598,005
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	924	237
Total income		1,079,827	1,598,242
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company	8.1	114,876	171,463
Sindh sales tax on remuneration of the Management Company	8.2	19,988	31,824
Federal excise duty on remuneration of the Management Company	8.3	18,380	27,434
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	8,830	12,225
Annual fee - Securities and Exchange Commission of Pakistan	10.1	8,272	12,469
Brokerage and securities transaction costs		3,285	2,342
Bank charges		384	536
Auditors' remuneration	15	577	464
Legal & professional charges		1,111	863
Amortisation of preliminary expenses and floatation costs	7.1	932	931
Printing charges		213	107
Listing fee		50	50
Annual rating fee		193	184
Total operating expenses		177,091	260,892
Net income from operating activities		902,736	1,337,350
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(771,109)	(876)
Provision for Workers' Welfare Fund	12.1	(2,632)	(26,729)
Net income before taxation		128,995	1,309,745
Taxation	16	-	-
Net income after taxation		128,995	1,309,745
Other comprehensive income		-	-
Total comprehensive income		128,995	1,309,745
Earnings per unit	17		

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

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ABL CASH FUND

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	For the year ended June 30, 2015	For the year ended June 30, 2014
	-----(Rupees in '000)----	
Undistributed income brought forward comprising of:		
- realised income	37,709	6,436
- unrealised income	237	4,336
	<u>37,946</u>	<u>10,772</u>
Net income after taxation	128,995	1,309,745
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(34,812)	676
Distribution during the year:		
- Nil (2014: Re 0.0688 per unit on July 30, 2013) Issue of nil bonus units (2014: 10,200,129 bonus units)	-	(102,001)
- Nil (2014: Re 0.0589 per unit on August 29, 2013) Issue of nil bonus units (2014: 8,891,298 bonus units)	-	(88,913)
- Nil (2014: Re 0.0592 per unit on September 27, 2013) Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,386,134 bonus units)	-	(93,861)
- Nil (2014: Re 0.0588 per unit on October 25, 2013) Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,969,079 bonus units)	-	(99,691)
- Nil (2014: Re 0.0679 per unit on November 28, 2013) Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,282,971 bonus units)	-	(122,830)
- Nil (2014: Re 0.0667 per unit on December 30, 2013) Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,725,185 bonus units)	-	(127,252)
- Nil (2014: Re 0.0733 per unit on January 30, 2014) Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,162,358 bonus units)	-	(121,624)
- Nil (2014: Re 0.0650 per unit on February 27, 2014) Cash distribution	-	(5)
Issue of 10,827,884 bonus units (2013: 5,557,184 bonus units)	-	(108,279)
- Nil (2014: Re 0.0605 per unit on March 27, 2014) Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,899,718 bonus units)	-	(98,997)
- Nil (2014: Re 0.0763 per unit on April 29, 2014) Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,662,354 bonus units)	-	(126,624)
- Nil (2014: Re 0.0694 per unit on May 30, 2014) Cash distribution	-	(4)
Issue of nil bonus units (2014: 11,593,070 bonus units)	-	(115,931)
- Re 0.9422 per unit on June 16, 2015 (2014: Re 0.0472 per unit on June 23, 2014) Cash distribution	(119,080)	(3)
Issue of nil bonus units (2014: 7,719,995 bonus units)	-	(77,200)
	<u>(119,080)</u>	<u>(1,283,247)</u>
Undistributed income carried forward	<u>13,049</u>	<u>37,946</u>
Undistributed income carried forward comprising of:		
- realised income	12,125	37,709
- unrealised income	924	237
	<u>13,049</u>	<u>37,946</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

ABL CASH FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2015

	For the year ended June 30, 2015	For the year ended June 30, 2014
	----(Rupees in '000)----	
Net assets at the beginning of the year	15,395,723	13,952,631
Issue of 3,294,859,020 units (2014: 2,127,132,444 units)	34,439,659	21,327,080
Redemption of 4,196,749,652 units (2014: 2,113,853,185 units)	(44,264,611)	(21,194,561)
	(9,824,952)	132,519
Issue of nil bonus units (2014: 128,320,175 bonus units)	-	1,283,199
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	771,109	876
- amount representing (income) / loss and capital (gains) / losses		
- transferred to distribution statement	34,812	(676)
	805,921	200
Capital (loss) / gain on sale of government securities - net	36,726	(12,517)
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	924	237
Other net income for the year	91,345	1,322,025
	128,995	1,309,745
Distribution during the year		
- Nil (2014: Re 0.0688 per unit on July 30, 2013)		
Issue of nil bonus units (2014: 10,200,129 bonus units)	-	(102,001)
- Nil (2014: Re 0.0589 per unit on August 29, 2013)		
Issue of nil bonus units (2014: 8,891,298 bonus units)	-	(88,913)
- Nil (2014: Re 0.0592 per unit on September 27, 2013)		
Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,386,134 bonus units)	-	(93,861)
- Nil (2014: Re 0.0588 per unit on October 25, 2013)		
Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,969,079 bonus units)	-	(99,691)
- Nil (2014: Re 0.0679 per unit on November 28, 2013)		
Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,282,971 bonus units)	-	(122,830)
- Nil (2014: Re 0.0667 per unit on December 30, 2013)		
Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,725,185 bonus units)	-	(127,252)
- Nil (2014: Re 0.0733 per unit on January 30, 2014)		
Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,162,358 bonus units)	-	(121,624)
- Nil (2014: Re 0.0650 per unit on February 27, 2014)		
Cash distribution	-	(5)
Issue of nil bonus units (2014: 10,827,884 bonus units)	-	(108,279)
- Nil (2014: Re 0.0605 per unit on March 27, 2014)		
Cash distribution	-	(4)
Issue of nil bonus units (2014: 9,899,718 bonus units)	-	(98,997)
- Nil (2014: Re 0.0763 per unit on April 29, 2014)		
Cash distribution	-	(5)
Issue of nil bonus units (2014: 12,662,354 bonus units)	-	(126,624)
- Nil (2014: Re 0.0694 per unit on May 30, 2014)		
Cash distribution	-	(4)
Issue of nil bonus units (2014: 11,593,070 bonus units)	-	(115,931)
- Re 0.9422 per unit on June 16, 2015		
(2014: Re 0.0472 per unit on June 23, 2014)		
Cash distribution	(119,080)	(3)
Issue of nil bonus units (2014: 7,719,995 bonus units)	-	(77,200)
	(119,080)	(1,283,247)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed transferred to distribution statement - net	(34,812)	676
Net assets at the end of the year	6,351,795	15,395,723

