



ABL Government Securities Fund

Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION
For The Period Ended December 31, 2015



ABL Asset Management

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ABL GOVERNMENT SECURITIES FUND

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:	Ijaz Ahmed & Associates Suit # 7, 11th Zamzama Steet, Phase-V, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	



ABL GOVERNMENT SECURITIES FUND

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 Condensed Interim Financial Statements (un-audited) of ABL Government Securities Fund for the half year ended December 31, 2015.

ECONOMIC PERFORMANCE REVIEW

Pakistan's macro-economic landscape got another boost from declining crude oil prices (down another 50% in 1HFY16), with all major macro indicators turning favorable during the period. CPI based inflation averaged at 2.2% YoY during 1HFY16 as opposed to 6.1% YoY in the same period last year. The low inflation reading was primarily a consequence of the global rout in oil prices. Second round impact of falling oil prices was also visible in falling food and transportation costs, which further eased inflationary pressures. Going ahead, the outlook for inflation remains soft with average for FY16 expected to stay in the range of 3%-3.5% YoY compared to 4.6% in FY15.

The decline in oil prices also proved a boon for the external account and the current account deficit fell by 48.6% to USD 1,267mn in 1HFY16 (-0.9% of GDP) compared to USD 2,463mn (-1.8% of GDP) in the corresponding period last year. Country's trade deficit further narrowed down to USD 9.1bn compared to USD 9.9bn as total imports dropped by 10.0% YoY to USD 19.8bn primarily due to global oil slump. However, lower commodity prices had a negative impact on Pakistan's exports which declined by 11.0% YoY to USD 10.8bn. Remittances continued to show a favorable trend, rising to USD 9.7bn from USD 9.2bn, showing a growth of 6.3% YoY in 1HFY16. Improving external sector account combined with some major FX inflows (clubbed IMF tranches of USD 1.1bn) helped country's FX reserves to reach an all-time high level of USD 21.1bn (import cover of 6months). Despite these developments, PKR depreciated by 2.8% during the period to reach Rs 103.73 against the greenback.

The situation on fiscal front remained challenging. Despite showing 16.9% YoY growth in revenue collection in 1HFY16, FBR yet again failed to meet its collection targets of PKR 1.39tn and managed to net only Rs 1.37tn. The government expects to bridge the revenue short fall through expanding the tax net by introducing a new tax amnesty scheme for traders. Efforts are also underway for removal of concessionary SROs and reduction in power subsidies amid falling oil prices. Despite the paucity of time and willingness, government seems confident about restricting fiscal deficit to 4.8% of GDP for FY16 compared to 5.3% in FY15.

SBP keeping the above developments into consideration further reduced the discount rate by 50bps in Sep-15, bringing it to an all-time low level of 6.5%. Going ahead, the outlook for 2HFY16 looks promising as (1) macroeconomic indicators like CPI and CAD continue to improve, (2) IMF program is progressing without major hurdles and (3) authorities reiterate their resolve and commitment to go forward with structural reforms. Icing on the cake is initiation of work on western route of CPEC which is expected to provide impetus to overall economic activity in the country. In the backdrop of these developments, stable policy environment can be expected going forward with focus mainly on internal reforms.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a decent double digit growth of 10% during 1HFY16 (from PKR 426 billion to PKR 469 billion), despite increase in taxes on corporate investors and subdued market performance. The Growth in AUMs was mainly contributed by fixed Income category which showed a jump of 43% during the period to PKR115 billion compared to PKR80 billion in June-15, as investors kept chasing PIBs gains in the last leg of monetary easing cycle. On the flip side, an outflow of PKR13 billion was reported from money market funds category which closed the period at PKR52 billion due to sharp reduction in baseline returns. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 15% in 1HFY16 to close at PKR178 billion in December 2015 compared to PKR154 billion in June 2015. In line with conventional fixed income, Islamic Income Category also posted a strong growth of 38% in AUMs to end the period at PKR 29 billion.

