



ABL
Cash Fund

CONDENSED INTERIM
**FINANCIAL
STATEMENTS**

FOR THE PERIOD FROM JULY 29, 2010
TO MARCH 31, 2011 AND
QUARTER ENDED MARCH 31, 2011.

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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited	
Board of Directors of the Management Company	Sheikh Mukhtar Ahmed	Chairman
	Muhammad Waseem Mukhtar	Director
	Mr. Khalid A. Sherwani	Director
	Mr. M. Jawaid Iqbal	Director
	Muhammad Yaseen	Director
	Mr. M. Shakeb Murad	Director
	Mr. Kamran Nishat	Director
Chief Executive Officer:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Audit Committee:	Mr. Kamran Nishat	Chairman
	Muhammad Waseem Mukhtar	Member
	Muhammad Yaseen	Member
Head of Internal Audit & Compliance:	Mr. Faisal Nadeem Mangroria	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.	
Auditors:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1.C I.I. Chundrigar Road, Karachi.	
Legal Advisors:	Bawany & Partners Room No. 404, 4thFloor Beaumont Plaza, 6 – C1 –10, Beaumont Road, Civil Lines, Karachi.	
Bankers:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Distributor:	Allied Bank Limited	
Registered Office	11 – B, Lalazar, M. T. Khan Road, Karachi.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Cash Fund (ABL-CF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-CF for the period ended March 31, 2011.

ECONOMIC PERFORMANCE REVIEW

In some ways, 3QFY11 depicted a gradual improvement in Pakistan's economy with significant improvement in external account situation, controlled government borrowing, slowdown in inflation and FX reserves reaching record levels. Better crop prices, strong remittances and rising exports were the key pillars behind economy's resilience to external shocks (high oil and commodity prices). The Central Bank also maintained the discount rate at 14% through the quarter owing to better fiscal discipline along with relatively controlled inflation.

Headline inflation (CPI) came down to 13.2% for March 2011 after reaching peak levels of 15.5% in November 2010 following the floods. Current account was in surplus of US\$ 99mn during 9MFY11 (US\$ 3,106mn deficit during 9MFY10), primarily due to 25% Y/Y growth in exports. Improved trade situation coupled with remittances of US\$ 8,016 mn for 9MFY11 resulted in Pakistan's FX reserves soaring to US\$ 18.2bn. Furthermore, Large Scale Manufacturing (LSM) growth swung back in the positive zone, thanks to strong performance of the textile sector during 3QFY11.

Despite these positives, there is a big question mark over macro fundamentals and Pakistan's economy remains vulnerable to external shocks. Some bold steps undertaken by the Government, such as to pass on the high oil prices and implement revenue enhancement measures (removal of zero rated GST status on some sectors and imposition of flood tax) bodes well for controlling fiscal deficit. However, these measures are expected to be inflationary and the Government is still likely to miss the revised fiscal deficit target of 5.5%. Moreover, high oil prices are exerting upward pressure on the import bill as well as pushing inflation numbers. As a result the Central Bank is expected to maintain a tight monetary stance over the next quarter. Market's attention will now be firmly focused on the upcoming FY12 budget and direction of oil prices, which are going to set the tone for economic outlook for FY12.

MUTUAL FUND INDUSTRY REVIEW

The mutual fund industry performed reasonably well during the period, supported by handsome growth in the money market fund category. The AUMs of money market funds increased by 31.05% to PKR62.932 billion as at March 31, 2011 compared to PKR48.022 billion as at December 31, 2010. The inflow in money market funds has been egged on by investor's impudence towards income fund category as well as rising yields on money market instruments. As credit risks remained ajar due to weak economic conditions exacerbated by a high interest rate environment, Treasury bills remained the most favored investment avenue for money market funds. The inherent advantage of low risk and short duration instruments in money market funds lured investors towards this segment. It is highly probable that investor interest would remain towards such conservative investment avenues in tandem with prevailing economic uncertainties.