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director


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ABL CASH FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

Note	For the year ended June 30, 2015	For the year ended June 30, 2014
	-----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	128,995	1,309,745
Adjustments for non-cash and other items		
Amortisation of preliminary expenses and floatation costs	932	931
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(924)	(237)
Provision for Workers' Welfare Fund	2,632	26,729
Federal excise duty on remuneration of the Management Company	18,380	27,434
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	771,109	876
	921,124	1,365,478
Decrease / (Increase) in assets		
Profit receivable	54,738	(20,965)
Prepayment	257	(157)
	54,995	(21,122)
(Decrease) / Increase in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(7,201)	4,867
Payable to Central Depository Company of Pakistan Limited - Trustee	(476)	75
Payable to Securities and Exchange Commission of Pakistan	(4,197)	3,789
Dividend Payable	3,638	-
Accrued expenses and other liabilities	7,887	(482)
	(349)	8,249
Net amount (paid) / received on purchase and sale of investments	(469,319)	3,680,918
Net cash generated from operating activities	506,451	5,033,523
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash distribution	(119,019)	(44)
Receipts from issuance of units	34,439,659	21,327,080
Payments against redemption of units	(44,265,825)	(21,358,034)
Net cash used in financing activities	(9,945,185)	(30,998)
Net increase in cash and cash equivalents	(9,438,734)	5,002,525
Cash and cash equivalents at the beginning of the year	12,110,588	7,108,063
Cash and cash equivalents at the end of the year	4.2 2,671,854	12,110,588

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Cash Fund was established under a trust deed executed on September 25, 2009 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund commenced its operations on July 31, 2010.

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 Securities and Exchange Commission of Pakistan (SECP) on December 07, 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 mutual fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. The units of the Fund are offered to the public for subscription on a continuous basis. The units are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorized as an Open-Ended Money Market Scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to earn consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments. The Fund, in line with its investment objectives, invests primarily in market treasury bills, other government securities and cash and near cash instruments.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2 (stable outlook) to the Management Company as at December 31, 2014 and fund stability rating of AA(f) to the Fund as at August 13, 2014.

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. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) 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 IFRSs, 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 existing standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2014:

- Amendment to IAS 32, "Financial Instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have significant effect on the financial statements of the Fund.
- IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions." The interpretation addresses the obligating event that give rise to pay a levy and when a liability should be recognised. The Fund has incorporated the impact of this amendment in the financial statements.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any significant effect on the Fund's financial statements 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 to published approved accounting standards that are mandatory for accounting periods beginning on or after July 1, 2015 but are considered not to be relevant or do not have any significant effect on the Fund's financial statements and are therefore not detailed in these financial statements.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2017

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 the 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is 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 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) 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 other short-term highly liquid investments with original maturities of three months or less.

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. The management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

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. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative 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 or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

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 out 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 debt securities

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for the valuation of debt securities. In determination the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The methodology also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates published by MUFAP.

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

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired. Upon derecognition, the cumulative gain or loss previously recognised in the 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 also recognised in the income statement when the 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 are 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.

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 the 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 have been transferred and the Fund has transferred substantially all the 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 financial 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 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the 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.

3.6 Securities purchased under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the statement of assets and liabilities. Amount paid under these agreements are included as receivable balances. The difference between purchase and resale price is treated as income and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the trade date.

3.7 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.

3.8 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 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 unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund does not account for

deferred tax, if any, 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.

3.9 Proposed distributions

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

3.10 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. The Fund also recovers 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 the 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.

3.11 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 prices of units issued less those in 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 an accounting year which pertains to unrealised gains / (losses) held in the unit holder's funds and undistributed income in a separate reserve account and any amount remaining in this reserve account at the end of an 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.

3.12 Net asset 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.

3.13 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised appreciation / (diminution) in the value 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.

- Income on government securities, debt securities, certificate of deposits, reverse repurchase transactions and placements is recognised on an accrual basis, using the effective interest rate.
- Profit on bank deposits is recognised on an accrual basis.

