



CONDENSED INTERIM
**FINANCIAL
INFORMATION**

FOR THE PERIOD FROM APRIL 13, 2012 TO
MARCH 31, 2013

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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Khalid A. Sherwani Mr. Muhammad Waseem Mukhtar 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 Ltd 3rd Floor, Adamjee House, I.I. Chundrigar Road, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Distributor:	Allied Bank Limited Standard Chartered Bank (Pakistan) Limited FundShop - Investment Solutions	
Auditor:	M.Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shara-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 Condensed Interim Financial Information (un-audited) of ABL AMC Capital Protected Fund for the period ended March 31, 2013.

ECONOMIC PERFORMANCE REVIEW

3QFY13 marked the completion of tenure of the political government, which was followed by a smooth transition to the caretaker setup. Challenges for the caretaker set up are plenty as 3QFY13 proved to be another tough quarter for Pakistan's economy. There are growing concerns over depleting foreign exchange reserves, which declined to a low of USD 12.2 billion at quarter end (SBP reserves USD 7.1 billion), amidst hefty IMF repayments and continuous trade imbalance. As a result, PKR depicted significant weakness against the greenback, going down by 4.1% in the 9MFY13 period. On the fiscal side, Government borrowing continued unabated with 3QFY13 borrowing witnessing a whopping jump of 40% QoQ to a cumulative PKR 840 billion (9MFY13), as the outgoing government spurred its public spending towards the end of its tenor. Continuous drop in inflation allowed the central bank to go on with its accommodative policy as it kept the policy rate unchanged at 9.5% throughout 3QFY13.

Inflation sustained its downward trend with Mar-13 inflation clocking in at 6.57%, the lowest since Jul-09, taking 9MFY13 average inflation to 7.98%. Base affect and declining food inflation remained major contributors to the declining CPI numbers during 9MFY13. Current account, after having witnessed a surplus of PKR 250 million in 1HFY13, turned into deficit with 9MFY13 deficit coming in at USD 1 billion. Realization of Coalition Support Funds to the tune of USD 1.8 billion contained the current account slide, otherwise the situation could have been considerably worse. For March-13 alone, Current Account deficit was recorded at USD 513 million. Tax collection was also a cause for concern as it fell well short of the downward revised target (PKR 1,314 bn collected vs. target PKR 1,478 bn for 9MFY13). In wake of heavy subsidies (PKR 600 bn power subsidies expected for FY13) and revenue shortfall, the Planning Commission now expects fiscal deficit to climb up to a mammoth 8% for FY13. Investor focus in next quarter is expected to shift to upcoming elections and an imminent fresh IMF program post elections. IMF has been pursuing Pakistan to take stringent measures primarily on enhancing revenue measures and cutting electricity subsidies. We don't anticipate any major progress on these reforms before the elections. The interim set up is expected to adopt a cautious approach and keep rates unchanged, especially with inflation remaining below the 7% mark in March 2013. Given the significant pressures the economy is facing from the external and fiscal accounts, a hawkish monetary stance can be expected post elections.

MARKET OVERVIEW

Equity market performed strongly with turnover picking up during the period under review. The benchmark KSE-100 index hit an all-time high of 18,185 points and eventually closed the quarter at 18,043 points, up 30.74% YTD (CY13 +6.73%). The strong performance was primarily attributable to cement, textiles and index heavy FMCG scrips. During 1QCY13, average daily traded value stood at Rs. 5.7 billion (US\$ 58.4 million) which compares favorably with Rs 4.5 billion (US\$ 46.6 million) recorded in the previous quarter. In terms of shares, average volume stood at 210.6 million which is up 25% from preceding quarter. Shares buyback plan of Unilever Pakistan (market cap: Rs 199.4 billion at buy back price) and smooth transition of current political setup were the key events that led to investors' excitement during the quarter. Foreign flows were also encouraging with FIPI recorded at USD 70.2 million. At quarter end, the market was trading at 2013 E P/E of 7.1x - offering a prospective dividend yield of 6.9%, which is very attractive, compared to regional markets and our own historical valuations.

