



ABL Government Securities Fund

Annual Report -2015

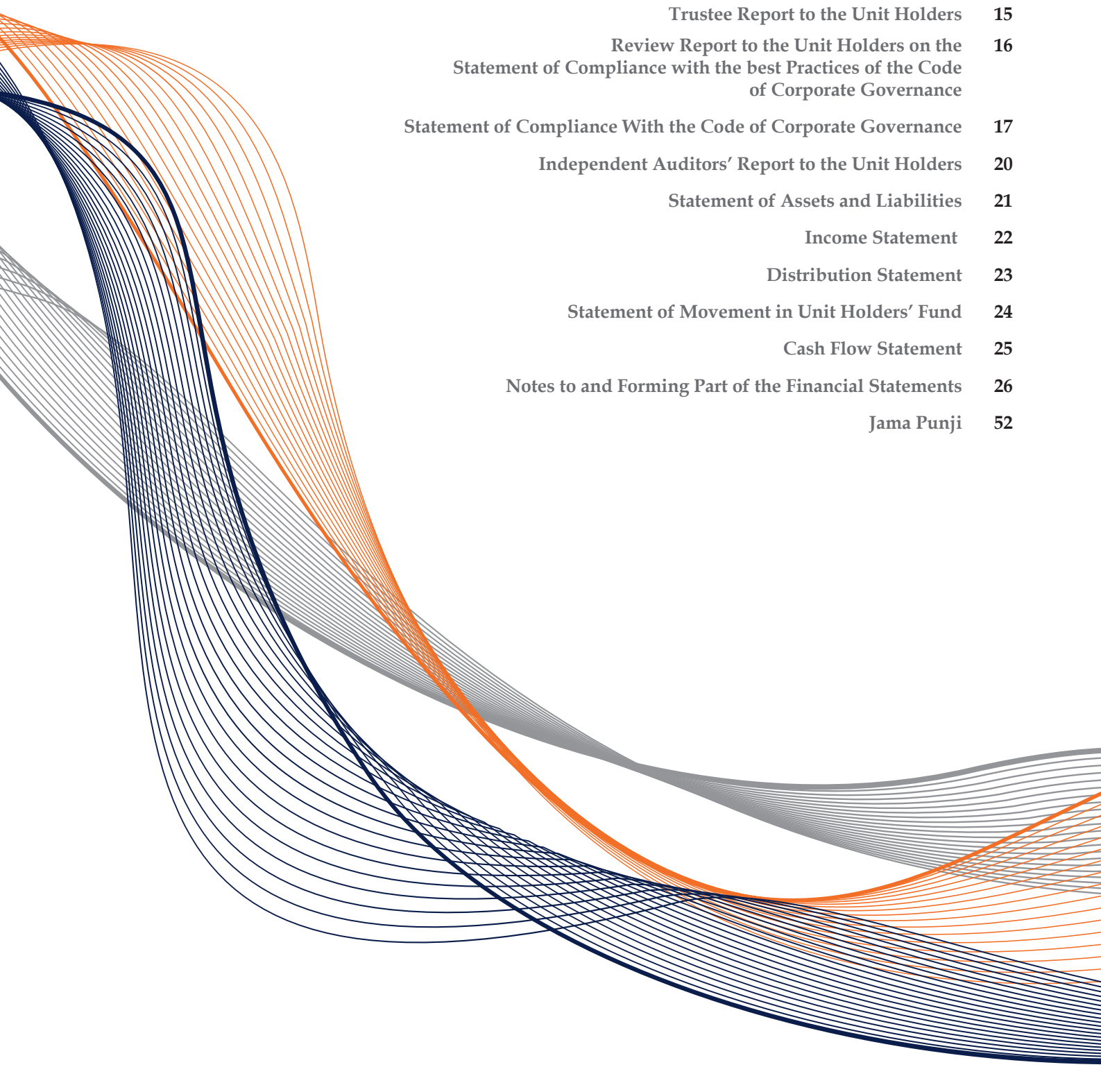


ABL Asset Management

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 Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited Soneri 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 Government Securities Fund (ABL-GSF), is pleased to present the Audited Financial Statements of ABL Government Securities Fund for the year ended June 30, 2015.

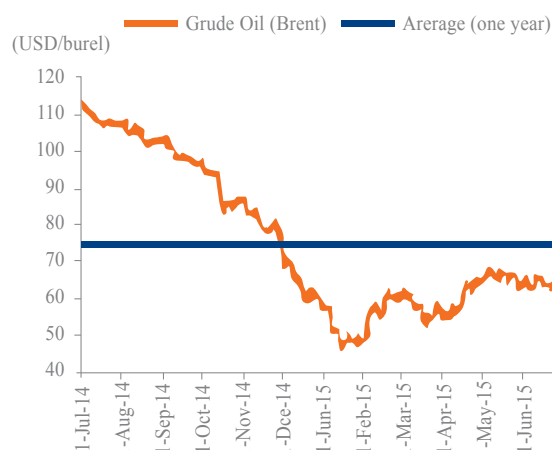
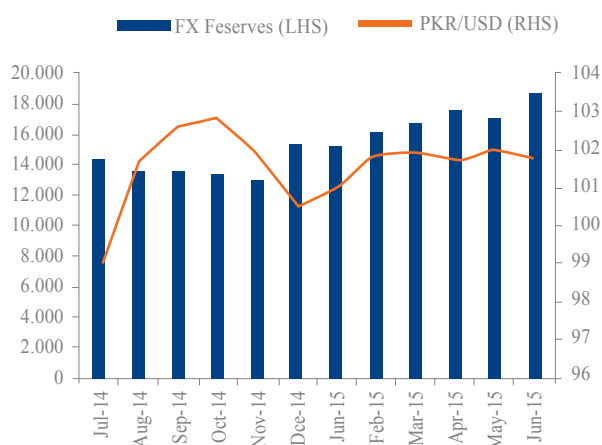
ECONOMIC PERFORMANCE REVIEW

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.