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
4			
BALANCES WITH BANKS			
Current accounts		4	4
Saving accounts	4.1	1,671,850	5,005,762
		<u>1,671,854</u>	<u>5,005,766</u>

4.1 These saving accounts carry mark-up at rates ranging from 5.00% to 7.25% (2014: 7.00% to 10.38%) per annum. Deposits in saving accounts include Rs. 60,435,805 (2014: Rs. 483,559) maintained with Allied Bank Limited, a related party and carry mark-up rate of 6.25% (June 30, 2014: 9.30%).

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
4.2			
Cash and cash equivalents			
Balances with banks		1,671,854	5,005,766
Term deposit receipts		1,000,000	5,250,000
Letters of placements		-	1,100,000
Reverse repo - treasury bills		-	754,822
		<u>2,671,854</u>	<u>12,110,588</u>

5			
INVESTMENTS			
Financial assets at fair value through profit or loss - net			
Government securities			
- Market treasury bills	5.1.1	3,875,931	1,773,650
- Pakistan investment bonds	5.1.2	-	2,040,039
		3,875,931	3,813,689
Loans and receivables	5.3	1,000,000	8,354,822
		<u>4,875,931</u>	<u>12,168,511</u>

5.1 Financial assets at fair value through profit or loss

5.1.1 Government securities - market treasury bills:

Issue date	Tenor	Face Value				Balance as at June 30, 2015			Market value as a percentage of the net assets	Market value as a percentage of total market value of the investments
		As at July 1, 2014	Purchased during the year	Disposed of / matured during the year	As at June 30, 2015	Carrying value	Market value	Appreciation/ (diminution)		

----- Rupees in '000 -----

July 10, 2014	3 Months	-	5,824,000	5,824,000	-	-	-	-	-
July 24, 2014	3 Months	-	7,256,000	7,256,000	-	-	-	-	-
August 7, 2014	3 Months	-	980,000	980,000	-	-	-	-	-
August 21, 2014	3 Months	-	550,000	550,000	-	-	-	-	-
September 4, 2014	3 Months	-	4,866,300	4,866,300	-	-	-	-	-
October 2, 2014	3 Months	-	200,000	200,000	-	-	-	-	-
October 16, 2014	3 Months	-	2,491,500	2,491,500	-	-	-	-	-
October 30, 2014	3 Months	-	4,180,000	4,180,000	-	-	-	-	-
November 13, 2014	3 Months	-	3,050,000	3,050,000	-	-	-	-	-
November 27, 2014	3 Months	-	3,366,500	3,366,500	-	-	-	-	-
November 28, 2014	3 Months	-	1,232,000	1,232,000	-	-	-	-	-
January 8, 2015	3 Months	-	250,000	250,000	-	-	-	-	-
January 22, 2015	3 Months	-	250,000	250,000	-	-	-	-	-
February 6, 2015	3 Months	-	1,535,000	1,535,000	-	-	-	-	-
February 19, 2015	3 Months	-	415,000	415,000	-	-	-	-	-
March 5, 2015	3 Months	-	290,000	290,000	-	-	-	-	-
March 19, 2015	3 Months	-	2,424,000	2,424,000	-	-	-	-	-
April 2, 2015	3 Months	-	2,475,000	2,475,000	-	-	-	-	-
April 16, 2015	3 Months	-	1,000,000	1,000,000	-	-	-	-	-
April 30, 2015	3 Months	-	760,000	760,000	-	-	-	-	-
May 14, 2015	3 Months	-	400,000	400,000	-	-	-	-	-
May 28, 2015	3 Months	-	500,000	500,000	-	-	-	-	-
June 25, 2015	3 Months	-	1,100,000	1,100,000	-	-	-	-	-
June 29, 2015	OMO	-	755,000	-	755,000	747,630	747,873	243	11.77%
		-	46,150,300	45,395,300	755,000	747,630	747,873	243	11.77%

March 20, 2014	6 Months	750,000	-	750,000	-	-	-	-	-
April 17, 2014	6 Months	1,068,900	1,879,400	2,948,300	-	-	-	-	-
May 2, 2014	6 Months	-	3,200,000	3,200,000	-	-	-	-	-
May 15, 2014	6 Months	-	984,000	984,000	-	-	-	-	-
July 10, 2014	6 Months	-	100,000	100,000	-	-	-	-	-
October 30, 2014	6 Months	-	4,666,000	4,666,000	-	-	-	-	-
November 13, 2014	6 Months	-	7,832,500	7,832,500	-	-	-	-	-
November 27, 2014	6 Months	-	1,311,000	1,311,000	-	-	-	-	-
January 8, 2015	6 Months	-	832,320	832,320	-	-	-	-	-
January 22, 2015	6 Months	-	1,325,000	1,325,000	-	-	-	-	-
February 6, 2015	6 Months	-	9,080,000	9,080,000	-	-	-	-	-
February 19, 2015	6 Months	-	1,380,000	1,380,000	-	-	-	-	-
March 5, 2015	6 Months	-	5,062,500	3,584,000	1,478,500	1,459,846	1,460,678	832	23.00%
March 19, 2015	6 Months	-	3,241,000	3,225,000	16,000	15,768	15,766	(2)	0.25%
April 2, 2015	6 Months	-	750,000	750,000	-	-	-	-	-
April 16, 2015	6 Months	-	3,525,500	2,642,500	883,000	865,596	865,531	(65)	13.63%
April 30, 2015	6 Months	-	1,650,200	1,250,200	400,000	391,100	391,064	(36)	6.16%
May 14, 2015	6 Months	-	395,000	395,000	-	-	-	-	-
May 28, 2015	6 Months	-	650,000	250,000	400,000	389,095	389,044	(51)	6.12%
		1,818,900	47,864,420	46,505,820	3,177,500	3,121,405	3,122,083	678	49.15%

