



ABL AMC CAPITAL PROTECTED FUND

CONDENSED INTERIM FINANCIAL STATEMENT

HALF YEARLY REPORT FOR THE PERIOD
ENDED DECEMBER 31, 2013



 **ABL Asset Management**

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(A wholly owned subsidiary of Allied Bank Ltd.)

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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Khawaja Muhammad Almas	Chairman Member Member
Human Resource Committee:	Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	MCB Financial Services Limited 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi.	
Bankers to the fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Auditor:	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL AMC Capital Protected Fund (ABL AMC-CPF), is pleased to present the un-audited Condensed Interim Financial Information of ABL AMC-CPF for the half year ended December 31, 2013.

ECONOMIC PERFORMANCE REVIEW

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

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

MARKET OVERVIEW

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

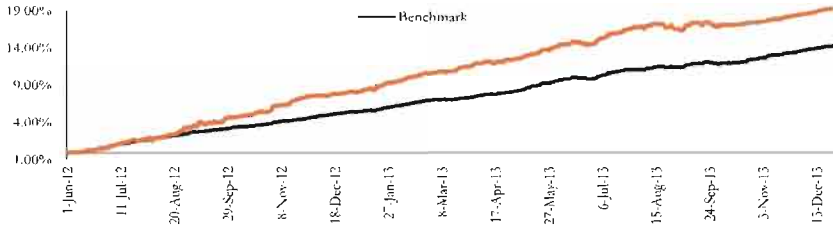
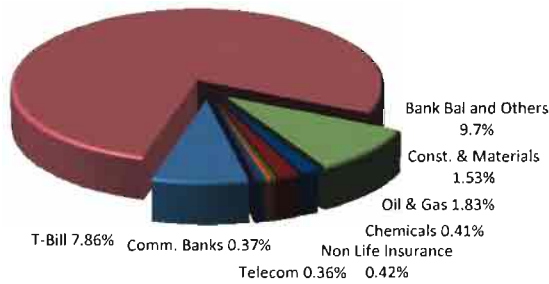
MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry grew by 10.7% in 1HFY-14 to close 2013 at PKR361 bn. Equity funds however registered an impressive growth of 27% in AUMs compared to a meager 4.3% in fixed income. Nevertheless fixed income funds continue to lead the way with higher AUMs.

FUND PERFORMANCE

During the period under review, ABL-CPF posted an absolute return of 4.2% against the benchmark return of 4.5%, a small under-performance of 0.3% during the period. When measured from its inception date, ABL-CPF posted a return of 19.4% as compared to its benchmark return of 14.4%, depicting a significant out-performance of 5.0%.

Term Deposit 77.5%



OUTLOOK

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

AUDITORS

M. Yousuf Adil Saleem & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2014 for ABL AMC Capital Protected Fund (ABL AMC-CPF).

FUND RANKING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on November 29, 2013, has assigned "AAA(cpf)" (Triple A Capital Protected Fund(CPF)) rating to ABL AMC Capital Protected Fund.

MANAGEMENT QUALITY RATING

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board


FARID AHMED KHAN
 Chief Executive Officer

Karachi, February 7, 2014

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

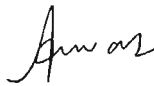
ABL AMC CAPITAL PROTECTED FUND

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

ABL AMC Capital Protected Fund, an open-end Scheme established under a Trust Deed dated July 29, 2011 executed between ABL Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The units of the Fund were initially offered for public subscription at par from May 30, 2012 to May 31, 2012.

1. ABL Asset Management Company Limited, the Management Company of ABL AMC Capital Protected Fund has, in all material respects, managed ABL AMC Capital Protected Fund during the period ended 31st December 2013 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

For the purpose of information, the attention of unit holder's is drawn towards auditor's report and 1 to the interim financial information that although the Fund is due to mature before June 30, 2014, no adjustment in this regard has been considered necessary in this interim financial information for the reason given in the above referred note.



Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: January 29, 2014

3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi - 74000
Direct Nos. 021-32430485, 32415454, 32415204, 32428731 PABX No. 021-32419770, Fax No. 021-32416371
Website: <http://www.mcbfsl.com.pk>

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL AMC Capital Protected Fund** (the Fund) as at December 31, 2013, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and notes to the accounts for the half year ended December 31, 2013 (here-in-after referred to as the 'interim financial information'). ABL Asset Management Company Limited (the Management Company) is responsible for the preparation and fair presentation of this 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 interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with 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 interim financial information as at and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 1 to the interim financial information which indicates that although the Fund is due to mature before June 30, 2014, no adjustment in this respect has been considered necessary in this interim financial information for the reason given in the above referred note. Our conclusion is not qualified in respect of this matter.

M. Yousuf Adil Saleem

Chartered Accountants

Engagement Partner:

Nadeem Yousuf Adil

Date: February 07, 2014

Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

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

		(Un-audited) December 31, 2013	(Audited) June 30, 2013
	Note	----- Rupees -----	
ASSETS			
Balances with banks	4	16,022,583	35,115,745
Investments	5	352,800,289	334,436,240
Profit receivable and prepayments		18,118,813	3,127,526
Advance against subscription of shares		3,220,000	-
Security deposits with Central Depository Company of Pakistan Limited		100,000	100,000
Preliminary and floatation costs		580,470	1,287,950
Total assets		390,842,155	374,067,461
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	2,524,603	3,378,386
Payable to MCB Financial Services Limited - Trustee		25,371	23,986
Payable to Securities and Exchange Commission of Pakistan		139,546	285,530
Accrued expenses and other liabilities	7	13,414,570	5,888,419
Payable against redemption of units		-	1,324,215
Total liabilities		16,104,090	10,900,536
NET ASSETS		374,738,065	363,166,925
UNITS HOLDERS' FUND (AS PER STATEMENT ATTACHED)		374,738,065	363,166,925
Contingencies and commitments	8		
Number of units in issue		35,933,494	36,272,852
Net assets value per unit		10.4286	10.0121
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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

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

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012	For the quarter ended December 31, 2013	For the quarter ended December 31, 2012
INCOME	----- Rupees -----			
Return / mark-up on bank balances and term deposit receipts	19,525,425	22,589,282	9,831,372	9,835,331
Net (loss) / gain on sale of investments	(204,806)	8,322,545	(1,774,789)	3,604,722
Income from government securities	1,355,042	18,096	737,309	-
Dividend income	395,000	707,500	62,500	707,500
Back end load	69,422	126,072	23,687	53,782
Unrealised (loss) / gain on re-measurement of investments 'at fair value through profit or loss - held-for-trading' - net	(321,576)	1,063,353	2,431,811	(346,616)
Total Income	20,818,507	32,826,848	11,311,890	13,854,719
EXPENSES				
Remuneration of ABL Asset Management Company Limited - Management Company	2,798,378	3,032,585	1,402,996	1,327,549
Sindh sales tax on remuneration of Management Company	519,373	485,215	260,170	212,411
Federal excise duty on remuneration of Management company	447,733	-	224,466	-
Remuneration of MCB Financial Services Limited - Trustee	149,243	161,737	74,823	70,802
Annual fee to Securities and Exchange Commission of Pakistan	139,546	151,629	69,777	66,377
Brokerage expense and other transaction costs	320,849	634,003	165,953	259,973
Auditors' remuneration	155,543	135,460	97,307	58,236
Amortisation of preliminary and floatation costs	707,480	822,768	353,740	353,675
Printing charges	50,564	54,338	27,196	23,368
Rating fee	88,201	81,314	44,068	34,960
Annual Listing fee	9,083	15,039	4,537	2,522
Settlement and bank charges	85,323	32,942	68,495	15,149
Total Operating Expenses	5,471,316	5,607,030	2,793,528	2,425,022
Net income from operating activities	15,347,191	27,219,818	8,518,362	11,429,697
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	(77,069)	(193,371)	(34,131)	(123,019)
Provision for Workers' Welfare Fund	9 (305,413)	-	(169,718)	-
Net income for the period before taxation	14,964,709	27,026,447	8,314,513	11,306,678
Taxation	10 -	-	-	-
Net income for the period after taxation	14,964,709	27,026,447	8,314,513	11,306,678
Earnings per unit	11			