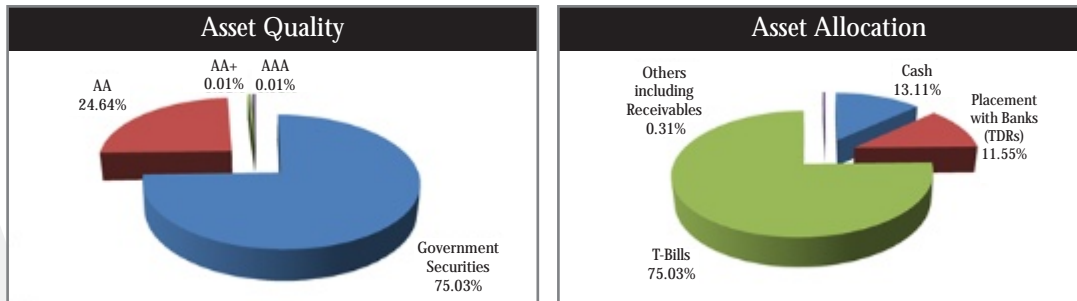
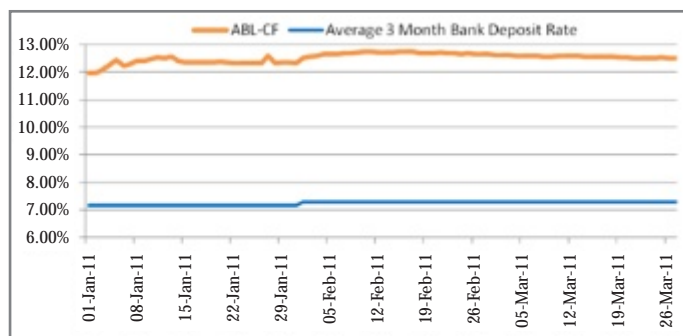
FUND PERFORMANCE

During the quarter under review, ABL Cash Fund's AUMs increased by 41.70% to PKR7.269 billion from PKR5.130 billion as at December 31, 2010. Although the central bank maintained the discount rate during the period, yields on sovereign debt instruments remained high due to high Government borrowing. A tight money market led to placement of funds at high rates which facilitated returns during the period. Furthermore, interest rate uncertainties led to trading gains as well which gave a boost to returns. During the last quarter, the unit price of ABL-CF increased by 2.97% to close at PKR 10.3031 (cum dividend), translating into an annualized compounded return of 12.47% for the period.

ABL Cash fund's active portfolio management strategy and prudent allocation of funds implied that the fund outperformed its benchmark by 523bps during 3QFY11.

ABL-CF's Treasury bill and TDR allocation were 75.03% and 11.55% as at March 31, 2011 compared to 39.13% and 49.84%, as on December 31, 2010, respectively. Maturity of some key term deposits coupled with competitive rates on T-bills induced the change in allocation.

ABL Cash Fund earned total income of Rs.419.65 million for the period ended March 31, 2011, of which Rs.274.33 million was earned from government securities, Rs.90.99 million was earned from term deposited receipt, Rs.13.62 million was earned from letter of placements and Rs.4.69 million from reverse repurchase transactions. After accounting for expenses of Rs.47.39 million (comprising mainly of the management fee of Rs.39.57 million) net income from operating activities for the period ended March 31, 2011 stood at Rs.372.25 million. With the net element of income and capital gains of Rs.87.46 million included in the prices of units issued less those in units redeemed and Rs.9.19 million as provision for workers welfare fund, the net income for the period ended March 31, 2011 stood at Rs.450.51 million.



Other assets account for 0.31% of Total Assets.

OUTLOOK

Although economic indicators depicted some improvement over the last quarter, concerns regarding inflation and soaring fiscal deficit are expected to keep policy makers on their toes. As a result, a conservative investment stance will be maintained by gearing investments towards short term sovereign debt instruments and placements with good rates counters.

DIVIDEND

The Chief Executive Officer (CEO) on behalf of the Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on March 30, 2011 has approved and declared Interim distribution of Rs.0.2943 per unit (2.943% of the par value of Rs.10) for ABL-CF for the quarter ended March 31, 2011. This is in addition to interim dividend distribution of Rs.0.2742 per unit (2.742% of the par value of Rs.10) for ABL-CF for the quarter ended December 31, 2010 and Rs.0.1781 per unit (1.78% of the par value of Rs.10) for ABL-CF for the period ended September 30, 2010.

FUND STABILITY RATING

On November 25, 2010, JCR-VIS assigned Fund Stability Rating of AA+(f) (Double A plus (f)) to ABL Cash Fund (ABL-CF), which denotes high degree of stability in Net Assets Value.