January 9, 2014	12 Months	-	71,235	71,235	-	-	-	-	-
March 20, 2014	12 Months	-	9,495,000	9,495,000	-	-	-	-	-
April 17, 2014	12 Months	-	204,800	204,800	-	-	-	-	-
May 2, 2014	12 Months	-	1,254,000	1,254,000	-	-	-	-	-
May 15, 2014	12 Months	-	4,250,460	4,250,460	-	-	-	-	-
July 24, 2014	12 Months	-	6,000	-	6,000	5,972	5,975	3	0.09%
November 13, 2014	12 Months	-	67,700	67,700	-	-	-	-	-
		-	15,349,195	15,343,195	6,000	5,972	5,975	3	0.09%

Total - June 30, 2015 1,818,900 109,363,915 107,244,315 3,938,500 3,875,007 3,875,931 924 61.02% 100.00%

Total - June 30, 2014 1,773,535 1,773,650 115

5.1.1.1 Market treasury bills carry effective interest rates ranging from 6.95% to 6.96% (June 30, 2014: 9.96% to 10.00%) per annum.

5.1.2 Government securities - Pakistan investment bonds:

Issue date	Tenor	Face Value				Balance as at June 30, 2015			Market value as a percentage of the net assets	Market value as a percentage of total market value of the investments
		As at July 1, 2014	Purchased during the year	Disposed of / matured during the year	As at June 30, 2015	Carrying value	Market value	Appreciation/ (diminution)		
----- Rupees in '000 -----										
August 18, 2011	3 years	2,066,599	3,430,000	5,496,599	-	-	-	-	-	-
July 19, 2012	3 years	-	1,500,000	1,500,000	-	-	-	-	-	-
Total - June 30, 2015		2,066,599	4,930,000	6,996,599	-	-	-	-	-	-
Total - June 30, 2014						2,039,917	2,040,039	122		

5.1.3 Government Securities - GoP Ijarah sukuks:

Issue date	Coupon rate in % / tenor	Face Value				Balance as at June 30, 2015			Market value as a percentage of the net assets	Market value as a percentage of total market value of the investments
		As at July 1, 2014	Purchased during the year	Disposed of / matured during the year	As at June 30, 2015	Carrying value	Market value	Appreciation/ (diminution)		
----- Rupees in '000 -----										
December 26, 2011	9.98 / 3 years	-	500,000	500,000	-	-	-	-	-	-
March 2, 2012	9.98 / 3 years	-	1,000,000	1,000,000	-	-	-	-	-	-
Total - June 30, 2015		-	1,500,000	1,500,000	-	-	-	-	-	-
Total - June 30, 2014						-	-	-		

5.1.4 Other sukuks:

Issue date	Coupon rate in % / tenor	Face Value				Balance as at June 30, 2015			Market value as a percentage of the net assets	Market value as a percentage of total market value of the investments
		As at July 1, 2014	Purchased during the year	Disposed of / matured during the year	As at June 30, 2015	Carrying value	Market value	Appreciation/ (diminution)		
----- Rupees in '000 -----										
"Hub Power Company Limited"	10.70 / 6 months	100,000	-	100,000	-	-	-	-	-	-
Total - June 30, 2015		100,000	-	100,000	-	-	-	-	-	-
Total - June 30, 2014						-	-	-		

	Note	June 30, 2015	June 30, 2014
5.2 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net			
---(Rupees in '000)---			
Market value of securities		3,875,931	3,813,689
Less: carrying value of securities		(3,875,007)	(3,813,452)
		<u>924</u>	<u>237</u>
5.3 Loans and receivables			
Term deposit receipts	5.3.1	1,000,000	6,500,000
Letters of placements		-	1,100,000
Reverse repo - treasury bills		-	754,822
		<u>1,000,000</u>	<u>8,354,822</u>
5.3.1 Term deposit receipts carry mark-up at a rate of 7.4% (2014: 10.25% to 10.60%) per annum. These term deposit receipts will mature on August 07, 2015 (2014: July 10, 2014 to November 17, 2014).			

	Note	June 30, 2015	June 30, 2014
6 PROFIT RECEIVABLE			
---(Rupees in '000)---			
Profit accrued on term deposit receipts		1,419	30,016
Profit accrued on letters of placements		-	20,932
Profit accrued on reverse repo		-	155
Profit accrued on bank deposits		5,635	10,689
		<u>7,054</u>	<u>61,792</u>
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance		1,006	1,937
Less: amortised during the year		(932)	(931)
Closing balance	7.1	<u>74</u>	<u>1,006</u>
7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortized over five years as per the requirements of the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.			

	Note	June 30, 2015	June 30, 2014
8 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
---(Rupees in '000)---			
Remuneration of the Management Company	8.1	5,929	13,659
Preliminary expenses and floatation costs		931	1,863
Sindh sales tax on remuneration of the Management Company	8.2	8,225	6,764
Federal excise duty on remuneration of the Management Company	8.3	46,994	28,614
		<u>62,079</u>	<u>50,900</u>

- 8.1 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. During the financial year ended June 30, 2015, the Management Company has charged remuneration at the rate of 10% (2014: 10%) of the gross earnings of the Fund. This fee is subject to a minimum of 1.00% (2014: 1.00%) and a maximum of 1.25% (2014: 1.25%) of the average daily net assets of the fund.
- 8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2014: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 8.3 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 8.2, 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 Honourable 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 46.994 million (including charge for the current year of Rs 28.613 million). Had the provision not been made the net asset value per unit of the Fund as at June 30, 2015 would have been higher by Re 0.0741 (2014 : Re 0.0186) per unit.