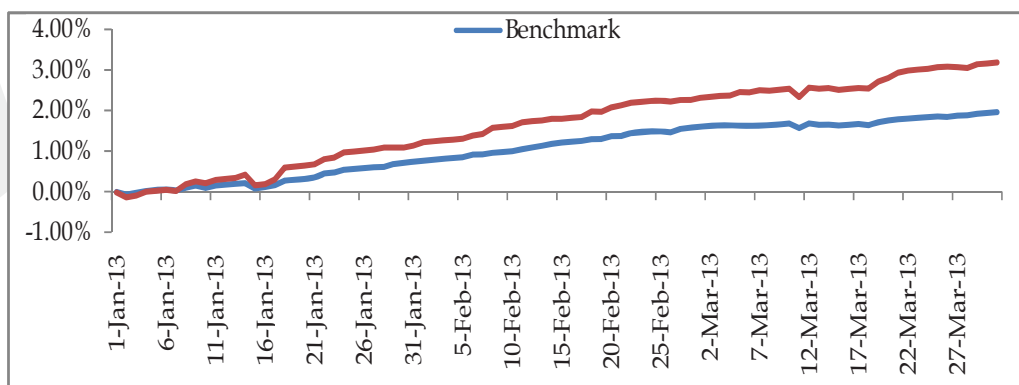
MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry grew by 3.19% in 3QFY13 (from PKR 345.4 billion to PKR 334.7 billion) led by the Money Market fund category. The fixed income fund category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 4.15% in 3QFY13 from PKR 187.8 billion in December 2012 to PKR 195.6 billion in March 2013. Under this category, the Money Market funds posted the highest increase in AUMs from PKR 122.9 billion in December 2012 to PKR 132.3 billion - a growth of 7.64%. The Income Funds however declined by 1.40% to close at PKR 55.9 billion from PKR 56.7 billion in December 2012. Equity funds also remained subdued on account of political and economic uncertainty, posting a slight decline of 0.2% during the period to close at PKR 52.8 billion. However, Balanced and Asset allocation Funds managed to post an increase of 7.03% and 1.03%, respectively.

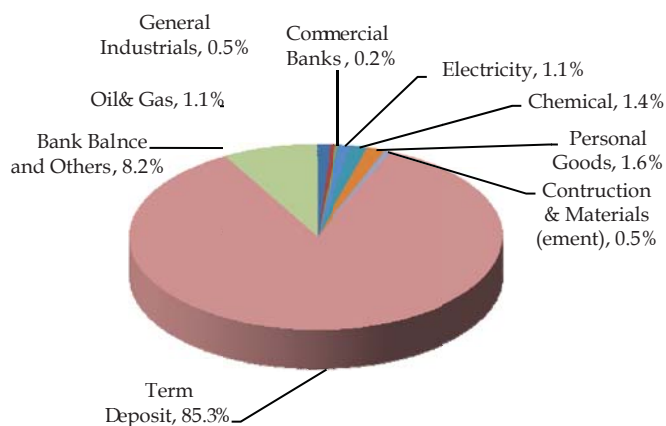
FUND PERFORMANCE

ABL-CPF increased by 3.2% during period under review against 1.9% increases in benchmark, which reflects an outperformance of 130 basis points. The fund benefited from robust equity performance as well as high Term Deposit Rates in a declining interest rates environment.

ABL AMC Capital Protected Fund earned total income of Rs. 46.51 million for the period from June 01, 2012 to March 31, 2013. This mainly consisted of Rs. 32.16 million earned from return on bank balances & term deposits receipts, Rs. 12.10 million from net gain on sale of investments and Rs. 1.17 million from dividend income, Rs. 0.76 million unrealized appreciation on re-measurement of investments classified as financial assets at fair value. After accounting for expenses of Rs. 7.86 million (comprising mainly of the management fee of Rs. 4.36 million and Sindh Sales Tax on management fee of Rs. 0.69 million), net income from operating activities for the period ended March 31, 2013 stood at Rs. 38.66 million. With the net element of loss and capital losses of Rs. 1.06 million included in the prices of units issued less those in units redeemed, the net income for the period from June 01, 2012 to March 31, 2013 stood at Rs. 37.60 million.