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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012	For the quarter ended December 31, 2013	For the quarter ended December 31, 2012
	----- Rupees -----			
Net income for the period after taxation	14,964,709	27,026,447	8,314,513	11,306,678
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>14,964,709</u>	<u>27,026,447</u>	<u>8,314,513</u>	<u>11,306,678</u>

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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

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

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012
	----- Rupees -----	
Undistributed income brought forward	437,531	-
Net income for the period after taxation	14,964,709	27,026,447
Interim distribution at the rate of Rs.'Nil' (2012: Rs. 0.0347 per unit) - Issue of bonus units 'Nil' (2012: 116,075 units @ Rs. 10 per unit)	-	(1,160,753)
Undistributed income carried forward	<u>15,402,240</u>	<u>25,865,694</u>

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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

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

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012
	----- Rupees -----	
Net Assets at the beginning of the period	363,166,925	-
Issuance of 'Nil' units (2012: 33,500,929 units)	-	335,010,164
Redemption of 339,356 units (2012: 610.859 units)	(3,470,638)	(6,301,968)
	(3,470,638)	328,708,196
Issuance of bonus units 'Nil' (2012: 116.075 units)	-	1,160,753
Element of loss and capital losses included in prices of units issued less those in units redeemed - amount representing loss and capital losses - transferred to Income Statement	77,069	193,371
Other net income for the period	15,491,091	17,640,548
Net capital (loss) / gain on sale of investments	(204,806)	8,322,545
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss - held for trading' - net	(321,576)	1,063,353
Interim distribution at the rate of Rs. 'Nil' (2012: Rs. 0.0347 per unit) - Issue of bonus units 'Nil' (2012: 116.075 units @ Rs. 10 per unit)	-	(1,160,753)
	14,964,709	25,865,693
Net assets at the end of the period	374,738,065	355,928,013

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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

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

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	14,964,709	27,026,447
Adjustments:		
Unrealised loss / (gain) on re-measurement of investments 'at fair value through profit or loss -held-for-trading' - net	321,576	(1,063,353)
Dividend income	(395,000)	(707,500)
Return / mark-up on :		
-Government Securities	(1,355,042)	(18,096)
-Bank balances and term deposits	(19,525,425)	(22,589,282)
Element of loss and capital losses included in prices of units issued less those in units redeemed	77,069	193,371
Amortisation of preliminary and floatation costs	707,480	822,768
	<u>(5,204,633)</u>	<u>3,664,355</u>
(Increase) / Decrease in assets		
Investments - net	(18,685,625)	(336,450,484)
Prepayments	(8,920)	(4,960)
Advance against subscription of shares	(3,220,000)	-
Preliminary and floatation costs	-	(2,806,637)
	<u>(21,914,545)</u>	<u>(339,262,081)</u>
Increase / (Decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(853,783)	3,360,876
Payable to MCB Financial Services Limited - Trustee	1,385	24,103
Payable to Securities and Exchange Commission of Pakistan	(145,984)	151,630
Payable against redemption of units	(1,324,215)	-
Accrued expenses and other liabilities	7,526,151	220,514
	<u>5,203,554</u>	<u>3,757,123</u>
Dividend received	395,000	707,500
Return / mark-up received	5,898,100	5,526,895
Net cash used in operating activities	<u>(15,622,524)</u>	<u>(325,606,208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received from issuance of units	-	335,010,164
Amounts paid on redemption of units	(3,470,638)	(6,301,968)
Net cash (used in) / generated from financing activities	<u>(3,470,638)</u>	<u>328,708,196</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(19,093,162)</u>	<u>3,101,988</u>
Cash and cash equivalents at the beginning of the period	35,115,745	-
Cash and cash equivalents at the end of the period	<u>4 16,022,583</u>	<u>3,101,988</u>