	Note	June 30, 2015	June 30, 2014
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
---(Rupees in '000)---			
Trustee fee	9.1	501	977

- 9.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration was paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund as at June 30, 2015 and as at June 30, 2014 was as follows:

Net assets value	Tariff per annum
Upto Rs 1 billion	0.15 percent per annum of net assets
Over Rs 1 billion to Rs 10 billion	Rs 1.5 million plus 0.075 percent per annum of net asset value exceeding Rs 1 billion.
Over Rs 10 billion	Rs 8.25 million plus 0.06 percent per annum of net asset value exceeding Rs 10 billion.

	Note	June 30, 2015	June 30, 2014
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
---(Rupees in '000)---			
Annual fee	10.1	8,272	12,469
10.1	Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as a money market scheme is required to pay, as an annual fee to the SECP, an amount equal to 0.075% (2014 : 0.075%) of the average annual net assets of the scheme.		

	Note	June 30, 2015	June 30, 2014
11 DIVIDEND PAYABLE			
---(Rupees in '000)---			
Dividend payable	11.1	3,699	-
11.1	This includes amounts of Rs 3.638 million which have not been settled on account of certain matters relating to taxation. Out of this an amount of Rs 3.577 million has been transferred to the Unit Holders' Fund subsequent to the year end and the units issued there against have also been kept as frozen.		

	Note	June 30, 2015	June 30, 2014
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
---(Rupees in '000)---			
Auditors' remuneration		365	310
Brokerage payable		155	249
Printing charges		120	100
Withholding taxes		8,016	210
Legal & professional charges		100	-
Provision for Workers' Welfare Fund	12.1	119,795	117,163
		128,551	118,032

12.1 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 (SHC), 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.

In a judgement of May 2014, the Peshawar High Court (PHC) had also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs119.795 million (including charge for the current year of Rs 2.632 million) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2015 would have been higher by Re 0.01890 (2014: Re 0.0763) per unit.

12.2 The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. The provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC. This amendment is however applicable prospectively i.e. from tax year 2016.

13 CONTINGENCIES AND COMMITMENTS

13.1 There were no commitments outstanding as at June 30, 2015 and as at June 30, 2014.

	June 30, 2015	June 30, 2014
	---(Number of Units)---	
14 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	1,535,785,122	1,394,185,688
Add: units issued	3,294,859,020	2,127,132,444
Add: bonus units issued	-	128,320,175
Less: units redeemed	(4,196,749,652)	(2,113,853,185)
Total units in issue at the end of the year	<u>633,894,490</u>	<u>1,535,785,122</u>

	June 30, 2015	June 30, 2014
	---(Rupees in '000)---	
15 AUDITORS' REMUNERATION		
Annual audit fee	285	260
Half yearly review fee	115	100
Other certification	80	60
Out of pocket expenses	97	44
	<u>577</u>	<u>464</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 management has distributed 90% of the Fund's net accounting income earned during the year to its unit holders. Accordingly, no provision has been made in these financial statements.

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.

17 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.

18 TRANSACTIONS WITH CONNECTED PERSONS

18.1 Connected person / related parties include ABL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Allied Bank Limited, retirement funds of Allied Bank Limited, Ibrahim Fibres Limited, Ibrahim Agencies (Pvt.) Limited, Arabian Sea Country Club, Cyan Limited, Muller and Phipps Pakistan (Private) Limited, Bench Matrix (Pvt.) Limited, National Management Foundation - LUMS being entities under common control and / or directorship, directors and key management personnel of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

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

For the year ended June 30, 2015	For the year ended June 30, 2014
---	---

---(Rupees in '000)---

18.5 Details of transactions with connected persons are as follows:

ABL Asset Management Company Limited - Management Company		
Issue of 83,321,059 units (2014: 25,133,408 units)	838,000	251,828
Bonus of Nil units (2014: 1,897,310 units)	-	18,973
Redemption of 46,242,263 units (2014: 12,662,165 units)	496,613	127,000
Remuneration	114,876	171,463
Sindh sales tax on remuneration of the Management Company	19,988	31,824
Federal excise duty on remuneration of the Management Company	18,380	27,434
Preliminary expenses and flotation cost paid	932	931