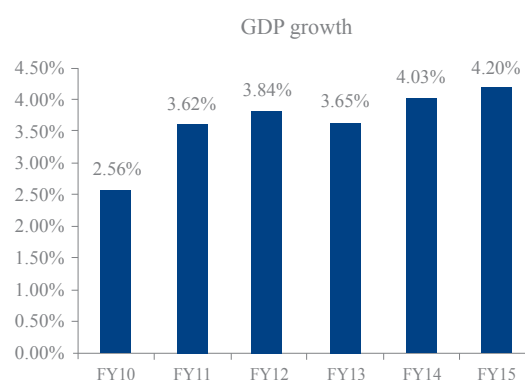
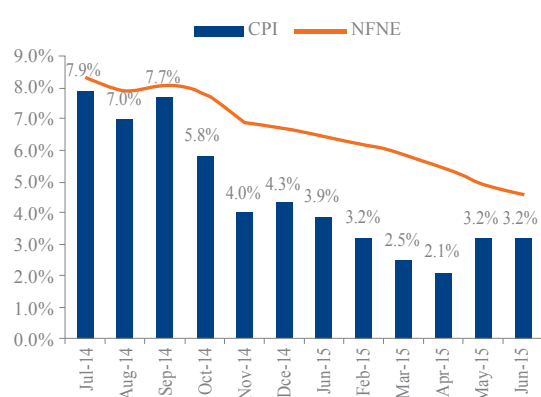
Windfall benefits of oil prices were also visible in import bill of the country which declined by 1.1%YoY to USD 41.1bn. However, weak commodity prices and overall weak global economy (especially the Eurozone) and sharp appreciation of the PKR against the Euro during FY15 (+15.9%YoY) resulted into a 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



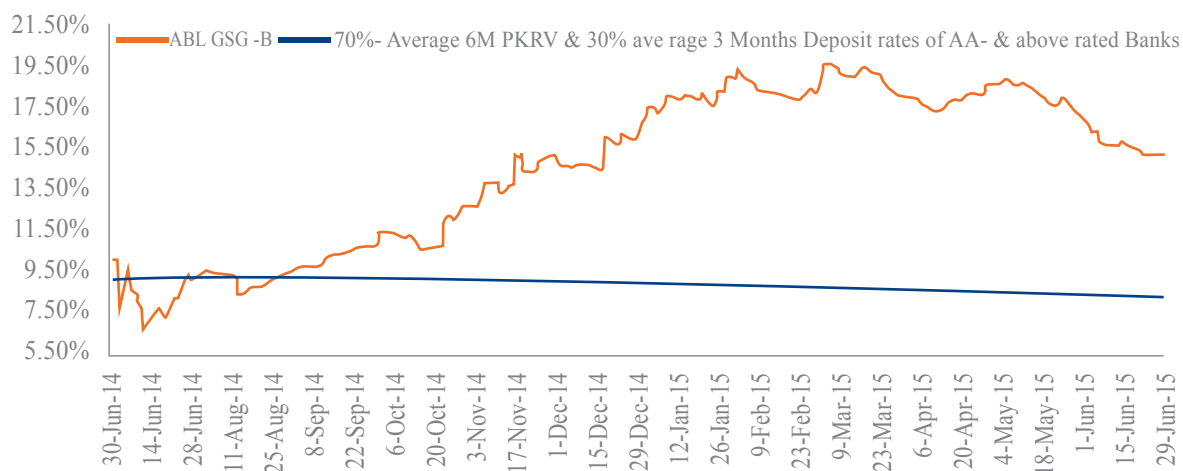
government securities against borrowing through OMO to exploit the rate gap. SBP kept obliging the participants and increased the quantum of OMO injections, which jumped from ~PKR 150 billion in July-14 to peak around PKR 1 trillion in April-15 and closed the year at ~PKR 660 billion.

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

ABL GSF posted an impressive annualized return of 15.14% in FY15, against the benchmark performance of 8%. During the period under review, ABL GSF's AUM increased remarkably by 109% to PKR 9.185 billion as on June 30, 2015 from PKR 4.395 billion a year back as investors chased returns in funds with higher exposure to long duration bonds. SBP took aggressive stance on monetary easing owing to lower inflation by slashing discount rate thrice during the year by 300 bps from 10% to 7% which benefited the fund in terms of healthy capital gains. ABL GSF was among the best performing funds in Income Fund category for the period ended June 30, 2015.

During the year, we kept the duration of the fund on the higher side due to continuous downward shift in the rate curve. However, we actively reallocated our exposure across various tenor PIBs and Cash assets according to market and interest rate trends. At the end of the period, investment in PIBs and T-Bills stood at 48.8% and 9.63% of total assets respectively as we pre-empted volatility in yields due to heavy selling in the secondary market by financial institutions to book capital gains before June closing. Hence, cash assets stood at 40.14% of total assets which also allowed us to take maximum advantage of high rates offered by banks on June end.



DIVIDENDS

The Chief Executive Officer of ABL Asset Management Company Limited (ABL AMCL) on behalf of the Board of Directors, on June 12, 2015 has approved and declared interim dividend distribution of Rs.1.5242 per unit (15.24% of the par value of Rs.10) for Class B units, 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. M. Jawaid Iqbal*	Director	135,999	1,518	-
2	Mr. Farid Ahmed Khan	CEO	6,349,071	2,985,439	-

*Retired in 7th AGM hold on March 31, 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 hold 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 Government Securities Fund, is given hereunder:

S. No.	Particulars	Units Held on June 30, 2015
1	Associated Companies, undertakings and related parties	
	• Poineer Cement Limited	100,292,611
	• D.G. Khan Cement Company Limited	316,292,242
2	Mutual Funds	Nil
3	Directors and their spouse(s) and minor children	3,584,560
4	Executives	Nil
5	Public Sector Companies and corporations	85,122,698
6	Others Corporates	47,874,298
7	Bank, DFIs, NBFs, Insurance Companies, Takaful, Modaraba and Pension Fund	58,689,876
8	Shareholders holding five percent or more voting rights in the listed company	Not Applicable

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors, being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2016 for ABL Government Securities Fund (ABL-GSF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 13, 2014, reaffirmed the Fund Stability Rating of 'A+ (f)' (Single A plus (f)) to ABL Government Securities Fund (ABL-GSF).

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 GOVERNMENT SECURITIES FUND

OBJECTIVE

The objective of ABL Government Securities Fund is to deliver optimal risk adjusted returns by investing in a mix of short to long term Government Securities.

FUND PERFORMANCE

During the period, ABL-GSF's performance remained in the top quartile of its group and posted an annualized yield of 15.14%, thus beating the benchmark return of 8.00% by massive 714 bps. Fund returns were supported by high duration of the portfolio which benefitted from declining interest rate environment. Moreover, higher allocation in PIBs also resulted in higher accrual yields compared to T-Bills.

Fund size increased by 109% to PKR 9.185 billion from PKR 4.395 billion last year due to strong performance. At year end, PIBs constituted 48.80% of the portfolio followed by T-bills at 9.63% and Cash deposits at 40.14% of total assets. Cash was raised in order to benefit from higher placement rates at June end. The weighted average maturity of the portfolio was generally kept high during the year; however at year end, WAM was reduced to 659 days due to reduction in PIB exposure.