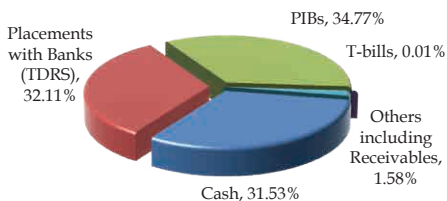
FUND PERFORMANCE

ABL GSF yielded an impressive annualized return of 8.25% during 1HFY16 against the benchmark return of 5.74%, thus showing a significant outperformance of 251 bps. The improvement in returns was mainly attributed to valuation and trading gains on our long duration portfolio. During the period, improved macro-economic conditions along with favorable inflationary figures paved the way for the market participants to take fresh positions in long duration Instruments. In 1HFY16, market players expressed high demand for government paper but SBP stuck to the targeted amounts in

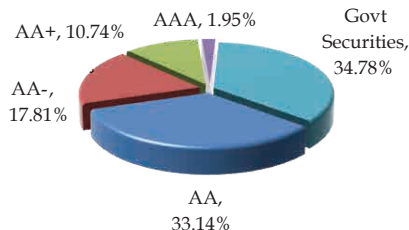
most cases which led to occasional rallies in the bond market.

During the period under review, ABL Government Securities Fund's AUM reduced slightly by 0.84% to PKR 9,107.56 million in June 2015. In last month, ABL GSF fund size reduced sharply by 27.55% from PKR 12.571 billion in Nov-15 to PKR 9.107 billion in Dec-15 due to volatility in PKRVs and seasonal redemptions. In order to reduce volatility in returns, we reduced exposure in long duration bonds and increased allocation towards bank deposits. At the end of the period, our investment in Government Securities (PIBs) stood at 34.77% of total assets compared to 58.43% (PIBs - 48.8% and T-Bills - 9.63%) in June 2015. Moreover, TDRs and cash assets stood at 32.11% & 31.53% of total portfolio due to higher rates offered by commercial banks at year end. Due to the above changes in asset allocation, WAM of the fund was reduced to 325 days from 659 days in June 2015.

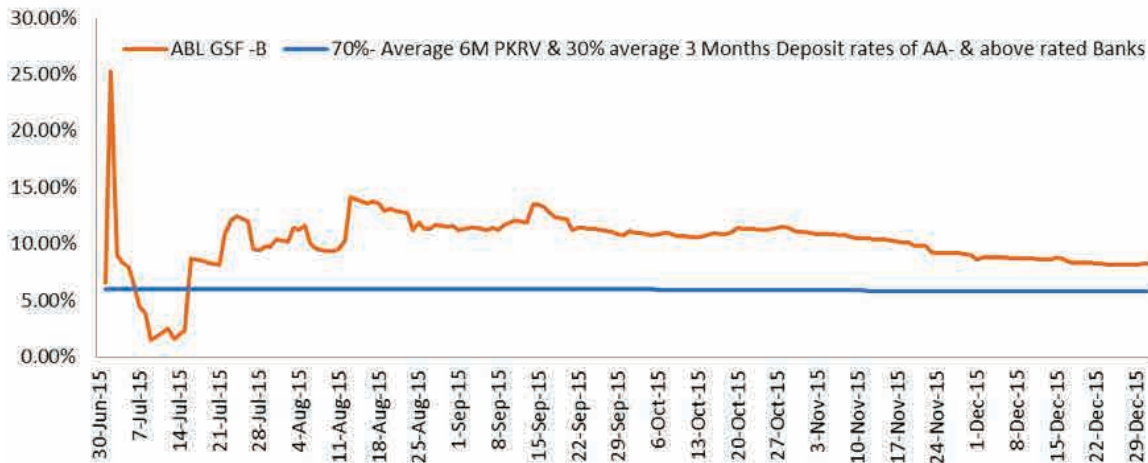
Asset Allocation of Portfolio (% of Assets)



Credit Quality of Portfolio (% of Assets)