	For the year ended June 30, 2015	For the year ended June 30, 2014
	---(Rupees in '000)---	
Allied Bank Limited		
Redemption of 550,827,464 units (2014: Nil units)	5,544,468	-
Bonus of Nil units (2014: 40,796,078 units)	-	407,961
Profit on bank deposits	10,674	24,252
Profit on term deposit receipts	162,742	138,438
Bank charges	132	296
Cyan Limited		
Issue of 29,546,192 units (2014: 62,870,553 units)	302,000	630,000
Bonus of Nil units (2014: 1,197,666 units)	-	11,977
Redemption of 29,546,192 units (2014: 89,882,920 units)	304,601	900,535
Cyan Limited - Employees provident fund		
Issue of 134,361 units (2014: 801,882 units)	1,367	8,033
Bonus of Nil units (2014: 68,738 units)	-	687
Redemption of 1,500,413 units (2014: Nil units)	15,416	-
CFA Association of Pakistan		
Issue of 589,378 units (2014: 758,721 units)	6,319	7,600
Bonus of Nil units (2014: 33,922 units)	-	339
Redemption of 11,369 units (2014: 396,693 units)	114	3,983
Cash distribution	863	-
Indus Motor Company Limited		
Issue of 174,873,846 units (2014: Nil units)	1,800,000	-
Redemption of 84,969,145 units (2014: Nil units)	919,918	-
Pakistan Petroleum Limited		
Issue of Nil units (2014: 39,360,997 units)	-	395,000
Bonus of Nil units (2014: 12,501,908 units)	-	125,019
Redemption of units 169,056,056 units (2014: 20,320,275 units)	1,794,049	204,000
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Waseem Mukhtar		
Issue of 135 units (2014: 268,509 units)	1	2,700
Bonus of Nil units (2014: 77,965 units)	-	780
Redemption of 974,963 units (2014: 169,277 units)	10,475	1,700
Cash distribution	1	-
Muhammad Javaid Iqbal		
Redemption of 76,255 units (2014: Nil units)	766	-
Bonus of Nil units (2014: 5,648 units)	-	56
Tahir Yaqoob Bhatti		
Issue of 101,853 units (2014: N/A*)	1,566	-
Redemption of 47,291 units (2014: N/A*)	506	-
Cash distribution	91	-

For the year ended
June 30,
2015

For the year ended
June 30,
2014

---(Rupees in '000)---

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Issue of 8,420,882 units (2014: 697,140 units)

Bonus of Nil units (2014: 35,319 units)

Redemption of 9,056,026 units (2014: 632,486 units)

Cash distribution

88,075

7,000

-

353

94,898

6,350

396

-

Central Depository Company of Pakistan Limited

Remuneration

8,830

12,225

June 30,
2015

June 30,
2014

---(Rupees in '000)---

18.6 Details of amounts outstanding as at year end:

ABL Asset Management Company Limited - Management Company

Outstanding 73,447,757 units (2014: 36,368,961 units)

Preliminary expenses and floatation costs payable

Remuneration

Sindh sales tax on remuneration of the Management Company

Federal excise duty on remuneration of the Management Company

735,968

364,588

931

1,863

5,929

13,659

8,225

6,764

46,994

28,614

Allied Bank Limited

Outstanding Nil units (2014: 550,827,464 units)

Balances with banks

Profit accrued on bank deposit

Profit accrued on term deposit receipts

Term deposit receipt

-

5,521,880

60,436

484

1,583

3,713

1,419

-

1,000,000

-

Cyan Limited - Employees provident fund

Outstanding Nil units (2014: 1,366,052 units)

-

13,694

CFA Association of Pakistan

Outstanding 980,809 units (2014: 402,800 units)

Dividend Payable

9,828

4,038

106

-

Indus Motor Company Limited

Outstanding 89,904,701 units (2014: Nil units)

900,872

-

Pakistan Petroleum Limited ***

Outstanding Nil units (2014: 169,056,056 units)

-

1,694,736

Central Depository Company of Pakistan Limited - Trustee

Remuneration

501

977

June 30,
2015 June 30,
2014
---(Rupees in '000)---

DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Waseem Mukhtar

Outstanding 1,720 units (2014: 976,548 units)

17 9,790

Mr. Muhammad Javaid Iqbal**

Outstanding Nil units (2014: 76,255 units)

- 764

Mr. Tahir Yaqoob Bhatti

Outstanding 104,501 units (2014: N/A *)

1,047 -

Dividend payable

1 -

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 106,943 units (2014: 742,087 units)

1,072 7,439

* Prior period comparatives have not been presented as the entity was not classified as related party / connected person as at June 30, 2014.

** Mr. M. Jawaid Iqbal have resigned as director of the Management Company in the current year.

*** This is no longer a related party / connected person as at June 30, 2015

19 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

S. No.	Name	Designation	Experience in years	Qualification
1	Farid Ahmed Khan	Chief Executive Officer	21	CFA & MBA
2	Muhammad Imran	Chief Investment Officer	16	MBA
3	Syed Abid Ali	Head of Research	7	MBA
4	Kamran Aziz	Fund Manager	7	CFA
5	Faizan Saleem	Fund Manager	8	MBA

19.1 Faizan Saleem is the Fund Manager of the Fund. He is also managing ABL Income Fund and ABL Government Securities Fund.

20 TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2015

S. No.	Particulars	Percentage
1	Next Capital Limited	32.74%
2	C & M Management (Pvt) Limited	14.30%
3	JS Global Capital Limited	13.20%
4	Invest Capital Markets Limited	12.28%
5	Optimus Markets (Private) Limited	7.03%
6	Invest & Finance Securities Limited	4.25%
7	Invest One Markets Limited	2.90%
8	Vector Capital (Pvt) Limited	2.50%
9	Global Securities Pakistan Limited	2.17%
10	BMA Capital Management Limited	1.85%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2014:

S. No.	Particulars	Percentage
1	Optimus Markets (Pvt) Ltd	22.65%
2	Invest Capital Markets Limited	21.12%
3	C & M Management (Private) Limited	15.05%
4	JS Global Capital Limited	13.99%
5	Vector Capital (Pvt.) Ltd	4.10%
6	KASB Securities Limited	4.05%
7	Invest One Markets Limited	3.69%
8	Invest & Finance Securities Limited	3.63%
9	BMA Capital Management Limited	2.73%
10	Global Securities Pakistan Limited	2.29%

21 PATTERN OF UNIT HOLDING

-----As at June 30, 2015-----				
Category	No. of Unit holders	No. of units held	Net asset value of the amount invested	Percentage of total investment
Rupees in '000				
Individuals	1,060	107,176,662	1,073,939	16.91%
Associated companies / directors	4	74,614,732	747,932	11.78%
Insurance companies	5	77,658,911	778,163	12.25%
Retirement funds	12	2,470,715	24,757	0.39%
Public limited companies*	8	268,474,295	2,690,185	42.35%
Others	16	103,472,175	1,036,819	16.32%
	1,105	663,894,490	6,351,795	100.00%

* This includes 89,904,701 units of a connected person / related party.