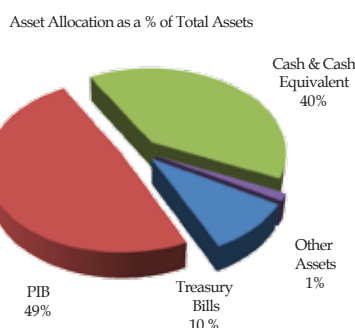
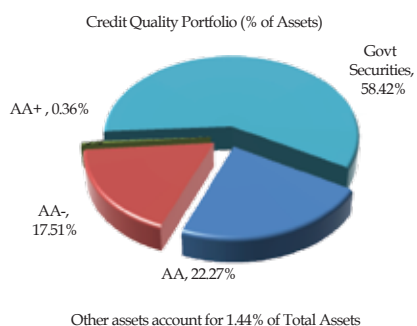
The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 131.307 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs 0.1434 per unit.

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.

Going forward, we will once again increase the duration of the fund by increasing allocation in medium term bonds against cash as we expect further capital gains on bond portfolio. However, we will closely monitor developments on macro front and actively adjust duration and allocation in the light of new developments.

ABL Government Fund Performance	FY-2015
Yield	15.14%
Benchmark (70%- Average 6M PKRV & 30% average 3 Months Deposit rates of AA- & above rated Banks)	8.00%
Weighted Average Time to Maturity of Net Assets	659 days
Asset under management as at June 30,2015 (PKR mn)	9,185.36
Closing NAV per unit as on June 30,2015 (PKR) (Ex-Dividend)	10.0324



PERFORMANCE TABLE

	2015	2014	2013 (Rupees in '000)		2012	
Net Assets	9,185,360	4,394,902	1,839,432		34,838,356	
Net Income	498,024	217,559	3,889,663		1,828,837	
	Class B	Class B	Class A	Class B	Class A	Class B
	(Rupees per unit)					
Net Assets value	10.0324	10.0412	-	10.0095	10.0275	10.0246
Interim distribution	-	0.8118	0.5503	1.0555	0.4234	0.5023
Final distribution	1.5242	0.0388	-	0.0830	0.0978	0.0865
Distribution date final	June 12, 2015	June 23, 2014	June 28, 2013		June 25, 2012	
Closing offer price	10.1829	10.1918	0.0000	10.0095	10.0275	10.0246
Closing repurchase price	10.0324	10.0412	0.0000	10.0095	10.0275	10.0246
Highest offer price	11.8405	10.3917	10.2561	10.234	10.2372	10.2846
Lowest offer price	10.1552	10.1502	10.0014	10.0012	10.0031	10.0010
Highest repurchase price per unit	11.6655	10.2381	10.2561	10.234	10.2372	10.2846
Lowest repurchase price per unit	10.0051	10.0002	10.0014	10.0012	10.0031	10.001
	Percentage					
Total return of the fund						
- capital growth	-0.10%	0.66%	5.44%	0.40%	2.25%	0.64%
- income distribution	15.24%	8.51%	5.50%	11.39%	10.69%	10.04%
Average return of the fund						
First Year	15.14%	9.17%	10.94%	11.79%	12.94%	10.68%
Second Year	12.85%	11.02%	11.50%	11.85%	-	-
Third Year	13.51%	11.48%	-	-	-	-
Fourth Year / Since inception	13.75%	-	-	-	-	-
Weighted average Portfolio duration in days	548	690	117		227	

Monthly Distribution	2014		2013			2012		
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit		Date of distribution	Distribution Per Unit	
	Class B	Class B	Class A & B	Class A	Class B	Class A & B	Class A	Class B
1st Interim distribution	30 July 2013	0.0580	-	-	-	-	-	-
2nd Interim distribution	29 August 2013	0.0454	29 August 2012	0.2561	0.2340	-	-	-
3rd Interim distribution	25 October 2013	0.0556	24 October 2012	0.0698	0.2226	-	-	-
4th Interim distribution	28 November 2013	0.0713	29 November 2012	0.0895	0.0778	-	-	-
5th Interim distribution	30 January 2014	0.0790	-	-	-	-	-	-
6th Interim distribution	27 February 2014	0.0814	28 February 2013	-	0.1843	-	-	-
7th Interim distribution	30 April 2014	0.2381	30 April 2013	-	0.0916	-	-	-
8th Interim distribution	30 May 2014	0.0130	30 May 2013	-	0.0721	21 May 2012	0.1862	0.1674

Quarterly Distribution	2014		2013		2012	
	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B	CLASS B
First quarter Interim distribution	0.0286	0.0701	0.0626		-	-
Date of distribution - Interim	27 September, 2013		24 September 2012		-	
Second quarter Interim distribution	0.0700	0.0648	0.0558		-	0.0503
Date of distribution - Interim	30 December 2013		27 December 2012		26 December 2011	
Third quarter Interim distribution	0.0714	-	0.0547		0.2372	0.2846
Date of distribution - Interim	27 March 2014		22 March 2013		26 March 2012	

Final Distribution	2014		2013		2012	
	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B	CLASS B
Final Distribution	0.0388	-	0.0830		0.0978	0.0865
Date of distribution - Final	23 June 2014		28 June 2013		25 June 2012	

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**

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL GOVERNMENT SECURITIES 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 Government Securities 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 Government Securities 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 GOVERNMENT SECURITIES 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 Government Securities 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



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS
REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **ABL Government Securities 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 GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2015

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
ASSETS			
Balances with banks	4	3,791,467	1,227,836
Investments	5	5,518,037	3,135,885
Profit receivable	6	134,837	167,775
Preliminary expenses and floatation costs	7	1,414	2,414
Total assets		9,445,755	4,533,910
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	8	39,626	14,144
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	643	340
Payable to the Securities and Exchange Commission of Pakistan	10	6,586	1,782
Dividend payable	11	30,266	-
Accrued expenses and other liabilities	12	180,120	121,626
Payable against redemption of units		3,154	1,116
Total liabilities		260,395	139,008
NET ASSETS		9,185,360	4,394,902
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,185,360	4,394,902
CONTINGENCIES AND COMMITMENTS			
	13	(Number of units)	
NUMBER OF UNITS IN ISSUE	14	915,570,610	437,687,599
		(Rupees)	
NET ASSET VALUE PER UNIT		10.0324	10.0412
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 GOVERNMENT SECURITIES 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		499,160	(9,000)
Income from government securities		740,757	207,439
Income from term deposit receipts		4,091	15,485
Income from letters of placements		24,908	8,837
Income from reverse repurchase transactions		-	567
Income from sukus		-	224
Profit on deposits with banks		87,006	24,457
		1,355,922	248,009
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	(19,318)	(1,880)
Total income		1,336,604	246,129
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company	8.1	109,766	29,700
Sindh sales tax on remuneration of the Management Company	8.2	19,099	5,512
Federal excise duty on remuneration of the Management Company	8.3	17,563	4,752
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	7,146	2,532
Annual fee - Securities and Exchange Commission of Pakistan	10.1	6,586	1,782
Brokerage and securities transaction costs		4,002	636
Bank charges		601	397
Auditors' remuneration	15	441	412
Amortisation of preliminary expenses and floatation costs	7	1,000	1,000
Printing charges		191	121
Listing fee		50	50
Legal and professional charges		100	-
Rating fee		215	200
Total operating expenses		166,760	47,094
Net income from operating activities		1,169,844	199,035
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(661,656)	22,964
Provision for Workers' Welfare Fund	12.1	(10,164)	(4,440)
Net income before taxation		498,024	217,559
Taxation	16	-	-
Net income after taxation		498,024	217,559
Other comprehensive income		-	-
Total comprehensive income		498,024	217,559
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