MANAGEMENT QUALITY RATING

On December 31, 2010, JCR-VIS upgraded the Management Quality Rating of ABL Asset Management Company Limited (ABL AMCL) to 'AM3+' (AM-Three Plus) from 'AM3' (AM-Three), which denotes 'good management quality.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee (Central Depository Company of Pakistan Limited), the management of the Karachi Stock Exchange (Guarantee) Limited and the Auditors for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for their unswerving commitment and hard work.

For and on behalf of the Board



FARID AHMED KHAN
CEO

Karachi, April 29, 2011

**ABL CASH FUND
CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)**

AS AT MARCH 31, 2011

	Note	March 31, 2011
		<u>Rupees in '000</u>
ASSETS		
Bank balances	4	964,961
Investments	5	6,371,138
Profit receivable	6	18,627
Prepayments		51
Preliminary expenses and floatation costs	7	4,034
Total assets		<u>7,358,811</u>
LIABILITIES		
Payable to Management Company	8	13,445
Payable to Trustee	9	628
Payable to the Securities and Exchange Commission of Pakistan	10	2,381
Dividend payable		61,143
Payable against redemption of units		934
Accrued expenses and other liabilities	11	10,917
Total liabilities		<u>89,448</u>
NET ASSETS		<u>7,269,363</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>7,269,363</u>
CONTINGENCIES AND COMMITMENTS		
	12	
		(Number of units)
NUMBER OF UNITS IN ISSUE		<u>726,294,537</u>
		(Rupees)
NET ASSET VALUE PER UNIT		<u>10.0088</u>
FACE VALUE PER UNIT		<u>10.0000</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL CASH FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE PERIOD FROM JULY 29, 2010 TO MARCH 31, 2011
AND QUARTER ENDED MARCH 31, 2011

Note	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2011
Rupees in '000		
INCOME		
Gain on sale of investments	1,473	1,627
Income from Government Securities	274,333	151,336
Income from Term Deposit Receipts	90,994	55,490
Income from Letters of Placement	13,623	8,396
Income from Reverse Repurchase transactions	4,698	312
Profit on bank accounts	35,098	22,120
	<u>420,219</u>	<u>239,281</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	(571)	(503)
Total income	<u>419,648</u>	<u>238,778</u>
EXPENSES		
Remuneration of Management Company	39,570	21,984
Remuneration of Trustee	3,463	1,624
Annual fee - Securities and Exchange Commission of Pakistan	2,381	1,318
Brokerage and other transaction costs	716	407
Bank charges	164	78
Auditors' remuneration	197	73
Amortization of preliminary expenses and floatation costs	623	230
Printing charges	146	54
Listing fee	22	8
Annual rating fee	117	43
Total operating expenses	<u>47,399</u>	<u>25,819</u>
Net income from operating activities	<u>372,249</u>	<u>212,959</u>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net	87,456	22,157
Provision for Workers' Welfare Fund	11.1 (9,194)	(4,739)
Net income for the period before taxation	<u>450,511</u>	<u>230,377</u>
Taxation	3.6 -	-
Net income for the period after taxation	<u>450,511</u>	<u>230,377</u>
Other Comprehensive income for the period	-	-
Total comprehensive income for the period	<u>450,511</u>	<u>230,377</u>
Earnings per unit	13	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


MUHAMMAD YASEEN
DIRECTOR

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ABL CASH FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE PERIOD FROM JULY 29, 2010 TO MARCH 31, 2011
AND QUARTER ENDED MARCH 31, 2011

	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2011
	Rupees in '000	
Opening undistributed income - realised	-	4,722
- unrealised	-	(68)
	<u>-</u>	<u>4,654</u>
Interim distribution: - Re 0.2943 per unit on March 30, 2011		
Cash distribution	(61,143)	(61,143)
Issue of bonus units	(167,471)	(167,471)
Interim distribution: - Re 0.2742 per unit on December 30, 2010		
Cash distribution	(40,616)	-
Issue of bonus units	(122,472)	-
Interim distribution: - Re 0.1781 per unit on September 30, 2010		
Cash distribution	(25,065)	-
Issue of bonus units	(27,327)	-
Net income for the period after taxation	450,511	230,377
Undistributed income carried forward	<u>6,417</u>	<u>6,417</u>
Undistributed income comprising:		
Realised income	6,988	6,988
Unrealised loss	(571)	(571)
	<u>6,417</u>	<u>6,417</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


MUHAMMAD YASEEN
DIRECTOR

ABL CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE PERIOD FROM JULY 29, 2010 TO MARCH 31, 2011
AND QUARTER ENDED MARCH 31, 2011