* This includes 89,904,701 units of a connected person / related party.

-----As at June 30, 2015-----

Category	No. of Unit holders	No. of units held	Net asset value of the amount invested	Percentage of total investment
---(Rupees in '000)---				
Individuals	1,201	131,855,050	1,321,795	8.59%
Associated companies / directors	6	589,394,115	5,908,499	38.38%
Insurance companies	9	95,400,243	956,348	6.21%
Bank / DFIs	4	141,428,858	1,417,769	9.20%
Retirement funds*	12	4,007,169	40,170	0.26%
Public limited companies	24	407,699,212	4,087,050	26.55%
Others	28	166,000,475	1,664,092	10.81%
	1,284	1,535,785,122	15,395,723	100.00%

* This includes 1,366,052 units of a connected person / related party

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

The 38th, 39th, 40th, 41st and 42nd Board of Directors meetings were held on August 26, 2014, October 28, 2014, December 22, 2014, February 06, 2015 and April 29, 2015 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Director	Number of meeting			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	5	4	1	38th
2	Mohammad Naeem Mukhtar	5	2	3	38th, 39th, 42nd
3	Muhammad Waseem Mukhtar	5	5	-	-
4	Tariq Mahmood	5	5	-	-
5	Kamran Nishat	5	5	-	-
6	M. Shakeb Murad*	4	2	2	40th, 41st
7	M. Jawaid Iqbal*	4	2	2	38th, 41th
8	Muhammad Kamran Shehzad**	1	1	-	-
9	Tahir Yaqoob Bhatti***	1	1	-	-
10	Farid Ahmed Khan****	5	5	-	-
	Other persons				
11	Saqib Matin*****	5	5	-	

* Retired in the 7th AGM held on March 31, 2015.

** Elected as new director in the 7th AGM.

*** Elected as new director in the 7th AGM and retired on June 30, 2015.

**** Appointed as new director on June 30, 2015.

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

As at June 30, 2015, 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 at amortised cost.

-----As at June 30, 2015-----

Particulars	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
-------------	-----------------------	---	-------

-----Rupees in '000-----

Financial assets			
Balances with banks	1,671,854	-	1,671,854
Investments	1,000,000	3,875,931	4,875,931
Profit receivable	7,054	-	7,054
	2,678,908	3,875,931	6,554,839

-----As at June 30, 2015-----

Particulars	At fair value through profit or loss	Other Financial liabilities at amortised cost	Total
-------------	--------------------------------------	---	-------

-----Rupees in '000-----

Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	62,079	62,079
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	501	501
Payable against redemption of units	-	16	16
Payable against purchase of investments	-	-	-
Dividend Payable	-	3,699	-
Accrued expenses and other liabilities	-	740	740
	-	67,035	63,336

-----As at June 30, 2014-----

Particulars	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
-------------	-----------------------	---	-------

-----Rupees in '000-----

Financial assets			
Balances with banks	5,005,766	-	5,005,766
Investments	8,354,822	3,813,689	12,168,511
Profit receivable	61,792	-	61,792
	13,422,380	3,813,689	17,236,069

-----As at June 30, 2014-----

Particulars	At fair value through profit of loss	Other Financial liabilities at amortised cost	Total
----- Rupees in '000 -----			
Financial liabilities			
Payable to ABL Asset Management Company Limited			
- Management Company	-	50,900	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	977	977
Payable against redemption of units	-	1,230	1,230
Payable against purchase of investments	-	1,658,001	1,658,001
Accrued expenses and other liabilities	-	659	659
	-	<u>1,711,767</u>	<u>1,711,767</u>

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

Market 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.

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 of three types of risk: currency risk, yield / interest rate risk and other 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 because of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak 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.

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 except for balances in certain saving accounts the interest rate of which in certain circumstances is 5.00% to 7.25%.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2015 include market treasury bills and term deposit receipts. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in respective fair values.

Market treasury bills and Pakistan investment bonds which are classified as financial assets at fair value through profit or loss expose the Fund to fair value interest rate risk. In case of 100 basis points increase in PKRV rates published on MUFAP page as at June 30, 2015, with all other variables held constant, the net income for the year and the net assets would be lower by Rs 8.814 million (2014: Rs 7.063 million). In case of 100 basis points decrease in PKRV rates published on MUFAP page as at June 30, 2015, with all other variables held constant, the net income for the year and the net assets would be higher by Rs 8.860 million (2014: Rs 7.093 million).