ABL GOVERNMENT SECURITIES FUND

DISTRIBUTION 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)---	
Undistributed income brought forward comprising of:		
- realised income	19,819	286
- unrealised (loss) / income	(1,880)	1,337
	17,939	1,623
Net income after taxation	498,024	217,559
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(5,020)	766
Distribution during the year		
Nil (2014: Issue of 1,533,506 bonus units on class B @ Re 0.580 per unit on July 30, 2013)	-	(15,335)
Nil (2014: Issue of 857,417 bonus units on class B @ Re 0.0454 per unit on August 29, 2013)	-	(8,574)
Nil (2014: Issue of 457,525 bonus units on class B @ Re 0.0286 per unit on September 27, 2013)	-	(4,575)
Nil (2014: Issue of 760,070 bonus units on class B @ Re 0.0556 per unit on October 25, 2013)	-	(7,601)
Nil (2014: Issue of 1,015,094 bonus units on class B @ Re 0.0713 per unit on November 28, 2013)	-	(10,151)
Nil (2014: Issue of 1,232,322 bonus units on class B @ Re 0.0700 per unit on December 30, 2013)	-	(12,323)
Nil (2014: Issue of 1,387,374 bonus units on class B @ Re 0.0790 per unit on Jan 30, 2014)	-	(13,874)
Nil (2014: Issue of 1,586,234 bonus units on Class B @ Re 0.0814 per unit on Feb 27, 2014)	-	(15,862)
Nil (2014: Issue of 1,698,337 bonus units on class B @ Re 0.0714 per unit on March 27, 2014)	-	(16,983)
Nil (2014: Issue of 7,293,581 bonus units on class B @ Re 0.2381 per unit on April 30, 2014)	-	(72,936)
Nil (2014: Issue of 599,717 bonus units on class B @ Re 0.0130 per unit on May 30, 2014)	-	(5,997)
Nil (2014: Issue of 1,779,800 bonus units on class B @ Re 0.0388 per unit on June 23, 2014)	-	(17,798)
Cash distribution class - B @ Rs 1.5242 per unit on June 12, 2015 (2014: Nil)	(481,375)	-
	(481,375)	(202,009)
Undistributed income carried forward	29,568	17,939
Undistributed income carried forward comprising of:		
- realised income	48,886	19,819
- unrealised loss	(19,318)	(1,880)
	29,568	17,939

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 GOVERNMENT SECURITIES 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	4,394,902	1,839,432
Issue of 2,665,859,898 units (2014: 745,607,905 units)	28,594,106	7,503,835
Redemption of 2,187,976,887 units (2014: 511,889,709 units)	(24,481,953)	(5,142,960)
	4,112,153	2,360,875
Issue of Nil bonus units (2014: 20,200,977 units)	-	202,009
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		
- amount representing loss / (income) and capital losses / (gains) - transferred to income statement - net	661,656	(22,964)
- amount representing loss / (income) and capital losses / (gains) - transferred to distribution statement - net	5,020	(766)
	666,676	(23,730)
Capital gain / (loss) on sale of government securities - net	499,160	(9,000)
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(19,318)	(1,880)
Other net income	18,182	228,439
	498,024	217,559
Distribution during the year		
Nil (2014: Issue of 1,533,506 bonus units on class B @ Re 0.580 per unit on July 30, 2013)	-	(15,335)
Nil (2014: Issue of 857,417 bonus units on class B @ Re 0.0454 per unit on August 29, 2013)	-	(8,574)
Nil (2014: Issue of 457,525 bonus units on class B @ Re 0.0286 per unit on September 27, 2013)	-	(4,575)
Nil (2014: Issue of 760,070 bonus units on class B @ Re 0.0556 per unit on October 25, 2013)	-	(7,601)
Nil (2014: Issue of 1,015,094 bonus units on class B @ Re 0.0713 per unit on November 28, 2013)	-	(10,151)
Nil (2014: Issue of 1,232,322 bonus units on class B @ Re 0.0700 per unit on December 30, 2013)	-	(12,323)
Nil (2014: Issue of 1,387,374 bonus units on class B @ Re 0.0790 per unit on Jan 30, 2014)	-	(13,874)
Nil (2014: Issue of 1,586,234 bonus units on Class B @ Re 0.0814 per unit on Feb 27, 2014)	-	(15,862)
Nil (2014: Issue of 1,698,337 bonus units on class B @ Re 0.0714 per unit on March 27, 2014)	-	(16,983)
Nil (2014: Issue of 7,293,581 bonus units on class B @ Re 0.2381 per unit on April 30, 2014)	-	(72,936)
Nil (2014: Issue of 599,717 bonus units on class B @ Re 0.0130 per unit on May 30, 2014)	-	(5,997)
Nil (2014: Issue of 1,779,800 bonus units on class B @ Re 0.0388 per unit on June 23, 2014)	-	(17,798)
Cash distribution class - B @ Rs 1.5242 per unit on June 12, 2015 (2014: Nil)	(481,375)	-
	(481,375)	(202,009)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(5,020)	766
Net assets as at the end of the year	9,185,360	4,394,902

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 GOVERNMENT SECURITIES FUND

CASH FLOW 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)---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	498,024	217,559
Adjustments for non-cash and other items		
Amortisation of preliminary expenses and floatation costs	1,000	1,000
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	19,318	1,880
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	661,656	(22,964)
Federal excise duty on remuneration of the Management Company	17,563	4,752
Provision for Workers' Welfare Fund	10,164	4,440
	1,207,725	206,667
Decrease / (increase) in assets		
Profit receivable	32,938	(155,925)
Prepayments	-	2
	32,938	(155,923)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	7,919	3,212
Payable to the Central Depository Company of Pakistan Limited - Trustee	303	176
Payable to the Securities and Exchange Commission of Pakistan	4,804	(21,427)
Accrued expenses and other liabilities	16,588	49
	29,614	(17,990)
Net amount paid on purchase and sale of investments	(2,401,470)	(2,388,306)
Net cash used in operating activities	(1,131,193)	(2,355,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	28,594,106	7,503,835
Payments against redemption of units	(24,479,915)	(5,142,780)
Advance received against issuance of units	31,742	-
Cash distribution paid	(451,109)	-
Net cash generated from financing activities	3,694,824	2,361,055
Net increase in cash and cash equivalents	2,563,631	5,503
Cash and cash equivalents at the beginning of the year	1,227,836	1,222,333
Cash and cash equivalents at the end of the year	4 3,791,467	1,227,836

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 GOVERNMENT SECURITIES 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 Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 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 Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

The Fund is an open-ended 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 and are transferable and redeemable by surrendering them to the Fund.