	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2011
	Rupees in '000	
Net Assets at beginning of the period	-	5,130,484
Issue of 1,678,747,830 units for the period from July 29,2010 to March 31, 2011 and 669,296,557 units for the quarter ended March 31, 2011 respectively	16,987,485	6,786,446
Redemption of 984,180,238 units for the period from July 29, 2010 to March 31, 2011 and 472,332,076 units for the quarter ended March 31, 2011 respectively	(9,954,353)	(4,794,644)
	7,033,132	1,991,802
Issue of 31,726,945 bonus units	317,270	167,471
Net element of (income)/ loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing income and capital gains transferred to Income Statement	(87,456)	(22,157)
Other net income for the period	449,609	229,253
Gain on sale of investments	1,473	1,627
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	(571)	(503)
Total income for the period	450,511	230,377
Interim distribution: - Re 0.2943 per unit on March 30, 2011	(61,143)	(61,143)
Cash distribution	(167,471)	(167,471)
Issue of bonus units		
Interim distribution: - Re 0.2742 per unit on December 30, 2010	(40,616)	-
Cash distribution	(122,472)	-
Issue of bonus units		
Interim distribution: - Re 0.1781 per unit on September 30, 2010	(25,065)	-
Cash distribution	(27,327)	-
Issue of bonus units		
	(444,094)	(228,614)
Net assets as at the end of the period	7,269,363	7,269,363

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


MUHAMMAD YASEEN
DIRECTOR

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ABL CASH FUND CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD FROM JULY 29, 2010 TO MARCH 31, 2011
AND QUARTER ENDED MARCH 31, 2011

Note	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2011
Rupees in '000		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	450,511	230,377
Adjustment for non-cash charges and other items		
Amortisation of preliminary expenses and floatation costs	623	230
Unrealised diminution on re-measurement of investments classified as "financial assets at fair value through profit or loss"	571	503
Net element of income and capital gains included in prices of units issued less those in units redeemed	(87,456)	(22,157)
	<u>364,249</u>	<u>208,953</u>
(Increase) / decrease in assets		
Profit receivable	(18,627)	6,070
Investments	(5,521,709)	(3,498,494)
Prepayments	(51)	104
Preliminary expenses and floatation cost	(4,657)	-
	<u>(5,545,044)</u>	<u>(3,492,320)</u>
Increase in liabilities		
Payable to Management Company	13,445	3,677
Payable to Trustee	628	134
Payable to Securities and Exchange Commission of Pakistan	2,381	1,318
Accrued expenses and other liabilities	10,917	2,919
Payable against redemption of units	934	734
	<u>28,305</u>	<u>8,782</u>
Net cash used in operating activities	<u>(5,152,490)</u>	<u>(3,274,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions paid	(65,681)	(40,616)
Net receipts against issuance of units	7,033,132	1,991,802
Net cash generated from financing activities	<u>6,967,451</u>	<u>1,951,186</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,814,961</u>	<u>(1,323,399)</u>
Cash and cash equivalents at the beginning of the period	-	3,138,360
Cash and cash equivalents at the end of the period	<u>4.2</u> <u>1,814,961</u>	<u>1,814,961</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL CASH FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM JULY 29, 2010 TO MARCH 31, 2011
AND QUARTER ENDED MARCH 31, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 07, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T. Khan Road, Karachi.

The Fund is an open ended mutual fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. The units of the Fund are offered to the public for subscription on a continuous basis. The units are transferable and redeemable by surrendering them to the Fund. The units of the Fund were initially offered to the public for subscription at par from July 29, 2010 to July 30, 2010 and thereafter these units are offered to the public for subscription on a continuous basis.

The Fund has been categorized as an Open-End Money Market Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

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

In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Trust Property was first paid or transferred to the Trustee i.e. July 29, 2010.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM3+ (positive outlook) to the Management Company and fund stability rating of AA+(f) to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Regulations or the directives issued by the SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34, 'Interim Financial Reporting'.

These condensed interim financial statements are unaudited.

2.2 Standards, amendments to published approved accounting standards and interpretations that are not yet effective

The following revised standard has been published and is mandatory for accounting periods beginning on or after January 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these condensed interim financial statements.

2.3 Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgements and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification and valuation of investments (notes 3.1 and 5)
- ii) Amortisation of preliminary expenses and floatation cost (notes 3.7 and 7)

2.4 Accounting Convention

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair value.