The composition of the Fund's investment portfolio and in PKRV rates on MUFAP page are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

Particulars	As at 30 June 2015					Total
	Effective yield / interest rate	Exposed to yield / interest risk				
		Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	
	%	----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	5.00-7.25	1,671,850	-	-	4	1,671,854
Investments	6.95-6.96	4,875,931	-	-	-	4,875,931
Profit receivable		-	-	-	7,054	7,054
Sub total		6,547,781	-	-	7,058	6,554,839
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	62,079	62,079
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	501	501
Payable against redemption of units		-	-	-	16	16
Payable against purchase of investments		-	-	-	-	-
Dividend Payable		-	-	-	61	-
Accrued expenses and other liabilities		-	-	-	740	740
Sub total		-	-	-	63,397	63,336
On-balance sheet gap (a)		6,547,781	-	-	(56,339)	6,491,503
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		6,547,781	-	-	(56,339)	6,491,503
Cumulative interest rate sensitivity gap		6,547,781	6,547,781	6,547,781		

Particulars	As at 30 June 2014					Total
	Effective yield / interest rate	Exposed to yield / interest risk				
		Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	
	%	----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	7.00-10.35	5,005,762	-	-	4	5,005,766
Investments	9.96-10.60	9,879,461	2,289,050	-	-	12,168,511
Profit receivable		-	-	-	61,792	61,792
Sub total		14,885,223	2,289,050	-	61,796	17,236,069
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	50,900	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	977	977
Payable against redemption of units		-	-	-	1,230	1,230
Payable against purchase of investments		-	-	-	1,658,001	1,658,001
Accrued expenses and other liabilities		-	-	-	659	659
Sub total		-	-	-	1,711,767	1,711,767
On-balance sheet gap (a)		14,885,223	2,289,050	-	(1,649,971)	15,524,302
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		14,885,223	2,289,050	-	(1,649,971)	15,524,302
Cumulative interest rate sensitivity gap		14,885,223	17,174,273	17,174,273		

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. At present the Fund is not exposed to price risk.

24.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investments and balances with banks. The Fund does not foresee any credit risk with respect to market treasury bills and Pakistan investment bonds since these represent the interests of Government of Pakistan. The credit risk on other financial assets is limited because the counter parties are mainly financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

24.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2015:

Balances with banks by rating category

Name of banks	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	3.61%
Askari Bank Limited	PACRA	AA	0.16%
Bank Alfalah Limited	PACRA	AA	1.75%
Faysal Bank Limited	PACRA	AA	94.17%
Habib Bank Limited	JCR-VIS	AAA	0.12%
Habib Metropolitan Bank Limited	PACRA	AA+	0.10%
National Bank of Pakistan Limited	JCR-VIS	AAA	0.01%
Standard Chartered Bank Limited	PACRA	AAA	0.01%
United Bank Limited	JCR-VIS	AA+	0.07%

Term deposit receipts by rating category

Name of banks / investee Company	Rating agency	Latest available published rating	Percentage of term deposit receipts, letters of placements and reverse repo
Allied Bank Limited	PACRA	AA+	100.00%

A portion of the investment is invested by the Fund in market treasury bills which are auctioned by the State Bank of Pakistan and are available for investments / trade through secondary market.

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

Concentration of credit risk

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 financial instruments is mainly held with various banks, financial institutions and securities issued by the State Bank of Pakistan on behalf of the Government of Pakistan.

The Funds bank balances and term deposits are mainly held with 2 banks. The management believes that these are credit-worthy counter parties.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation 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 daily cash redemptions at the option of unit holders. The Fund's approach to manage 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 realised and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlements. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund has the ability to withhold daily redemption requests in excess of ten percent of 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 indicated 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 30 June 2015				
Particulars	Upto three months	More than three months and upto one year	More than one year	Total
------(Rupees in '000)-----				
Liabilities				
Payable to ABL Asset Management Company Limited - Management Company	62,079	-	-	62,079
Payable to the Central Depository Company of Pakistan Limited - Trustee	501	-	-	501
Accrued expenses and other liabilities	740	-	-	740
Dividend Payable	3,699	-	-	3,699
Payable against redemption of units	16	-	-	16
Payable against purchase of investments	-	-	-	-
	67,035	-	-	67,035

As at 30 June 2014				
Particulars	Upto three months	More than three months and upto one year	More than one year	Total
------(Rupees in '000)-----				
Liabilities				
Payable to ABL Asset Management Company Limited - Management Company	49,969	-	931	49,969
Payable to the Central Depository Company of Pakistan Limited - Trustee	977	-	-	977
Accrued expenses and other liabilities	659	-	-	659
Payable against redemption of units	1,230	-	-	1,230
Payable against purchase of investments	1,658,001	-	-	1,658,001
	1,710,836	-	931	1,710,836

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 materially 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 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 assets 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 asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

Particulars	As at 30 June 2015			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through profit or loss				
- Market treasury bills	-	3,875,931	-	3,875,931
- Pakistan investment bonds	-	-	-	-
	-	3,875,931	-	3,875,931

Particulars	As at 30 June 2014			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through profit or loss				
- Market treasury bills	-	1,773,650	-	1,773,650
- Pakistan investment bonds	-	2,040,039	-	2,040,039
	-	3,813,689	-	3,813,689

26 UNIT HOLDER'S FUND RISK MANAGEMENT

The unit holder's fund is represented by redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's 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 duty and charge, if applicable. The relevant movements are shown on the statement of movement in unit holders' fund.

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

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong base 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 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 27, 2015 by the Board of Directors of the Management Company.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand rupees.

28.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer









MUHAMMAD KAMRAN SHEHZAD
Director



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