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

The objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term government securities and other debt instruments.

The 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 a fund stability rating of A+(f) to the Fund as at August 13, 2014.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of 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 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 standard has been issued by the IASB which is 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 estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a 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 investment (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 of balances with banks and 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.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits 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 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 valuation of debt securities. In determining 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 circular 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 the 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 the changes in the fair value of available for sale financial assets are taken to the 'other comprehensive income' until these are derecognised or impaired. At this time, 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 on these instruments are 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 is impaired. The carrying value of the Fund's assets are reviewed at each reporting

date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

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

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

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or 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 amounts are 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.

3.6 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.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

The Fund 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 has 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 every year.

3.8 Proposed distributions

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

3.9 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 the business hours of that day. The redemption price represents the 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.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in the prices of 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.

3.11 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.

3.12 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.
- Profit on bank deposits and on investments is recognised on an accrual basis.
- Income on government securities, debt securities, reverse repurchase transactions and placements is recognised on an accrual basis, using the effective interest rate method.

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
4 BALANCES WITH BANKS			
Saving accounts	4.1 & 4.2	3,791,467	1,227,836
4.1	These saving accounts carry profit at rates ranging from 5% to 7.25% (June 30, 2014: 7.00% to 10.75%) per annum.		
4.2	Deposits in savings accounts include Rs 31,798 thousand (June 30, 2014: Rs 1,705 thousand) maintained with Allied Bank Limited, a related party and carry profit at the rate of 6.25% (June 30, 2014: 9.3%) per annum.		

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
5 INVESTMENTS			
Financial assets at fair value through profit or loss - net			
Government securities			
- Market treasury bills	5.1.1	909,113	9,901
- Pakistan investment bonds	5.1.4	4,608,924	3,125,984
		5,518,037	3,135,885
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 -----										
November 28, 2014	2 Months	-	2,167,500	2,167,500	-	-	-	-	-	-
May 15, 2014	3 Months	10,000	-	10,000	-	-	-	-	-	-
July 10, 2014	3 Months	-	1,050,000	1,050,000	-	-	-	-	-	-
July 24, 2014	3 Months	-	2,340,000	2,340,000	-	-	-	-	-	-
August 7, 2014	3 Months	-	590,000	590,000	-	-	-	-	-	-
September 4, 2014	3 Months	-	1,229,500	1,229,500	-	-	-	-	-	-
October 16, 2014	3 Months	-	192,000	192,000	-	-	-	-	-	-
October 30, 2014	3 Months	-	2,265,000	2,265,000	-	-	-	-	-	-
November 13, 2014	3 Months	-	2,022,400	2,022,400	-	-	-	-	-	-
November 27, 2014	3 Months	-	285,000	285,000	-	-	-	-	-	-
February 6, 2015	3 Months	-	750,000	750,000	-	-	-	-	-	-
April 30, 2015	3 Months	-	250,000	250,000	-	-	-	-	-	-
May 14, 2015	3 Months	-	450,000	450,000	-	-	-	-	-	-
May 28, 2015	3 Months	-	500,000	500,000	-	-	-	-	-	-
April 17, 2014	6 Months	-	225,000	225,000	-	-	-	-	-	-
May 15, 2014	6 Months	-	740,000	740,000	-	-	-	-	-	-
October 30, 2014	6 Months	-	651,500	651,500	-	-	-	-	-	-
November 13, 2014	6 Months	-	250,000	250,000	-	-	-	-	-	-
January 8, 2015	6 Months	-	279,000	279,000	-	-	-	-	-	-
January 22, 2015	6 Months	-	250,000	250,000	-	-	-	-	-	-
February 6, 2015	6 Months	-	580,000	580,000	-	-	-	-	-	-
February 19, 2015	6 Months	-	1,005,000	955,000	50,000	49,543	49,528	(15)	0.54%	0.90%
March 5, 2015	6 Months	-	550,000	500,000	50,000	49,416	49,397	(19)	0.54%	0.90%
March 19, 2015	6 Months	-	2,350,000	2,000,000	350,000	345,037	344,874	(163)	3.75%	6.25%
April 16, 2015	6 Months	-	7,400,500	7,400,000	500	491	490	(1)	0.01%	0.01%
April 30, 2015	6 Months	-	250,000	250,000	-	-	-	-	-	-
May 14, 2015	6 Months	-	250,000	250,000	-	-	-	-	-	-
March 20, 2014	12 Months	-	1,759,000	1,759,000	-	-	-	-	-	-
April 17, 2014	12 Months	-	2,050,200	2,050,200	-	-	-	-	-	-
May 2, 2014	12 Months	-	1,021,000	1,021,000	-	-	-	-	-	-
May 15, 2014	12 Months	-	845,000	845,000	-	-	-	-	-	-
October 30, 2014	12 Months	-	110,000	110,000	-	-	-	-	-	-
November 13, 2014	12 Months	-	2,862,200	2,862,000	200	195	196	1	0.00%	0.00%
November 27, 2014	12 Months	-	83,790	83,000	790	769	768	(1)	0.01%	0.01%
December 11, 2014	12 Months	-	750,000	750,000	-	-	-	-	-	-
December 26, 2014	12 Months	-	496,700	496,500	200	194	195	1	0.00%	0.00%
January 8, 2015	12 Months	-	1,906,195	1,806,100	100,095	96,581	96,604	23	1.05%	1.75%
January 22, 2015	12 Months	-	1,105,000	1,105,000	-	-	-	-	-	-
February 6, 2015	12 Months	-	5,013,000	4,828,000	185,000	177,562	177,628	66	1.93%	3.22%
February 19, 2015	12 Months	-	163,000	163,000	-	-	-	-	-	-
March 5, 2015	12 Months	-	237,500	187,500	50,000	47,769	47,761	(8)	0.52%	0.87%
March 19, 2015	12 Months	-	89,000	-	89,000	84,331	84,797	466	0.92%	1.54%
April 16, 2015	12 Months	-	390,000	330,000	60,000	56,872	56,875	3	0.62%	1.03%
April 30, 2015	12 Months	-	350,000	350,000	-	-	-	-	-	-
May 14, 2015	12 Months	-	400,000	400,000	-	-	-	-	-	-
Total - June 30, 2015		10,000	48,503,985	47,578,200	935,785	908,760	909,113	353	9.90%	16.48%

Total - June 30, 2014

9,901 9,901 -

5.1.2 Market treasury bills carry effective interest rates ranging from 6.72% to 8.35% per annum (2014: 9.99% per annum).