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
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL AMC Capital Protected Fund (the Fund) has been established under a Trust Deed, dated on July 29, 2011, between ABL Asset Management Company Limited as the Management Company, a company incorporated under the Companies Ordinance, 1984 and MCB Financial Services Limited (MCBFSL) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Management Company of the Fund has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services as a Non Banking finance company on December 07, 2007. The registered office of ABL Asset Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund is an open ended fund categorized as capital protected fund with maturity of 2 years and is listed on the Islamabad Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 30, 2012 to May 31, 2012. After the Initial Offer, the Fund shall remain closed for receiving further investment. However, the Management Company with the prior approval of the Securities and Exchange Commission of Pakistan (SECP), approval of the Trustee and after giving seven (7) days' notice to the existing Unit Holders, may re-open the Fund for taking Investment from time to time.

The Fund consist of two segments, a Capital & Return Protected Segment and an Investment Segment. The Capital Protected Segment aims at protecting investors' capital by investing a minimum of 94.75% of Fund property in bank deposits having at least long term credit rating 'AA-' (Double A minus). The remaining portion of the Fund other than Capital and Return Protected Fund is called Investment Segment. To enhance the Funds' overall return, Investment Segment will be invested in equity markets or any other permissible investment instrument allocated to the Investment Segment for enhancing the Fund's overall return.

The duration of the Fund is two years, thereafter, the Fund shall dissolve before June 30, 2014. However, the management believes that the said dissolution of the Fund does not require any adjustment in these condensed interim financial statements for the reason that carrying value of assets and liabilities are not materially different from the respective realisable / settlement amount.

The JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of 'AM2' (Stable Outlook) to the Management Company and Fund Stability Rating of AAA (cpf) to the Fund.

Title to the assets of the Fund are held on in the name of the MCB Financial Services Limited as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. 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, provisions of and directives issued under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Rules and the Regulations shall 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 published financial statements of the Fund for the period ended June 30, 2013.

This condensed interim financial information is un-audited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.

2.2 Critical accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty are consistent with those applied to the financial statements as at and for the period ended June 30, 2013.

2.3 Financial risk management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2013.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 financial statements of the Fund for the period ended June 30, 2013.

		December 31, 2013	June 30, 2013
	Note	----- Rupees ----- (Un-audited)	(Audited)
4 BALANCES WITH BANKS			
Saving accounts	4.1	<u>16,022,583</u>	<u>35,115,745</u>
4.1	These accounts carrying mark-up rates ranging from 6.00% to 8.50% (June 2013: 6.00% to 9.25%) per annum .		

		December 31, 2013	June 30, 2013
	Note	----- Rupees ----- (Un-audited)	(Audited)
5 INVESTMENTS			
- At fair value through profit or loss - held-for-trading			
Listed equity securities	5.1	19,209,221	29,275,473
Government securities - Market treasury bills	5.2	<u>30,736,256</u>	-
		<u>49,945,477</u>	<u>29,275,473</u>
-Loans and receivables			
Term deposit receipt	5.3	<u>302,854,812</u>	<u>305,160,767</u>
		<u>352,800,289</u>	<u>334,436,240</u>