Sector Allocation (% of Total Assets)



AUDITORS

M/s. Yousuf Adil Saleem & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2013 for ABL AMC Capital Protected Fund (ABL AMC-CPF).

MANAGEMENT QUALITY RATING

On January 10, 2013, JCR-VIS Credit Rating Company Limited maintained the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) at 'AM 2-' (AM Two Minus). Outlook on the assigned rating has been revised from 'Stable' to 'Positive'.

OUTLOOK

Looking ahead, next quarter will be full of interesting developments for the market on political, economic and corporate fronts. A smooth progress towards elections will bode positive for the market and will entice local as well as foreign investors to participate in the current bull-run. However, ability of caretaker setup to steer economy out of current quagmire will remain top concern for top-down analysts. Hefty cash influx, in terms of dividends announced earlier and anticipated foreign capital, will keep equity markets buoyed in our opinion. We will maintain high exposure in equities, especially in stocks that appear relatively undervalued and will benefit from changing industrial dynamics. Low interest rates, attractive valuations, consistent foreign flows and healthy political developments warrant promising returns for equity investors.

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 (Guarantee) 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, April 25, 2013

**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UN-AUDITED)**

AS AT MARCH 31, 2013

		March 31, 2013
	Note	-----Rupees-----
ASSETS		
Balances with banks	4	1,378,181
Investments	5	332,432,436
Profit receivable and prepayments	6	26,320,968
Dividend Recieveable		460,000
Preliminary expenses and floatation costs	7	1,637,819
Total assets		362,229,404
LIABILITIES		
Payable to ABL Asset Management Company Limited - Management Company	8	3,335,954
Payable to MCB Financial Services Limited - Trustee	9	24,335
Payable to Securities and Exchange Commission of Pakistan	10	217,888
Accrued expenses and other liabilities	11	342,544
Total liabilities		3,920,721
NET ASSETS		358,308,683
UNITS HOLDERS' FUND (AS PER STATEMENT ATTACHED)		
		358,308,683
Contingencies and commitments	12	---
		---Number of units---
Number of units in issue	13	32,186,714
		-----Rupees-----
NET ASSETS VALUE PER UNIT		11.1322
FACE VALUE PER UNIT		10.0000

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL AMC CAPITAL PROTECTED FUND CONDENSED INTERIM INCOME STATEMENT (UN AUDITED)

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

	For the period from April 13, 2012 to March 31, 2013	For the quarter ended March 31, 2013
Note	-----Rupees-----	
INCOME		
Return / mark up on bank balances and term deposit receipts	32,164,167	9,574,885
Net gain on sale of investments	11,756,021	3,433,476
Income from government securities	18,096	-
Dividend Income	1,167,500	460,000
Back end load	307,258	181,186
Total Income	45,413,042	13,649,547
Unrealised gain on re-measurement of investments 'at fair value through profit or loss - held for trading' - net	5.4 1,101,331	37,978
	46,514,373	13,687,525
EXPENSES		
Remuneration of ABL Asset Management Company Limited - Management Company	4,361,248	1,328,663
Sindh sales tax on remuneration of Management Company	697,811	212,596
Remuneration of MCB Financial Services Limited - Trustee	232,598	70,861
Annual fee to Securities and Exchange Commission of Pakistan	217,888	66,259
Brokerage expense and other transaction costs	738,646	104,643
Auditors' remuneration	192,405	56,945
Amortisation of preliminary expenses and floatation costs	1,168,818	346,050
Printing charges and related costs	76,962	22,624
Rating fee	115,443	34,129
Annual listing fee	17,503	2,464
Settlement and bank charges	38,363	5,421
Total operating expenses	7,857,685	2,250,655
Net income from operating activities	38,656,688	11,436,870
Element of income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed-net	(1,055,266)	(861,895)
Provision for Workers' Welfare Fund	14 -	-
Net income for the period before taxation	37,601,422	10,574,975
Taxation	15 -	-
Net income for the period after taxation	37,601,422	10,574,975
Earnings per unit	16	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN AUDITED)**

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

	For the period from April 13, 2012 to March 31, 2013	For the quarter ended March 31, 2013
	-----Rupees-----	
Net income for the period after taxation	37,601,422	10,574,975
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>37,601,422</u>	<u>10,574,975</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