5.1.3 Government securities - GoP Ijarah sukuk:

Issue date	Coupon rate in % Temor	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 -----										
June 25, 2014	7.4940 / 3 Years	-	500,000	500,000	-	-	-	-	-	-
		-	500,000	500,000	-	-	-	-	-	-

5.1.4 Government securities - Pakistan investment bonds:

Issue date	Coupon rate in % Temor	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 -----										
June 25, 2014	7.494 / 3 Years	-	500,000	500,000	-	-	-	-	-	-
August 18, 2011	11.25 / 3 Years	-	70,000	70,000	-	-	-	-	-	-
July 18, 2013	11.25 / 3 Years	2,322,500	6,775,000	8,960,000	137,500	141,504	143,317	1,813	1.56%	2.60%
July 17, 2014	11.25 / 3 Years	-	2,327,000	2,227,000	100,000	107,317	107,487	170	1.17%	1.95%
March 26, 2015	8.75 / 3 Years	-	5,032,000	2,658,000	2,374,000	2,435,799	2,431,217	(4,582)	26.47%	44.06%
August 18, 2011	11.50 / 5 Years	-	50,000	50,000	-	-	-	-	-	-
July 18, 2013	11.50 / 5 Years	-	300,000	300,000	-	-	-	-	-	-
July 17, 2014	11.50 / 5 Years	-	3,495,000	3,241,800	253,200	283,076	277,270	(5,806)	3.02%	5.02%
March 26, 2015	9.25 / 5 Years	-	2,831,000	1,335,000	1,496,000	1,529,476	1,518,831	(10,645)	16.54%	27.52%
May 19, 2006	12.00 / 10 Years	-	200,000	200,000	-	-	-	-	-	-
July 19, 2012	12.00 / 10 Years	875,000	4,795,000	5,553,000	117,000	131,423	130,802	(621)	1.42%	2.37%
July 17, 2014	12.00 / 10 Years	-	2,597,000	2,597,000	-	-	-	-	-	-
August 22, 2007	9.60 / 10 Years	-	250,000	250,000	-	-	-	-	-	-
March 26, 2015	9.75 / 10 Years	-	275,000	275,000	-	-	-	-	-	-
Total - June 30, 2015		3,197,500	29,497,000	28,216,800	4,477,700	4,628,595	4,608,924	(19,671)	50.18%	83.52%
Total - June 30, 2014					3,127,864	3,125,984	(1,880)			

5.1.5 Pakistan investment bonds carry effective interest rates ranging from 7.75% to 9.65% per annum (2014: 11.55% to 12.90% per annum).

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

5.2 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net

Market value of securities
 Less: carrying value of securities

5,518,037	3,135,885
(5,537,355)	(3,137,765)
(19,318)	(1,880)



	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
6	PROFIT RECEIVABLE		
	Profit accrued on bank deposits	11,390	3,487
	Profit accrued on Pakistan Investment Bonds	123,447	164,288
		<u>134,837</u>	<u>167,775</u>
7	PRELIMINARY EXPENSES AND FLOATATION COSTS		
	Opening balance	2,414	3,414
	Less: amortisation during the year	(1,000)	(1,000)
	Closing balance	<u>1,414</u>	<u>2,414</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 amortised over five years in accordance with the requirements set out in the Trust Deed and the Non Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	June 30, 2015	June 30, 2014
---(Rupees in '000)---			
8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
	Remuneration of the Management Company	8.1 9,955	4,637
	Sindh sales tax on remuneration of the Management Company	8.2 4,914	1,528
	Federal excise duty on remuneration of the Management Company	8.3 22,488	4,925
	Preliminary expenses and floatation costs	2,000	3,000
	Sales load	269	54
		<u>39,626</u>	<u>14,144</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. In the current year, the Management Company has charged remuneration at the rate of 1.25 percent per annum (2014: 1.25 percent per annum) of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (June 30, 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 Honorable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 22.488 million (including 17.563 million for the current year). 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 0.0246 per unit (2014: Re 0.0113).

	Note	June 30, 2015	June 30, 2014
9		---(Rupees in '000)---	
PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	<u>643</u>	<u>340</u>

9.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure. There is no change in the tariff structure in the current year.

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

Net assets value	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.15% per annum of Net asset value.
Exceeding Rs. 1,000 million	Rs. 1.5 million plus 0.075% per annum of Net asset value exceeding Rs. 1,000 million.
Over Rs 10 billion	Rs. 8.25 million plus 0.06% per annum of Net asset value exceeding Rs. 10 billion

	Note	June 30, 2015	June 30, 2014
10		---(Rupees in '000)---	
PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	10.1	<u>6,586</u>	<u>1,782</u>

10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme classified as income scheme is required to pay as an annual fee to the SECP, an amount equal to 0.075% per annum (2014: 0.075% per annum) of the average annual net assets of the scheme.

		June 30, 2015	June 30, 2014
11		---(Rupees in '000)---	
DIVIDEND PAYABLE			
Dividend payable	11	<u>30,266</u>	<u>-</u>

11.1 This includes amounts of Rs 28.997 million which have not been settled on account of certain matters relating to taxation. Out of this an amount of Rs 28.972 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
---(Rupees in '000)---			
12	ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration		280	265
Brokerage		466	134
Printing charges		89	59
Withholding tax		16,135	24
Advance against issue of units		31,742	-
Legal & professional charges payable		100	-
Provision for Workers' Welfare Fund	12.1	131,308	121,144
		<u>180,120</u>	<u>121,626</u>

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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgement, 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 Rs 131.308 million (including Rs 10.164 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2015 would have been higher by Re 0.1434 per unit (2014: Re 0.2768).

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

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

14 NUMBER OF UNITS IN ISSUE

	----- For the Year ended June 30, 2015 -----		
	Class A	Class B	Total
	(Note 14.1)		
Total units in issue at the beginning of the year	-	437,687,599	437,687,599
Add: units issued	-	2,665,859,898	2,665,859,898
Less: units redeemed	-	(2,187,976,887)	(2,187,976,887)
Total units in issue at the end of the year	-	915,570,610	915,570,610

	----- For the Year ended June 30, 2014 -----		
	Class A	Class B	Total
	(Note 14.1)		
Total units in issue at the beginning of the year	-	183,768,426	183,768,426
Add: units issued	-	745,607,905	745,607,905
Add: bonus units issued	-	20,200,977	20,200,977
Less: units redeemed	-	(511,889,709)	(511,889,709)
Total units in issue at the end of the year	-	437,687,599	437,687,599

14.1 The Management Company had suspended the offering of Class "A" Units with effect from February 10, 2014.

June 30, June 30,
2015 2014

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

15 AUDITORS' REMUNERATION

Annual audit fee	200	185
Half yearly review fee	100	90
Other certifications	80	60
Out of pocket expenses	61	77
	<u>441</u>	<u>412</u>

16 TAXATION

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

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

Earnings per unit (EPU) 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

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.