5.1 Listed equity securities

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

Name of Investee company	Number of Shares					Balance as at December 31, 2013			Market value as a percentage of net assets	Market value as a percentage of Investment	Market value as a percentage of paid-up capital of Investee company
	As at July 01, 2013	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at December 31, 2013	Carrying value	Market value	Appreciation / (Diminution)			
----- Rupees -----											
Oil and gas											
Pakistan Oilfields Limited		20,000		20,000	-	-	-	-	-	-	
Pakistan Petroleum Limited	37,600	78,400	3,000	91,000	28,000	5,990,021	5,990,880	859	1.60%	1.70%	
Pakistan State Oil Company Limited	11,500	66,200		77,700		-	-	-	-	-	
National Refinery Limited		5,700			5,300	1,138,960	1,142,256	13,296	0.30%	0.32%	
	49,100	169,900	3,000	188,700	33,300	7,118,981	7,133,136	14,155	1.90%	2.02%	
Non Life Insurance											
IGI Insurance Limited		10,000			10,000	1,689,857	1,643,800	(46,057)	0.44%	0.47%	
		10,000			10,000	1,689,857	1,643,800	(46,057)	0.44%	0.466%	
Chemicals											
Frigo Corporation Limited	11,000	38,200		39,200	10,000	1,546,862	1,583,800,000	36,938	0.42%	0.45%	
Fanua Fertilizer Company Limited	86,000	135,000		221,000		-	-	-	-	-	
Fauji Fertilizer Company Limited		22,900		22,900		-	-	-	-	-	
	97,000	196,100		281,100	10,000	1,546,862	1,583,800	36,938	0.42%	0.45%	
Food Producers											
Engro Foods Limited		10,000		10,000		-	-	-	-	-	
		10,000		10,000		-	-	-	-	-	
Construction and materials											
D.G. Khan Cement Company Limited	20,000	119,400		105,000	34,500	2,956,710	2,957,685	975	0.79%	1%	
Fauji Cement Company Limited	225,000	50,000		275,000		-	-	-	-	-	
Fecto Cement Limited	10,500	-		10,500		-	-	-	-	-	
Lucky Cement Limited		17,500		17,500		-	-	-	-	-	
Maple Leaf Cement Factory Limited	125,000	412,000		427,000	110,000	2,988,800	3,017,300	28,500	0.81%	1%	
	380,500	599,000		845,000	144,500	5,945,510	5,974,985	29,475	1.59%	2%	
Personal Goods (Textile)											
Kahnur Textile Mill Limited		198,000		198,000		-	-	-	-	-	
Nisbat Mills Limited		46,700		46,700		-	-	-	-	-	
Nisbat Chaman Limited		195,000		195,000		-	-	-	-	-	
		439,700		439,700							
Fixed line Telecommunication											
Pakistan Telecommunication Company Limited		75,000		25,000	50,000	1,582,750	1,422,000	(160,750)	0.38%	0.40%	
		75,000		25,000	50,000	1,582,750	1,422,000	(160,750)	0.38%	0.40%	
Commercial Banks											
Bank Al Falah Limited		205,000		205,000		-	-	-	-	-	
Bank Al Habib Limited		39,000		29,000		-	-	-	-	-	
MCB Bank Limited	20,000	13,000		33,000		-	-	-	-	-	
National Bank of Pakistan Limited Bank Limited		25,000		25,000	25,000	1,458,675	1,451,500	(7,175)	0.39%	0.41%	
	13,000			13,000		-	-	-	-	-	
	33,000	272,000		280,000	25,000	1,458,675	1,451,500	(7,175)	0.39%	0.41%	
	559,600	1,771,700	3,000	2,061,500	272,800	19,342,635	19,209,321	(133,414)	5.13%	5%	

Cost of investments as at December 31, 2013

19,342,635

5.2 Government securities - Market Treasury Bills

- Face value of Rs. 100,000 each unless otherwise stated.

Issue Date	Tenor	Face value				Balance as at December 31, 2013			Market value as a percentage of net assets	Market value as a percentage of Investments
		As at July 01, 2013	Purchases during the period	Disposed - matured during the period	Balance as at December 31, 2013	Carrying value	Market value	Appreciation / (Diminution)		
----- Rupees -----										
May 30, 2013	12 Months	-	32,000,000	-	32,000,000	30,924,418	30,736,256	(188,162)	8.20%	8.71%
May 30, 2013	3 Months	-	18,000,000	18,000,000	-	-	-	-	-	-
August 7, 2013	6 Months	-	18,000,000	18,000,000	-	-	-	-	-	-
Total December 31, 2013			68,000,000	36,000,000	32,000,000	30,924,418	30,736,256	(188,162)	8.20%	8.71%