2.5 Functional and Presentation Currency

These condensed interim financial statements are presented in Pak Rupees which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below:

3.1 Financial assets

Classification

The Fund classifies its financial assets in the following categories: 'at fair value through profit or loss' and 'loans and receivables'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Investments that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'Financial assets at fair value through profit or loss'. These investments are marked to market using the closing market rates as at the end of each day and are carried on the Statement of Assets and Liabilities at fair value. Net gains and losses arising on the changes in fair value of these investments are taken to the income statement.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at fair value. Subsequently, these investments are carried at amortised cost, using the effective interest method.

3.2 Basis of valuation of Government Securities

The investment of the Fund in government securities is valued on the basis of rates of these securities announced by the Financial Markets Association in accordance with the requirements of Regulation 66(k) of the NBFC Regulations 2008.

3.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company after realisation of subscription money. The offer price represents the net asset value per unit as of the close of the preceding business day plus the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable. Currently, the Fund is not charging any sales load, transactions costs or any provision for duties and charges.

Units are redeemed based on the redemption price that is fixed on the basis of the NAV determined on the business day prior to the receipt of redemption form. The redemption price represents the net asset value per unit as of the close of the previous business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable. Currently, the Fund is not charging any back-end load, transactions costs or any provision for duties and charges.

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

An equalization 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 net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / 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 net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognized in the income statement.

3.5 Provisions

Provisions are recognized when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 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 realized or unrealized, is distributed amongst the unit holders. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these condensed interim financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the commencement of operations of the Fund.

3.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.9 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include bank balances, investments, profit receivable and other receivables.

Financial liabilities carried on the Statement of Assets and Liabilities include payable to the Management Company, payable to the Trustee, dividend payable, payable against redemption of units and accrued expenses and other liabilities.

At the time of initial recognition, all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs incurred for the acquisition of investments classified as 'financial assets at fair value through profit or loss' and transaction costs that may be incurred on disposal which are charged as expense when incurred. The particular recognition method adopted for measurement of financial assets and financial liabilities subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

3.10 Impairment

The carrying value of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

3.11 Revenue recognition

- Realized capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealized capital gains / (losses) arising on marking to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognized on an accrual basis.
- Profit on investments is recognized on an accrual basis.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances in current / savings accounts and other deposits with banks having original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

	Note	(Un-audited) March 31, 2011 <u>Rupees in '000</u>
4 BANK BALANCES		
Current accounts		5
Savings accounts	4.1	<u>964,956</u>
		<u>964,961</u>
4.1 These saving accounts carrying mark-up at rates ranging from 5.00% to 13.50% per annum. Saving accounts include Rs. 16,376,599 maintained with Allied Bank Limited, a related party.		
4.2 Cash and cash equivalents		
Balances with banks		964,961
Term deposit receipts		850,000
		<u>1,814,961</u>
5 INVESTMENTS		
Financial assets at fair value through profit or loss	5.1	5,521,138
Loans and receivables	5.2	<u>850,000</u>
		<u>6,371,138</u>

5.1 Financial assets at fair value through profit or loss

Issue date	Tenor	Face value		Balance as at March 31, 2011			Percentage of net assets	Percentage of total investment
		Purchased during the period	Disposed / matured during the period	As at March 31, 2011	Carrying value	Market value		