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

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

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

18.4 Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	For the year ended June 30, 2015	For the year ended June 30, 2014
	---(Rupees in '000)---	
18.5 Details of the transactions during the year		
ABL Asset Management Company Limited - Management Company		
Bonus of Nil units (2014: 581,416 units)	-	5,814
Issue of 9,237,442 units (2014: Nil units)	107,227	-
Redemption of 16,405,824 units (2014: Nil units)	179,306	-
Preliminary expenses and floatation costs paid	1,000	1,000
Remuneration	109,766	29,700
Sindh sales tax on remuneration of the Management Company	19,099	5,512
Federal excise duty on remuneration of the Management Company	17,563	4,752
Sales load paid	6,322	1,555
Central Depository Company of Pakistan Limited		
Remuneration	7,146	2,532
Allied Bank Limited		
Issue of Nil Class B units (2014: 99,352,224 Class B units)	-	1,000,000
Redemption of Nil Class B units (2014: 101,757,743 Class B units)	-	1,022,848
Bonus of Nil Class B units (2014: 2,405,519 Class B units)	-	24,055
Mark-up income on bank deposits	7,914	3,144
Amount placed in term deposits receipt	-	102,000
Income on term deposit receipts	-	5,912
Bank charges	362	284

	For the year ended June 30, 2015	For the year ended June 30, 2014
---(Rupees in '000)---		
Ibrahim Agencies (Private) Limited		
Issue of Nil units (2014: 16,635,707 units)	-	167,000
Redemption of 16,678,977 units (2014: Nil units)	184,568	-
Bonus of Nil units (2014: 43,270 units)	-	433
Cyan Limited**		
Issue of Nil units (2014: 5,155,300 units)	-	52,000
Bonus of Nil units (2014: 26,730 units)	-	267
Redemption of Nil units (2014: 5,182,030 units)	-	51,976
CFA Association of Pakistan		
Issue of Nil units (2014: 285,631 units)	-	2,882
Bonus of Nil units (2014: 1,481 units)	-	15
Redemption of 287,112 units (2014: Nil units)	3,308	-
Pioneer Cement Limited		
Issue of 134,635,039 units (2014: 49,848,390 units)	1,403,438	500,000
Bonus of Nil units (2014: 3,538,304 units)	-	35,383
Redemption of 87,729,122 units (2014: Nil units)	1,011,008	-
Kohinoor Textile Mills Limited (Raiwand Division) **		
Nil (2014: 96,500,129 units)	-	970,000
Nil (2014: 500,357 units)	-	5,004
D.G. Khan Cement Company Limited*		
Issue of 593,915,300 units (2014: Nil units)	6,127,589	-
Redemption of 277,623,058 units (2014: Nil units)	3,201,216	-
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas		
Issue of 120,284 units (2014: 99,971 units)	1,214	1,000
Bonus of Nil units (2014: 8,837 units)	-	88
Redemption of 225,573 units (2014: 3,106,189 units)	2,277	31,203
Cash distribution	161	-
Muhammad Javaid Iqbal		
Issue of 135,999 units (2014: 149,155 units)	1,366	1,500
Redemption of 1,518 units (2014: Nil units)	15	-
Bonus of Nil units (2014: 7,476 units)	-	75
Cash distribution	387	-



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 6,349,071 units (2014: 597,296 units)	68,025	6,000
Bonus of Nil units (2014: 27,455 units)	-	275
Redemption of 2,985,439 units (2014: 845,769 units)	31,907	8,574
Cash distribution	4,270	-

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

** Current year figure has not been presented as the entity is not classified as a related party / connected person of the fund as at June 30, 2015.

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 Nil units (2014: 7,168,381 units)	-	71,979
Preliminary expenses and floatation costs payable	2,000	3,000
Remuneration payable	9,955	4,637
Sindh sales tax on remuneration of the Management Company	4,914	1,528
Federal excise duty on remuneration of the Management Company	22,488	4,925
Sales load payable	269	54

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	643	340
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Allied Bank Limited

Balances held in saving accounts	31,798	1,705
Mark-up accrued on deposits with banks	1,051	90

CFA Association of Pakistan**

Outstanding Nil units (2014: 287,112 units)	-	2,883
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Ibrahim Agencies (Private) Limited**

Outstanding Nil units (2014: 16,678,977 units)	-	167,477
--	---	---------

Pioneer Cement Limited

Outstanding 100,292,611 units (2014: 53,386,694 units)	1,006,176	536,066
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Kohinoor Textile Mills Limited (Raiwand Division)**

Outstanding Nil units (2014: 97,000,486 units)	-	974,001
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D.G. Khan Cement Company Limited*

Outstanding 316,292,242 units (2014: Nil units)	3,173,170	-
---	-----------	---

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

DIRECTORS OF THE MANAGEMENT COMPANY

Khawaja Muhammad Almas***

Outstanding 564 units (2014: 105,853 units)

6 1,063

Muhammad Javaid Iqbal***

Outstanding 291,113 units (2014: 156,632 units)
Dividend payable

2,921 1,573
5 -

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 3,584,560 units (2014: 220,928 units)
Dividend payable

35,962 2,218
247 -

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

** Current year figure has not been presented as the entity is not classified as a related party / connected person of the fund as at June 30, 2015.

*** Mr. Khawaja Muhammad Almas and Mr. Muhammad Javaid Iqbal have resigned as director of the Management Company in the current year.