 ABL Asset Management
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ABL AMC CAPITAL PROTECTED FUND

ABL AMC CAPITAL PROTECTED FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UN AUDITED)

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

	For the period from April 13, 2012 to March 31, 2013
	-----Rupees-----
Net income for the period	37,601,422
First interim distribution at the rate of Rs.0.0347 per unit declared on June 25, 2012	
- bonus units (issued 116,075 units @ Rs. 10 per unit)	(1,160,753)
Undistributed income carried forward	<u><u>36,440,669</u></u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL AMC CAPITAL PROTECTED FUND CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN AUDITED)

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

	For the period from April 13, 2012 to March 31, 2013
	-----Rupees-----
Net Assets at the beginning of the period	-
Issuance of 33,500,929 units	335,010,163
Redemption of 1,430,290 units	(15,358,168)
	319,651,995
Issuance of 116,075 bonus units	1,160,753
Element of income and capital gains included in prices of units issued less those in units redeemed	
- amount representing income and capital gains - transferred to Income Statement	1,055,266
Other net income for the period	24,744,070
Net capital gain on sale of investments	11,756,021
Unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading' - net	1,101,331
First interim distribution at the rate of Rs. 0.0347 per unit declared on June 25, 2012	
- bonus units (issued 116,075 @ Rs. 10 per unit)	(1,160,753)
	36,440,669
Net assets at the end of the period	358,308,683

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

 **ABL Asset Management**
Discover the potential


ABL AMC CAPITAL PROTECTED FUND

ABL AMC CAPITAL PROTECTED FUND CONDENSED INTERIM CASH FLOW STATEMENT (UN AUDITED)

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

	Note	For the period from April 13, 2012 to March 31, 2013
		----Rupees----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		37,601,422
Adjustments:		
Unrealised gain on re-measurement of investments 'at fair value through profit or loss held for trading' - net		(1,101,331)
Dividend income		(1,167,500)
Return / markup on :		
-Government Securities		(18,096)
-Bank Balances and term deposits		(32,164,167)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		1,055,266
Amortisation of preliminary expenses and floatation costs		1,168,818
		5,374,412
Increase in assets		
Investments - net		(331,331,105)
Profit receivable and prepayments		(26,320,968)
Preliminary expenses and floatation costs		(2,806,637)
		(360,458,710)
Increase in liabilities		
Payable to ABL Asset Management Company Limited - Management Company		3,335,954
Payable to MCB Financial Services Limited - Trustee		24,335
Payable to Securities and Exchange Commission of Pakistan		217,888
Accrued expenses and other liabilities		342,544
		3,920,721
Dividend received		707,500
Return / markup received		32,182,263
		32,889,763
Net cash used in operating activities		(318,273,814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received from issuance of units		335,010,163
Amounts paid on redemption of units		(15,358,168)
Net cash generated from financing activities		319,651,995
Net increase in cash and cash equivalents during the period		1,378,181
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	1,378,181

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL AMC CAPITAL PROTECTED FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN AUDITED)

FOR THE PERIOD FROM APRIL 13, 2012 TO MARCH 31, 2013

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. 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 consists of two segments, a Capital and Return Protected Segment and an Investment Segment. The Capital Protected Segment aims at protecting investors' capital by investing a minimum of 94.75% of total initial size of the Fund in bank deposits having long term credit rating of at least 'AA-' (Double A minus). The remaining portion of the Fund other than Capital and Return Protected Fund is called Investment Segment. To enhance the Fund's overall return, Investment Segment will be invested in equity markets or any other permissible investment instrument that the Management Company feels would be appropriate to maximize returns.

This is the first year of operations of the Fund and JCR-VIS Credit Rating Company Limited has been appointed as the rating company. The rating company has assigned Management Quality Rating of 'AM2- (positive outlook)' to the Management Company.

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 the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34 - "Interim Financial Reporting", provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2033 (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Rules and the Regulations, 2008 shall prevail.

This condensed interim financial information comprises of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and the notes forming part thereof.