Other assets account for 1.58% of Total Assets



FUTURE OUTLOOK

Lower oil prices are likely to remain the mainstay of economic recovery in the country. CPI for 1HFY16 averaged at 2.08% compared to SBP target inflation of 3.5%-4.5% for FY16. IMF has also revised its inflation estimates downward to 3.7% compared to 4.5% owing to low oil and food prices. Real interest rate is expected to remain around +2% and with no major uptick expected in commodity prices, we believe a 50 bps cut in the discount rate cannot be ruled out in 3QFY16. Other economic indicators like current account deficit and FX reserves will continue to shine owing to sinking oil prices. However, PKR depreciation against USD will remain a threat in next six months due to global economic slowdown, strengthening dollar amid Fed's interest rate hike and pressure on regional currencies.

Going forward, we intend to increase duration of the fund by reducing cash levels and increasing allocation in medium term PIBs. We expect further downward adjustment in yield curve due to lower than expected inflation, delays in gas tariff hike, declining international oil prices and overall improvement in the economy.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), 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 December 31, 2015, revised the Fund Stability Rating of ABL Government Securities Fund (ABL-GSF) from 'A+ (f)' (Single A plus (f)) to 'A(f)' (Single A(f)).

MANAGEMENT QUALITY RATING

On December 31 2015, JCR-VIS Credit Rating Company Limited has reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Pakistan 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, February 8, 2016

Head Office

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL GOVERNMENT SECURITIES FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of ABL 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 for the period ended December 31, 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.


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

Karachi: February 18, 2016



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

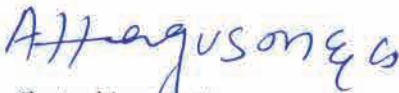
We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Government Securities Fund** as at December 31, 2015 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2015. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 25, 2016

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Foz-ul-Haq Road, P.O. Box 3021, Islamabad-44006, Pakistan; Tel: +92 (51) 2273437-60; Fax: +92 (51) 2277924
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ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2015

	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
ASSETS			
Balances with banks	4	3,240,815	3,791,467
Investments	5	6,874,259	5,518,037
Profit receivable		161,518	134,837
Prepayments		25	-
Preliminary expenses and floatation costs		910	1,414
Total assets		10,277,527	9,445,755
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	52,278	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee		871	643
Payable to the Securities and Exchange Commission of Pakistan		3,838	6,586
Dividend payable		-	30,266
Payable against purchase of investments		969,415	-
Accrued expenses and other liabilities	7	138,942	180,120
Payable against redemption of units		4,618	3,154
Total liabilities		1,169,962	260,395
NET ASSETS		9,107,565	9,185,360
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,107,565	9,185,360
CONTINGENCIES AND COMMITMENTS			
	8		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE		871,565,106	915,570,610
----- (Rupees) -----			
NET ASSET VALUE PER UNIT		10.4497	10.0324
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014	For the quarter ended December 31, 2015	For the quarter ended December 31, 2014
Note	----- Rupees in '000 -----			
INCOME				
Capital gain on sale of government securities - net	77,409	16,652	45,340	29,303
Income from government securities	290,908	273,802	152,467	162,315
Income from term deposit receipts	27,492	-	26,236	-
Income from letters of placement	3,287	3,459	1,909	2,326
Profit on deposits with bank	51,970	29,052	27,163	18,575
	451,066	322,965	253,115	212,519
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net 5.3	23,360	239,488	(44,841)	215,487
Total income	474,426	562,453	208,274	428,006
EXPENSES				
Remuneration of ABL Asset Management Company Limited - Management Company 6.1	63,960	33,815	36,539	20,740
Sindh sales tax on remuneration of the Management Company 6.2	10,387	5,884	5,930	3,607
Federal excise duty on remuneration of the Management Company 6.3	10,234	5,411	5,847	3,319
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	4,149	2,407	2,319	1,433
Sindh Sales Tax on Trustee's Remuneration	581	-	325	-
Annual fee - Securities and Exchange Commission of Pakistan	3,838	2,029	2,193	1,244
Brokerage and securities transaction costs	2,733	1,239	1,134	1,052
Bank charges	247	207	120	116
Auditors' remuneration	267	221	166	132
Amortisation of preliminary expenses and floatation costs	504	504	252	252
Printing charges	76	116	38	78
Listing fee	25	26	12	12
Legal and professional charges	274	-	97	-
Rating fee	108	93	54	46
Total operating expenses	97,383	51,952	55,026	32,031
Net income for the period from operating activities	377,043	510,501	153,248	395,975
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - net	(13,357)	257,317	(61,735)	248,277
Provision for Workers' Welfare Fund 7.1	-	(15,356)	-	(12,885)
Net income for the period before taxation	363,686	752,462	91,513	631,367
Taxation 9	-	-	-	-
Net income for the period after taxation	363,686	752,462	91,513	631,367
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	363,686	752,462	91,513	631,367
Earnings per unit 10				