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

Government Treasury Bills								
13-Aug-09	12 months	803,000	803,000	-	-	-	-	-
26-Sep-09	12 Months	5,000	5,000	-	-	-	-	-
5-Nov-09	12 Months	245,000	245,000	-	-	-	-	-
28-Jan-10	12 Months	40,000	40,000	-	-	-	-	-
8-Apr-10	6 months	50,000	50,000	-	-	-	-	-
22-Apr-10	6 months	949,000	949,000	-	-	-	-	-
6-May-10	6 months	150,000	150,000	-	-	-	-	-
20-May-10	6 months	134,000	134,000	-	-	-	-	-
3-Jun-10	3 Months	50,000	50,000	-	-	-	-	-
3-Jun-10	6 Months	315,000	315,000	-	-	-	-	-
17-Jun-10	3 Months	100,000	100,000	-	-	-	-	-
15-Jul-10	3 Months	320,000	320,000	-	-	-	-	-
15-Jul-10	6 months	573,000	573,000	-	-	-	-	-
29-Jul-10	3 Months	275,000	275,000	-	-	-	-	-
29-Jul-10	6 months	378,000	378,000	-	-	-	-	-
3-Aug-10	6 months	450,000	450,000	-	-	-	-	-
13-Aug-10	3 Months	3,950,000	3,950,000	-	-	-	-	-
13-Aug-10	6 months	100,000	100,000	-	-	-	-	-
26-Aug-10	3 Months	874,000	874,000	-	-	-	-	-
26-Aug-10	6 months	187,000	187,000	-	-	-	-	-
9-Sep-10	3 Months	2,437,000	2,437,000	-	-	-	-	-
23-Sep-10	3 Months	635,000	635,000	-	-	-	-	-
7-Oct-10	3 Months	1,709,000	1,709,000	-	-	-	-	-
21-Oct-10	3 Months	1,845,000	1,845,000	-	-	-	-	-
21-Oct-10	6 months	210,000	200,000	10,000	9,929	9,927	(2)	-
4-Nov-10	3 Months	2,509,325	2,509,325	-	-	-	-	-
4-Nov-10	6 months	375,000	375,000	-	-	-	-	-
16-Nov-10	3 Months	78,000	78,000	-	-	-	-	-
2-Dec-10	3 Months	1,350,000	1,350,000	-	-	-	-	-
2-Dec-10	6 Months	275,000	275,000	-	-	-	-	-
18-Dec-10	6 Months	250,000	27,000	223,000	217,172	217,000	(172)	0.03
30-Dec-10	3 Months	268,800	268,800	-	-	-	-	-
30-Dec-10	6 Months	200,000	200,000	-	-	-	-	-
13-Jan-11	3 Months	1,205,000	1,205,000	-	-	-	-	-
27-Jan-11	3 Months	4,466,500	4,466,000	500	497	496	(1)	-
10-Feb-11	3 Months	3,918,600	1,766,000	2,152,600	2,126,526	2,126,218	(308)	0.29
10-Feb-11	6 Months	200,000	-	200,000	190,690	190,730	40	0.03
24-Feb-11	3 Months	2,170,125	1,241,900	928,225	912,336	912,258	(78)	0.13
10-Mar-11	3 Months	425,000	155,500	269,500	263,552	263,546	(6)	0.04
10-Mar-11	6 Months	800,000	400,000	400,000	377,613	377,620	7	0.05
24-Mar-11	3 Months	375,000	143,000	232,000	225,787	225,757	(30)	0.03
24-Mar-11	6 Months	2,150,000	875,000	1,275,000	1,197,607	1,197,586	(21)	0.16
		<u>37,800,350</u>	<u>32,109,525</u>	<u>5,690,825</u>	<u>5,521,709</u>	<u>5,521,138</u>	<u>(571)</u>	

5.2 Term Deposit Receipts carry mark-up at rates ranging from 13.55% to 13.95% per annum. Term Deposit Receipts includes Rs. 500,000,000 maintained with Allied Bank Limited, a related party.

	Note	(Un-audited) March 31, 2011
Rupees in '000		
6	PROFIT RECEIVABLE	
	Interest accrued on term deposit receipts	9,786
	Markup accrued on bank deposits	8,841
		<u>18,627</u>
7	PRELIMINARY EXPENSES AND FLOATATION COSTS	
	Preliminary expenses and floatation costs incurred	4,657
	Less: amortisation during the period	(623)
	Balance as at March 31, 2011	<u>4,034</u>

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. As per the requirements of the trust deed, these costs are being amortised over a period not exceeding five years.

	Note	(Un-audited) March 31, 2011
		<u>Rupees in '000</u>
8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY	
	Management fee	8,788
	Preliminary expenses and floatation costs	4,657
		<u>13,445</u>

- 8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 1.25 percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

- 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure:

Net Assets	Tariff per annum
Upto Rs. 1 billion	Rs. 0.6 (2010:Rs.0.7) million or 0.17 (2010 : 0.20) percent per annum of Net Asset Value whichever is higher.
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 (2010:Rs. 2.0) million plus 0.085 (2010 : 0.10) percent per annum of Net Asset Value exceeding Rs. 1 billion.
Over Rs. 5 billion	Rs. 5.1 (2010:Rs. 6.0) million plus 0.07 (2010 : 0.10) percent per annum of Net Asset Value exceeding Rs. 5 billion.