Cost of investments as at December 31, 2013

29,638,080

5.3 Term Deposit Receipt carries mark-up rate of 12.38% (June 2013: 12.38%) per annum and will mature on June 01, 2014.

		December 31, 2013	June 30, 2013
	Note	----- Rupees -----	
		(Un-audited)	(Audited)
6	PAYABLE TO ABLASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
	Management fee	475,751	449,744
	Sindh sales tax	154,658	78,862
	Federal excise duty payable on management remuneration	6.1 490,876	43,143
	Preliminary and floatation costs	<u>1,403,318</u>	<u>2,806,637</u>
		<u>2,524,603</u>	<u>3,378,386</u>

6.1 As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on management remuneration has been applied effective from June 13, 2013. The management is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. Mutual Fund Association of Pakistan (MUFAP) has taken up the matter collectively and filed a petition with the Honorable Sindh High Court and has been granted stay in this regard. As a matter of abundant caution, the Fund has made the provision against FED.

		December 31, 2013	June 30, 2013
		----- Rupees -----	
		(Un-audited)	(Audited)
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	126,043	170,000
	Rating fee	61,800	150,000
	Brokerage and other charges	15,824	77,614
	Withholding Tax payable	530	495
	Payable against printing of units	18,906	49,202
	Payable against transactions in marketable securities	11,935,531	4,490,585
	Payable to WWF	<u>1,255,936</u>	<u>950,523</u>
		<u>13,414,570</u>	<u>5,888,419</u>

8 CONTINGENCIES AND COMMITMENTS

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

9 PROVISION FOR WORKERS' WELFARE FUND

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

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*.

The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 4, 2011 has cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF.

In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honorable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honorable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh.

Last year, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to record the provision for WWF in aggregate.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund intends to distribute such accounting income for the half year ended December 31, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

11 EARNINGS PER UNIT (EPU)

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

12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Connected persons / related parties include ABL Asset Management Company Limited being the Management Company under common management and/or directorships, MCB Financial Services Limited (MCBFSL) being the trustee of the Fund, Allied Bank Limited being the holding company of the Management Company and its provident fund, other collective investment schemes managed by the Management Company and key management personnel of the Management Company.

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

12.3 Detail of transactions with connected persons during the period are as follows:

ABL Asset Management Company Limited - Management Company

	For the half year ended December 31, 2013	For the period from April 13, 2012 to December 31, 2012
	----- Rupees ----- (Un-audited)	
Issue of 'Nil' units (2012: 10,000,000 units)	-	100,000,000
Bonus of 'Nil' units (2012: 34,700 units)	-	347,000
Remuneration for the period	2,798,378	3,032,585
Sindh sales tax on remuneration of Management Company	519,373	-
Federal excise duty on remuneration of Management company	447,733	-

TRUSTEE

MCB Financial Services Limited

Trustee Fee	149,243	161,737
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Allied Bank Limited

Return / markup on saving account	491,496	-
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	December 31, 2013	June 30, 2013
Note	----- Rupees -----	----- Rupees -----
	(Un-audited)	(Audited)

12.4 Detail of balances outstanding at the period end with connected persons are as follows:

ABL Asset Management Company Limited - Management Company

Remuneration payable to Management Company	475,751	449,744
Sindh sales tax payable	154,658	71,959
Federal excise duty	490,876	
Preliminary and floatation costs	1,403,318	2,806,637
Units held - 11,449,091 (June 2013: 11,449,091 units)	119,399,135	114,574,488

Allied Bank Limited

Balances with Bank	15,744,231	31,334,171
Accrued return / markup on saving account 131,742	-	

Pakistan Security Printing Corporation (Private) Limited

Units held - 4,007,182 units (June 2013: 4,007,182 units)	41,789,699	40,120,307
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MCB Financial Services Limited - Trustee

Remuneration payable	25,371	23,986
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13 DATE OF AUTHORISATION FOR ISSUE

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

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KHAWAJA MUHAMMAD ALMAS
DIRECTOR



ABL Asset Management

Discover the potential
RATED AM2 (JCR-VIS)

(A wholly owned subsidiary of Allied Bank Ltd.)

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