The SECP granted exemption to the Company from preparing and publishing the financial statements of the Fund from the period ended June 30, 2012 and allowed to cover the said period in the financial statements to be prepared for the year ending June 30, 2013. Furthermore, the first quarterly statements of the Fund were allowed to be prepared and published covering the said period. Accordingly, this condensed interim financial report covers the period from April 13, 2012 to March 31, 2013.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention except for investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 New accounting standards / amendments and IFRS interpretations that are effective for the period ended March 31, 2013.

The following standards, amendments and interpretations are effective for the period ended March 31, 2013. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IFRS 7 - Financial Instruments: Disclosures - Transfer of financial assets	Effective from accounting period beginning on or after July 01, 2012
Amendments to IFRS 7 - Financial Instruments: Disclosures - Transfer of financial assets	Effective from accounting period beginning on or after July 1, 2011
Amendments to IAS 12 - Income Taxes - Deferred Tax: Recovery of Underlying Assets	Effective from accounting period beginning on or after January 1, 2012

New accounting standards and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for annual periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements - Clarification of Requirements for Comparative information	Effective from accounting period beginning on or after January 01, 2013
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Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
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Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
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Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
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Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
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Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting
- IFRS 9 - Financial Instruments
- IFRS 13 - Fair Value Measurement

2.5 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 and judgments 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.

In the process of applying the Fund's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

- (a) classification of financial assets (Note 3.2.1)
- (b) impairment of financial assets (Note 3.2.5)
- (c) provisions (Note 3.6)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These accounting policies set out below have been applied consistently to all periods presented in this condensed interim financial information:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification

The management of the Fund determines the appropriate classification of its investments at the time of purchase and classifies these investments at fair value through profit or loss, loans and receivables or available for sale.

a) **Investments at fair value through profit or loss**

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading".

b) **Loans and receivables**

These are non-derivatives 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 (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

All regular purchases / sales of investments are recognized on the trade date i.e. the date that the Fund commits to purchase / sell the investments. Purchases / sales of investments require delivery of securities within the time frame established by the regulations.

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 and transaction costs are expensed out in the income statement.

3.2.4 Subsequent measurement

a) **Financial assets 'at fair value through profit or loss' and 'available for sale'**

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows.

- **Basis of valuation of equity securities**

The investments of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

Net gains and losses arising on changes in fair value of available for sale financial assets are taken to 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss, previously recognised directly in the 'statement of comprehensive income', is transferred to the 'income statement'.

- **Basis of valuation of government securities**

The investment of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

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

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.

Gain or loss is also recognised in the "Income Statement" when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that the financial asset or a group of financial assets is impaired.

a) **Equity Securities**

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in 'income statement' is reclassified from 'unit holders' fund' to 'income statement'. Impairment losses recognised on equity instruments are not reversed through 'income statement'.

b) **Financial Assets other than Equity Securities**

For financial assets other than equity securities, the amount of the provision is determined based on the provisioning criteria specified by the Securities and Exchange Commission of Pakistan (SECP).

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 risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They 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 or cancelled or expired.

3.4 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of two years commencing from June 01, 2012, as per the requirement of the Trust Deed of the Fund and the NBFC Regulations 2008.

3.5 Payables and Accruals

Payables and accruals are carried at cost which is the fair value of consideration to be paid in the future for the services received whether billed or not to 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company based on the applications received by the distributors during business hours of that day. The offer price represents the net asset value per unit as of the close of the business day plus the allowable front end load, provision for transaction costs and any provision for duties and charges, if applicable. Currently the Fund is charging sales load (front end load) at the rate of 1.75% of the Net Assets Value per unit.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during 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, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Back end loads are recorded as income of the Fund.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The Fund records that portion of the element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the Unit Holder's Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the income statement.

However, there is no element of income / (loss) and capital gain / (loss) relating to units issued and redeemed during the current accounting period which pertains to unrealized gains / (losses) held in the Unit Holder's Fund as the Fund has not classified any investment as 'available for sale' during the period ended March 31, 2013.

3.9 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive dividend is established.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Profit on bank deposits and income from government securities is recognised on an accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as '-held-for-trading' in the period in which they arise.