- 10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the scheme.

	Note	(Un-audited) March 31, 2011
		<u>Rupees in '000</u>
11	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration	197
	Brokerage	191
	Printing charges	104
	Withholding tax	1,231
	Provision for Workers' Welfare Fund	9,194
		<u>10,917</u>

11.1 Provision for workers' welfare fund

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

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

On December 14, 2010, the Ministry has filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

As the matter relating to levy of WWF is currently pending in the court, the Management Company, as a matter of abundant caution, has decided to make provision for WWF amounting to Rs 9.194 million in these condensed interim financial statements.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2011.

13 EARNINGS PER UNIT

Earnings per unit (EPU) for the period from July 29, 2010 to March 31, 2011 and quarter ended March 31, 2011 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

14 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited- Employees Superannuation (Pension) Fund, ABL Staff Provident Fund, Ibrahim Fibres Limited being entities under common management and/ or directorship, Central Depository Company being the trustee of the Fund and the directors and officers of the management company.

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

	(Un-audited) For the period from July 29, 2010 to March 31, 2011	(Un-audited) For the quarter ended March 31, 2011
Rupees in '000		
14.1 Details of the transactions with connected persons are as follows:		
ABL Asset Management Company Limited - Management Company		
Issue of 16,121,029 units	163,239	50,739
Bonus of 726,944 units	7,269	4,115
Redemption of 2,452,216 units	25,000	10,000
Remuneration for the period	39,570	21,984
Allied Bank Limited		
Issue of 280,696,648 units	2,850,000	850,000
Redemption of 182,756,472 units	1,846,733	846,533
Cash dividend	73,396	28,824
Markup income	34,408	21,089
Term Deposits Receipts placed	2,217,000	1,000,000
Term Deposits Receipts matured	1,717,000	707,000
Bank charges	36	5

	(Un-audited) For the period from July 29, 2010 to March 31, 2011	(Un-audited) For the quarter ended March 31, 2011
	Rupees in '000	
ABL- Employees Superannuation (Pension) Fund		
Issue of 10,000,000 units	100,000	-
Cash dividend	7,466	2,943
ABL AMCL Staff Provident Fund		
Issue of 179,503 units	1,825	-
Bonus of 10,349 units	103	54
Ibrahim Fibres Limited		
Issue of 112,643,170 units	1,145,000	-
Bonus of 1,529,666 units	15,297	-
Redemption of 114,172,836 units	1,149,911	829,492
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Waseem Mukhtar		
Issue of 453,565 units	4,600	-
Bonus of 28,762 units	288	138
Muhammad Jawaid Iqbal		
Issue of 832,240 units	8,500	8,500
Bonus of 24,493 units	245	245
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 575,093 units	5,850	4,300
Bonus of 21,238 units	212	170
Executives		
Issue of 48,008 units	490	410
Bonus of 118 units	1	-
Redemption of 45,900 units	471	411
TRUSTEE		
Central Depository Company of Pakistan Limited		
Remuneration for the period	3,463	1,624
		(Un-audited) March 31, 2011
14.2	Amounts outstanding as at period end	
ABL Asset Management Company Limited - Management Company		
Outstanding 14,395,757 units		144,084
Preliminary expenses and floatation costs payable		4,657
Remuneration payable to management company		8,788

	(Un-audited) March 31, 2011
	Rupees in '000
Allied Bank Limited	
Outstanding 97,940,176 units	980,264
Cash dividend payable	28,824
Bank balances	16,377
Mark up accrued	139
Term Deposit Receipts	500,000
 ABL- Employees Superannuation (Pension) Fund	
Outstanding 10,000,000 units	100,088
Cash dividend payable	2,943
 ABL AMCL Staff Provident Fund	
Outstanding 189,852 units	1,900
 DIRECTORS OF THE MANAGEMENT COMPANY	
 Muhammad Waseem Mukhtar	
Outstanding 482,327 units	4,828
 Muhammad Jawaid Iqbal	
Outstanding 856,733 units	8,575
 KEY MANAGEMENT PERSONNEL	
 Chief Executive Officer	
Outstanding 596,331 units	5,969
 Executives	
Outstanding 2,226 units	22
 TRUSTEE	
Central Depository Company of Pakistan Limited	
Remuneration payable	628

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

16 DATE OF AUTHORISATION OF ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 29, 2011.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


MUHAMMAD YASEEN
DIRECTOR

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