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014
	----- Rupees in '000 -----	
Undistributed income brought forward comprising of:		
- realised income	48,886	19,819
- unrealised (loss) / income	(19,318)	(1,880)
	29,568	17,939
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(1,425)	18,128
Net income for the period after taxation	363,686	752,462
Undistributed income carried forward	391,829	788,529
Undistributed income carried forward comprising of:		
- realised income	368,469	549,041
- unrealised income	23,360	239,488
	391,829	788,529

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director



ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014
	----- Rupees in '000 -----	
Net assets at the beginning of the period	9,185,360	4,394,902
Issue of 1,066,321,046 units (2014:879,535,702 units)	10,947,481	9,269,619
Redemption of 1,110,326,550 units (2014:439,361,545 units)	(11,402,319)	(4,592,428)
	(454,838)	4,677,191
Net element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed		
- amount representing loss / (income) and capital losses / (gains) transferred to income statement	13,357	(257,317)
- amount representing loss / (income) and capital losses / (gains) transferred to distribution statement	1,425	(18,128)
	14,782	(275,445)
Capital gain on sale of government securities - net	77,409	16,652
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	23,360	239,488
Other net income for the period	262,917	496,322
	363,686	752,462
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed transferred to distribution statement	(1,425)	18,128
Net assets as at the end of the period	9,107,565	9,567,238

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	363,686	752,462
Adjustment for non-cash and other items:		
Unrealised (appreciation) / diminution on remeasurement of investments classified as financial assets at fair value through profit or loss - net	(23,360)	(239,488)
Element of (income) / loss and capital losses / (gains) included in prices of units issued less those in units redeemed - net	13,357	(257,317)
Amortisation of preliminary expenses and floatation costs	504	504
Provision for Workers' Welfare Fund	-	15,356
Federal excise duty on remuneration of the Management Company	10,234	5,411
	364,421	276,928
(Increase) / decrease in assets		
Profit receivable	(26,681)	(169,808)
Prepayments	(25)	(3,557,590)
Investments	1,167,138	(25)
	1,140,432	(3,727,423)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	12,652	5,120
Payable to Central Depository Company of Pakistan Limited - Trustee	228	268
Payable to Securities and Exchange Commission of Pakistan	(2,748)	247
Payable against purchase of investments	969,415	-
Accrued expenses and other liabilities	(51,412)	56,845
	928,135	62,480
Net cash generated from / (used in) operating activities	2,432,988	(3,388,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend paid	(30,266)	-
Receipts from issuance of units	10,947,481	9,269,619
Payments against redemption of units	(11,400,855)	(4,536,370)
Net cash (used in) / generated from financing activities	(483,640)	4,733,249
Net increase in cash and cash equivalents	1,949,348	1,345,234
Cash and cash equivalents at the beginning of the period	3,791,467	1,227,836
Cash and cash equivalents at the end of the period	5,740,815	2,573,070
	4.1	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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 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 Limited (now merged into Pakistan Stock Exchange Limited). The units of the Fund are offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

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

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 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 December 31, 2015.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial

statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2015.

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

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2015.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumption made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2015.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Fund for the year ended June 30, 2015.