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 Cash 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	Invest Capital Markets Limited	20.72%
2	Next Capital Ltd	14.93%
3	JS Global Capital Limited	11.22%
4	Invest & Finance Securities Limited	10.73%
5	C & M Management (Pvt) Limited	10.54%
6	Invest One Markets Limited	8.70%
7	Vector Capital (Private) Limited	6.65%
8	BMA Capital Management Limited	5.32%
9	KASB Securities Limited	4.93%
10	Summit Capital (Pvt) Ltd	1.86%



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

S. No.	Particulars	Percentage
1	Invest Capital Markets Limited	29.39%
2	C & M Management (Private) Limited	22.09%
3	Next Capital	12.63%
4	Invest & Finance Securities Limited	11.30%
5	JS Global Capital Limited	7.20%
6	Invest One Markets Limited	3.86%
7	Optimus Markets (Private) Limited	2.98%
8	KASB Securities Limited	2.87%
9	Vector Capital (Private) Limited	2.54%
10	Pearl Securities Limited	1.47%

21 PATTERN OF UNIT HOLDING

Category	As at 30 June 2015			
	Number of Unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
---(Rupees in '000)---				
Individuals	1,899	303,714,325	3,046,978	33.17%
Associated companies / directors	2	319,876,802	3,209,132	34.94%
Insurance companies	7	41,683,282	418,183	4.55%
Retirement Fund	14	17,006,595	170,617	1.86%
Public limited companies	8	185,415,309	1,860,161	20.25%
Others	19	47,874,298	480,289	5.23%
Total	1,939	915,570,610	9,185,360	100%

Category	As at 30 June 2014			
	Number of Unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
---(Rupees in '000)---				
Individuals	685	89,403,461	897,718	20.43%
Associated companies / directors	6	24,617,883	247,193	5.62%
Insurance companies	5	24,763,476	248,655	5.66%
Bank / DFIs	1	40,929,673	410,983	9.35%
Retirement Fund	8	10,943,246	109,883	2.50%
Public limited companies	7	200,291,886	2,011,171	45.76%
Others	25	46,737,974	469,299	10.68%
Total	737	437,687,599	4,394,902	100%

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	Particulars	Numbers of meetings held	Number of meetings attended	Leave granted	Meetings not attended
Directors					
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.

FINANCIAL INSTRUMENTS BY CATEGORY

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	3,791,467	-	3,791,467
Investments	-	5,518,037	5,518,037
Profit receivable	134,837	-	134,837
	3,926,304	5,518,037	9,444,341



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

Particulars	Liabilities '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	-	39,626	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	643	643
Accrued expenses and other liabilities	-	935	935
Dividend payable	-	30,266	30,266
Payable against redemption of units	-	3,154	3,154
	-	74,624	74,624

-----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	1,227,836	-	1,227,836
Investments	-	3,135,885	3,135,885
Profit receivable	167,775	-	167,775
	1,395,611	3,135,885	4,531,496

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

Particulars	Liabilities '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	-	14,144	14,144
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	340	340
Accrued expenses and other liabilities	-	458	458
Payable against redemption of units	-	1,116	1,116
	-	16,058	16,058

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 the 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 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, 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 as a result of changes in foreign currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

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 ranges from is 5% to 7.25%.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2015 include market treasury bills and Pakistan Investment Bonds. 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 the 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 135.502 million (2014:80.587 million). In case of 100 basis points decrease in PKRV rates 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 141.469 million (2014: 84.389 million).

The composition of the aforementioned Fund's investment portfolio and 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 - 7.25	3,791,467	-	-	-	3,791,467
Investments	6.72 - 9.65	443,800	5,074,237	-	-	5,518,037
Profit receivable		-	-	-	134,837	134,837
Sub total		4,235,267	5,074,237	-	134,837	9,444,341
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	39,626	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	643	643
Accrued expenses and other liabilities		-	-	-	935	935
Dividend payable		-	-	-	30,266	30,266
Payable against redemption of units		-	-	-	3,154	3,154
Sub total		-	-	-	74,624	74,624
On-balance sheet gap (a)		4,235,267	5,074,237	-	60,213	9,369,717
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		4,235,267	5,074,237	-	60,213	9,369,717
Cumulative interest rate sensitivity gap		4,235,267	9,309,504	9,309,504		

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 - 10.75	1,227,836	-	-	-	1,227,836
Investments	9.99 - 12.90	9,901	3,125,984	-	-	3,135,885
Profit receivable		-	-	-	167,775	167,775
Sub total		1,237,737	3,125,984	-	167,775	4,531,496
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	14,144	14,144
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	340	340
Accrued expenses and other liabilities		-	-	-	458	458
Payable against redemption of units		-	-	-	1,116	1,116
Sub total		-	-	-	16,058	16,058
On-balance sheet gap (a)		1,237,737	3,125,984	-	151,717	4,515,438
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,237,737	3,125,984	-	151,717	4,515,438
Cumulative interest rate sensitivity gap		1,237,737	4,363,721	4,363,721		

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 the factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund 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 balances with banks. The Fund does not foresee any issue with these balances as the counter parties are financial institutions with reasonable high credit ratings. The Fund does not foresee any credit risk with respect to government securities since these represent the interests of the Government of Pakistan. The internal risk management policies and investment guidelines (approved by the Investment Committee) require the Fund to invest in securities that have been rated as investment grade by a well known rating agency.

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

Balances with banks by rating category

Name of the Bank	Ratin agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	0.84%
Bank Al Falah Limited	PACRA	AA	0.07%
Faysal Bank Limited	PACRA	AA	55.42%
Habib Metropolitan Bank Limited	PACRA	AA+	0.06%
Sindh Bank Limited	JCRVIS	AA	0.00%
Soneri Bank Limited	PACRA	AA-	21.08%
NIB Bank Limited	PACRA	AA-	22.53%

A portion of the investment is invested by the Fund in market treasury bills and Pakistan Investment Bonds which are auctioned by the State Bank of Pakistan and are available for investment / 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 / invested in various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan.

The Funds bank balances and term deposits are mainly held with 3 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 the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any. 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 disposed of. The Fund's investments are considered readily realisable.

The Fund can borrow in the short term to ensure settlement. 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 also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

Particulars	As at 30 June 2015			
	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	37,626	1,000	1,000	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee	643	-	-	643
Accrued expenses and other liabilities	935	-	-	935
Dividend payable	30,266	-	-	30,266
Payable against redemption of units	3,154	-	-	3,154
	72,624	1,000	1,000	74,624

Particulars	As at 30 June 2014			
	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	11,144	1,000	2,000	14,144
Payable to the Central Depository Company of Pakistan Limited - Trustee	340	-	-	340
Accrued expenses and other liabilities	458	-	-	458
Payable against redemption of units	1,116	-	-	1,116
	13,058	1,000	2,000	16,058

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:

	As at 30 June 2015			
	Leave 1	Leave 2	Leave 3	Total
----- (Rupees in '000) -----				
ASSETS				
Investment in securities - financial assets at fair value through profit or loss				
- Government securities - market treasury bills and Pakistan investment bonds	-	5,518,037	-	5,518,037

	As at 30 June 2014			
	Leave 1	Leave 2	Leave 3	Total
----- (Rupees in '000) -----				
ASSETS				
Investment in securities - financial assets at fair value through profit or loss				
- Government securities - market treasury bills and Pakistan investment bonds	-	3,135,885	-	3,135,885



26 UNIT HOLDER'S FUND RISK MANAGEMENT

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

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

The Fund's objectives when managing funds received 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 is 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 the 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 and reclassified, wherever 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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