3.10 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 among the unit holders. The Management Company intends to distribute not less than 90% of the annual accounting income to comply with the above stated clause. Accordingly, no provision for 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. Accordingly, no provision for taxation has been made in this condensed interim financial information.

3.11 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.12 Net assets value per unit

The net assets 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 period end.

3.13 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in financial statements in the period in which such distributions are declared.

		(Un-audited)	
		March 31	
		2013	
		Note	-----Rupees-----
4	BALANCES WITH BANKS		
	Saving accounts	4.1	<u>1,378,181</u>
4.1	These accounts carrying mark-up rates ranging from 6.00% to 9.25% per annum.		
5	INVESTMENTS		
	- At fair value through profit or loss - held-for-trading		
	Listed equity securities	5.1	23,580,440
	Government securities	5.2	<u>-</u>
			23,580,440
	-Loans and receivables		
	Term deposit receipt	5.3	308,851,996
			<u>332,432,436</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 March 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 April 13, 2012	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at March 31, 2013	Carrying value	Market value				Appreciation / (diminution)
Rupees											
Oil and gas											
Pakistan Oilfields Limited	-	32,500	-	23,500	9,000	4,382,535	4,082,670	(299,865)	1.14%	1.23%	0.17%
Pakistan State Oil	-	22,000	-	22,000	-	-	-	-	0.00%	0.00%	-
Pakistan Petroleum Limited	-	13,000	-	13,000	-	-	-	-	-	-	0.00%
	-	67,500	-	58,500	9,000	4,382,535	4,082,670	(299,865)	1.14%	1.23%	0.17%
Electricity											
HUBC	-	80,000	-	-	80,000	4,267,625	4,020,800	(246,825)	1.12%	1.21%	0.03%
	-	80,000	-	-	80,000	4,267,625	4,020,800	(246,825)	1.12%	1.21%	0.03%
Chemicals											
Engro Corporation Limited	-	132,000	-	92,000	40,000	5,109,004	5,160,000	50,996	1.44%	1.55%	0.10%
Falima Fertilizer Company Limited	-	170,000	-	170,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	58,900	-	58,900	-	-	-	-	-	-	-
ICI Pakistan Limited	-	35,019	-	35,019	-	-	-	-	-	-	-
	-	395,919	-	355,919	40,000	5,109,004	5,160,000	50,996	1.44%	1.55%	0.10%
Construction and materials											
Akzo Nobel Pakistan	-	5,019	-	5,019	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	540,000	-	540,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	549,000	-	549,000	-	-	-	-	-	-	-
Fecto Cement Limited	-	321,500	-	321,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	194,000	-	194,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	873,500	-	773,500	100,000	1,766,785	1,776,000	9,215	0.50%	0.53%	0.03%
	-	2,483,019	-	2,383,019	100,000	1,766,785	1,776,000	9,215	0.50%	0.53%	0.03%
General Industrials											
Packages Limited	-	10,000	-	-	10,000	1,547,125	1,927,400	380,275	0.54%	0.58%	0.23%
	-	10,000	-	-	10,000	1,547,125	1,927,400	380,275	0.54%	0.58%	0.23%
Personal Goods (Textile)											
Gadon Textile Limited	-	13,000	-	-	13,000	1,487,000	1,443,000	(44,000)	0.40%	0.43%	0.62%
Nishat Mills Limited	-	101,000	-	50,000	51,000	3,166,580	4,298,790	1,132,210	1.20%	1.29%	0.12%
	-	114,000	-	50,000	64,000	4,653,580	5,741,790	1,088,210	1.60%	1.73%	0.74%
Fixed line Telecommunication											
Pakistan Telecommunication											
Company Limited	-	1,015,000	-	1,015,000	-	-	-	-	-	-	-
Telecard Limited	-	1,260,000	-	1,260,000	-	-	-	-	-	-	-
	-	2,275,000	-	2,275,000	-	-	-	-	0.00%	0.00%	0.00%
Commercial Banks											
Askari Bank Limited	-	340,000	-	294,500	45,500	752,455	871,780	119,325	0.24%	0.26%	0.01%
Bank Al Falah Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
	-	490,000	-	444,500	45,500	752,455	871,780	119,325	0.24%	0.26%	0.01%
Total December 31, 2012	-	5,519,519	-	5,211,019	348,500	22,479,109	23,580,440	1,101,331	6.6%	7.1%	1.3%