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

3.4.1 IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result the fund has included additional disclosures in this regard in note 12 to the condensed interim financial information. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

3.4.2 There are certain other amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2015. None of those amendments have a significant effect on this condensed interim financial information.



	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
4	BALANCES WITH BANKS		
	Savings accounts	4.2	3,240,815
			3,791,467

4.1 CASH AND CASH EQUIVALENTS

Balances with banks	3,240,815	3,791,467
Term deposit receipts - having original maturity of 3 months or less	2,500,000	-
	<u>5,740,815</u>	<u>3,791,467</u>

- 4.2 These savings accounts carry profit at rates ranging from 5% to 7.00% (June 30, 2015: 5.0% to 7.25%) per annum. Deposits in savings accounts include Rs 3,334 thousand (June 30, 2015: Rs 31,798 thousand) maintained with Allied Bank Limited, a related party and carry profit at a rate of 5.35% (June 30, 2015: 6.25%) per annum.

	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
5	INVESTMENTS		

Loans and Receivables

Term Deposit Receipts	5.1	3,300,000	-
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Financial assets at fair value through profit or loss

Government securities

- Market treasury bills	5.2	577	909,113
- Pakistan investment bonds	5.2	3,573,682	4,608,924
		<u>3,574,259</u>	<u>5,518,037</u>
		<u>6,874,259</u>	<u>5,518,037</u>

- 5.1 Term deposit receipts carry profit at rates ranging from 6.95% to 7.25% (June 30, 2015: Nil) maturing latest by May 2016. This includes an amount of Rs 1,100 million placed with Allied Bank Limited, a related party and carry profit at a rate of 7.15% (June 30, 2015: Nil).

5.1 Government Securities-Market Treasury Bills

Issue date	Tenor	Face Value			Balance as at December 31, 2015			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at December 31, 2015	Carrying Value	Market value		
-----Rupees in '000-----									
June 29, 2015	OMO Issue	-	191,000	191,000	-	-	-	-	-
May 28, 2015	3 Months	-	500,000	500,000	-	-	-	-	-
June 25, 2015	3 Months	-	388,500	388,500	-	-	-	-	-
July 9, 2015	3 Months	-	600,000	600,000	-	-	-	-	-
July 23, 2015	3 Months	-	377,000	377,000	-	-	-	-	-
February 19, 2015	6 Months	50,000	-	50,000	-	-	-	-	-
March 5, 2015	6 Months	50,000	-	50,000	-	-	-	-	-
March 19, 2015	6 Months	350,000	-	350,000	-	-	-	-	-
April 16, 2015	6 Months	500	-	500	-	-	-	-	-
July 23, 2015	6 Months	-	336,000	336,000	-	-	-	-	-
November 13, 2014	12 Months	200	-	200	-	-	-	-	-
November 27, 2014	12 Months	790	-	790	-	-	-	-	-
December 26, 2014	12 Months	200	-	200	-	-	-	-	-
January 8, 2015	12 Months	100,095	-	100,000	95	95	96	1	-
February 6, 2015	12 Months	185,000	1,400,000	1,585,000	-	-	-	-	-
March 5, 2015	12 Months	50,000	-	50,000	-	-	-	-	-
March 19, 2015	12 Months	89,000	-	89,000	-	-	-	-	-
April 16, 2015	12 Months	60,000	-	60,000	-	-	-	-	-
July 9, 2015	12 Months	-	100,000	100,000	-	-	-	-	-
August 6, 2015	12 Months	-	5,762,500	5,762,000	500	481	481	-	0.0001
August 20, 2015	12 Months	-	500,000	500,000	-	-	-	-	-
September 3, 2015	12 Months	-	1,100,000	1,100,000	-	-	-	-	-
November 12, 2015	12 Months	-	100,000	100,000	-	-	-	-	-
Sub - total		935,785	11,355,000	12,290,190	595	576	577	1	0.01%

Market treasury bills carry effective interest rates ranging from 6.92% to 8.35% per annum (2015: 6.72% to 8.35% per annum).

b) Pakistan investment bonds:

Issue date	Coupon rate in % / Tenor	Face Value			Balance as at December 31, 2015			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at December 31, 2015	Carrying Value	Market value		
-----Rupees in '000-----									
July 18, 2013	11.25 / 3 Years	137,500	9,485,000	8,312,500	1,310,000	1,342,087	1,343,221	1,134	14.8%
July 17, 2014	11.25 / 3 Years	100,000	40,000	140,000	-	-	-	-	0.0%
March 26, 2015	8.75 / 3 Years	2,374,000	2,880,500	4,162,500	1,092,000	1,129,065	1,132,899	3,834	12.4%
July 19, 2012	11.50 / 5 Years	-	10,300	10,300	-	-	-	-	0.0%
July 17, 2014	11.50 / 5 Years	253,200	2,350,000	2,592,900	10,300	10,929	11,030	101	0.1%
March 26, 2015	9.25 / 5 Years	1,496,000	3,295,000	4,181,000	610,000	623,575	638,254	14,679	7.0%
July 19, 2012	12.00 / 10 Years	117,000	700,000	817,000	-	-	-	-	0.0%
July 17, 2014	12.00 / 10 Years	-	600,000	200,000	400,000	444,667	448,278	3,611	4.9%
March 26, 2015	9.50 / 10 Years	-	37,500	37,500	-	-	-	-	0.0%
Sub - total		4,477,700	19,398,300	20,453,700	3,422,300	3,550,323	3,573,682	23,359	39.24%

Pakistan investment bonds carry effective interest rates ranging from 6.5% to 8.75% per annum (2015: 7.75% to 9.65% per annum).



	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
5.3	Net Unrealised appreciation / (diminution) in value of investments classified as 'at fair value through profit or loss' - net		
	Market value of investments	3,574,259	5,518,037
	Carrying value of investments	(3,550,899)	(5,537,355)
	Net unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss'	<u>23,360</u>	<u>(19,318)</u>

**6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED
- MANAGEMENT COMPANY**

Remuneration of the Management Company	6.1	11,996	9,955
Sindh sales tax on remuneration of the Management Company	6.2	6,536	4,914
Federal excise duty on remuneration of the Management Company	6.3	32,722	22,488
Preliminary expenses and floatation costs		1,000	2,000
Sales load		24	269
		<u>52,278</u>	<u>39,626</u>

6.1 The Management Company charged remuneration at the rate of 1.25% per annum based on the daily net assets of the Fund. The amount of remuneration is paid monthly in arrears.

6.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 14% (June 30, 2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.3 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 6.2, 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 32.722 million (including Rs. 10.234 million for the current period). Had the provision not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.0375 per unit.

	Note	(Un-Audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
7			
ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		202	280
Brokerage		449	466
Rating Fee		108	-
Printing charges		78	89
Withholding tax		6,176	16,135
Advance against issue of units		-	31,742
Legal and professional charges payable		-	100
Provision for Workers' Welfare Fund	7.1	131,308	131,308
Other payable		621	-
		<u>138,942</u>	<u>180,120</u>

7.1 Provision for Workers' Welfare Fund

7.1.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year, had 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 was filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 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 Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court. In May 2014, the Peshawar High Court (PHC) has 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 (June 30, 2015: Rs 131.308 million). Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Re 0.1507 (June 30, 2015: Re 0.1434) per unit.

7.1.2 The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no further provision of WWF has been made from July 1, 2015. However, provision made till June 30, 2015 has not been reversed as the above law suit is still pending in SHC.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015 and as at June 30, 2015.

9 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year,



as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

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

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes the Central Depository Company being the Trustee of the Fund and the directors and officers of the Management Company.