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 March 31, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at April 13, 2012	Purchases during the period	Disposed / matured during the period	Balance as at March 31, 2013	Cost		
Rupees								
May 31, 2012	12 Months	-	4,700,000	4,700,000	-	-	-	-
Total December 31, 2012		-	4,700,000	4,700,000	-	-	-	-

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

		(Un-audited)
		March 31, 2013
		-----Rupees-----
5.4	Unrealised gain on re-measurement of investments at 'fair value through profit or loss -held-for-trading' - net	Note
	Market value of investments	23,580,440
	Less: Carrying value of securities	22,479,109
		<u>1,101,331</u>
6	PROFIT RECEIVABLE AND PREPAYMENTS	
	Profit receivable on term deposit account	26,293,712
	Profit receivable on saving accounts	24,760
	Prepaid listing fee	2,496
		<u>26,320,968</u>
7	PRELIMINARY EXPENSES AND FLOATATION COSTS	
	Balance as at beginning of the period	2,806,637
	Less: Amortisation during the period	<u>(1,168,818)</u>
	Balance as at March 31,2013	<u>1,637,819</u>
8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY	
	Management fee	8.1 456,300
	Sindh sales tax payable	73,017
	Initial deposit Payable	-
	Preliminary expenses and floatation costs	<u>2,806,637</u>
		<u>3,335,954</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% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 1.5% of net assets of the Fund. The amount of remuneration is being paid monthly in arrears.	
9	PAYABLE TO MCB FINANCIAL SERVICES LIMITED-TRUSTEE	
	Trustee fee	9.1 <u>24,335</u>
9.1	Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration consisting of reimbursement of actual custodial expenses/charges plus the following tariff:	
	Tariff per annum	
	Rs. 250,000/- or 0.08% per annum of NAV whichever is higher.	

(Un-audited)
March 31, 2013

-----Rupees-----

10	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	
	Annual fee	10.1 <u>217,888</u>

10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, Capital Protected Funds are required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the scheme. The Fund has been categorized as an Capital Protected Scheme by the Management Company.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	167,405
Rating fee	115,443
Other payables	<u>59,695</u>
	<u>342,544</u>

12 CONTINGENCIES AND COMMITMENTS

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

13 NUMBER OF UNITS IN ISSUE

	Number units
Units issued	33,500,929
Bonus units issued	116,075
Units redeemed	<u>(1,430,290)</u>
Total units in issue at the end of the period	<u>32,186,714</u>

14 PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of the Collective Investment Schemes through their Trustees on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

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 6 October 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 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 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.

In view of the above, the Management Company has not made any provision on account of contribution to WWF in these financial statements. The aggregate unrecognised amount of WWF as at March 31, 2013 amounted to Rs. 752,028.

15 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 realized or unrealized 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 unrealized capital gains to the unit holders. The Fund intends to distribute such accounting income for the period ending June 30, 2013 to its unit holders. Accordingly, no liability has been recorded in the current period.

16 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.

16 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

(Un-audited)
March 31, 2013
----Rupees----

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

ABL Asset Management Company Limited - Management Company

Issue of 10,000,000 units	100,000,000
Bonus of 34,700 units	347,000
Management Fee for the period	4,361,248

TRUSTEE

MCB Financial Services Limited

Trustee Fee	232,598
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16.6 Detail of balances outstanding at the period end with connected persons are as follows:

(Un-audited)
March 31
2013
----Rupees----

ABL Asset Management Company Limited - Management Company

Management fee payable	456,300
Sindh sales tax payable	73,017
Initial deposit	-
Preliminary expenses and floatation cost	2,806,637
10,034,700 units held	111,708,287

MCB Financial Services Limited - Trustee

Remuneration payable	24,335
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17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 25, 2013 by the Board of Directors of the Management Company.

18 GENERAL

Figures have been rounded off to the nearest rupee.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)
UAN: (021) 111-ABL-AMC (111-225-262)
Email: contactus@ablamc.com
Website: www.ablamc.com



ABL Asset Management

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