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

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

(Un-Audited) For the half year ended December 31, 2015	(Un-Audited) For the half year ended December 31, 2014
----- Rupees in '000 -----	

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

ABL Asset Management Company Limited - Management Company

Issue of 24,024,611 units(2014: Nil units)	248,859	-
Redemption of 20,235,732 units(2014: 7,168,383 units)	211,000	72,852
Preliminary expenses and floatation costs paid during the period	504	1,000
Remuneration for the period	63,960	33,815
Sindh Sales Tax on Management Company's Remuneration	10,387	5,884
Federal Excise Duty on remuneration of the Management Company	10,234	5,411

Central Depository Company of Pakistan Limited-Trustee

Remuneration for the period	4,149	2,407
Sindh sales tax on remuneration of the Trustee	581	-

Allied Bank Limited-Holding Company of the Management Company

Mark up accrued on bank deposits	940	3,743
Amount placed in term deposits receipts	1,100,000	-
Mark up on term deposit receipts	7,201	-
Bank charges	55	132

	(Un-Audited) For the half year ended December 31, 2015	(Un-Audited) For the half year ended December 31, 2014
	----- Rupees in '000 -----	
Pioneer Cement Ltd		
Issue of 8,891,875 units (2014: Nil units)	90,000	-
D.G. Khan Cement Company Limited		
Issue of 115,801,928 units(2014: 238,207,202 units)	1,200,000	2,506,000
Redemption of 432,194,170 units(2014: Nil units)	4,381,337	-
Fauji Fertilizer Bin Qasim Limited		
Issue of Nil units(2014: 94,693,411 units)	-	1,009,997
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas*		
Issue of Nil units (2014: 105,186 units)	-	1,069
Redemption of Nil units (2014: 105,356 units)	-	1,071
M. Jawaid Iqbal*		
Issue of Nil units (2014: 99,364 units)	-	1,000
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 1,013,641 units (2014: 3,163,759 units)	10,247	32,789
Redemption of 1,694,685 units (2014: 2,278,554 units)	17,414	24,000

* Khawaja Muhammad Almas and M.Jawaid Iqbal are no longer directors of the Management Company as at December 31, 2015

	(Un-Audited) December 31, 2015	(Audited) June 30, 2014
	----- Rupees in '000 -----	
11.2 Amounts outstanding with connected persons / related parties as at period end / year end:		
ABL Asset Management Company Limited - Management Company		
Outstanding 3,788,879 units (2015: Nil units)	39,593	-
Preliminary expenses and floatation costs payable	1,000	2,000
Remuneration payable	11,996	9,955
Sindh sales tax payable on remuneration of the Management Company	6,536	4,914
Federal excise duty payable on remuneration of the Management Company	32,722	22,488
Sales load payable	24	269
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	764	643
Sindh sales tax on remuneration of the Trustee	107	-



	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- Rupees in '000 -----	
Allied Bank Limited-Holding Company of the Management Company		
Bank Balances held	3,334	31,798
Mark-up accrued on bank deposits	63	1,051
Term deposits receipt	1,100,000	-
Mark-up accrued on term deposits receipts	6,033	-
D.G. Khan Cement Company Limited		
Units held Nil (June 30, 2015: 316,292,242)	-	3,173,170
Pioneer Cement Limited		
Units held 109,184,486 (June 30, 2015: 100,292,611 units)	1,140,945	1,006,176
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas*		
Units held Nil (June 30, 2015: 564 units)	-	6
M. Jawaid Iqbal*		
Units held Nil (June 30, 2015: 291,113 units)	-	2,921
Dividend Payable	-	5
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Chief Executive Officer		
Units held 2,903,515 (2015: 3,584,560 units)	30,341	35,962
Dividend Payable	-	247

* Khawaja Muhammad Almas and M. Jawaid Iqbal are no longer directors of the Management Company as at December 31, 2015

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value of investments is determined as follows:

- Investment in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan

- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

12.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' 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:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2015, the Fund held the following financial instruments measured at fair value:

-----As at December 31, 2015 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
ASSETS				
Investment - financial assets 'at fair value through profit or loss'				
- Government securities	-	3,574,259	-	3,574,259

-----As at June 30, 2015 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
ASSETS				
Investment - financial assets 'at fair value through profit or loss'				
- Government securities	-	5,518,037	-	5,518,037

13 DATE FOR AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 8, 2016.

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director





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