



CONDENSED INTERIM  
**FINANCIAL  
INFORMATION**

THIRD QUARTER REPORT FOR THE PERIOD  
ENDED 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:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited Standard Chartered Bank Pakistan Limited	
Distributor:	Allied Bank Limited Metro Securities Al Habib Capital Markets FundShop - Investment Solutions	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, 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 Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Information (un-audited) of ABL Government Securities Fund for the nine months 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.

### 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



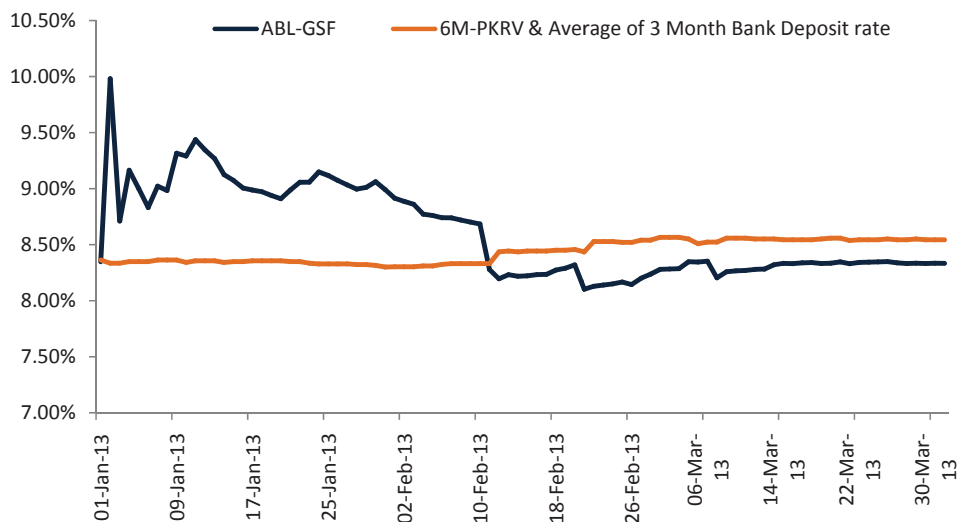
subdued on account of political and economic uncertainty, posting a slight decline of 0.2% during the period to close at PKR 52.8 billion. However, Balanced and Asset allocation Funds managed to post an increase of 7.03% and 1.03%, respectively.

### FUND PERFORMANCE

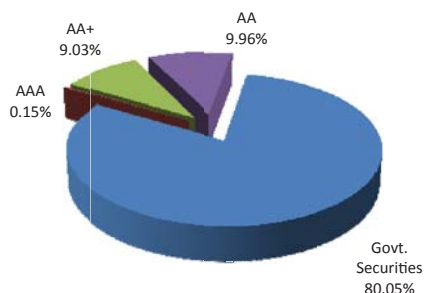
In spite of interest rate volatility during the period, ABL GSF delivered decent performance and was positioned amongst the top performers in its category. During the quarter, the unit price of ABL-GSF increased by 2.039% to close at 10.2615 (cum dividend) resulting into an annualized yield of 8.334% p.a. versus benchmark return of 8.436% - a slight underperformance of 10 bps. During the period under review, the fund size decreased by 19.45% to PKR 1.015 billion as at March 2013 from PKR 1.260 billion (as at December 31, 2012).

ABL-GSF yielded optimal risk adjusted returns through active management. During the quarter, the fund moved its exposure towards short term government securities against long maturity bills owing to questions on macroeconomic stability and growth. As at 31 March 2013, asset allocation of the fund comprised of 80.05% Treasury bills, whereas term deposits and cash constituted 8.63% and 10.52% of total assets respectively.

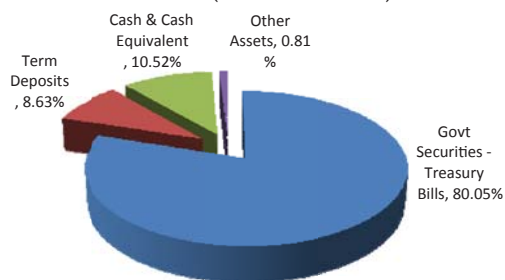
ABL Government Securities Fund earned total income of Rs. 3,412.46 million for the nine months ended March 31, 2013, of which Rs. 2,914.88 million was income from government securities, Rs. 70.09 million from deposits with banks and fixed term deposits receipts and Rs. 176.01 million income from GoP Ijarah-sukuk, whereas net capital gain on sale of investments was Rs. 237.63 million. After accounting for expenses of Rs. 150.24 million (comprising mainly of the management fee of Rs. 84.75 million and Sindh Sales Tax on management fee of Rs. 13.56 million) net income from operating activities for the nine months ended March 31, 2013 stood at Rs. 3,262.21 million. With the net element of income and capital gains of Rs. 671.97 million included in the prices of units issued less those in units redeemed and Rs. 78.68 million as provision for workers welfare fund, the net income for the nine months ended March 31, 2013 stood at Rs. 3,855.50 million.



**Credit Quality of Portfolio (% of Assets)**



**Asset Allocation (% of Total Assets)**



**AUDITORS**

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2013 for ABL-GSF.

**FUND STABILITY RATING**

On January 17, 2013, JCR-VIS Credit Rating Company has reaffirmed Fund Stability Rating of ABL Government Securities Fund (ABL GSF) at 'A+ (f)' (Single A plus (f)).

**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'

**FUTURE OUTLOOK**

Economic outlook remains choppy as dwindling FX reserves and burgeoning fiscal deficit raise concerns over macroeconomic stability. Monetary authorities are expected to adopt a wait and see approach until elections and little progress is expected on a new program with IMF. However, a hike in interest rates during 2HCY13 cannot be ruled out, especially if Pakistan re-enters the IMF program.

Investor participation in government paper auctions is likely to remain subdued as the current monetary easing cycle appears to be over. In this scenario, ABL GSF will give due consideration to liquidity and interest rate risk in its asset allocation decision. Furthermore, we will remain selective on duration building and adjust ABL GSF strategy to invest in a blend of short to medium term securities as we expect the yield curve to remain flat in coming months.

**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) and the management of the Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

For and on behalf of the Board

*Farid Ahmed Khan*  
**FARID AHMED KHAN**  
 Chief Executive Officer

Karachi, April 25, 2013



## ABL GOVERNMENT SECURITIES FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
----- Rupees in '000' -----			
<b>ASSETS</b>			
Balances with banks	4	121,975	1,698,667
Investments	5	1,028,064	33,037,735
Profit receivable		5,829	163,270
Prepayments		7	40
Preliminary expenses and floatation costs		3,663	4,414
<b>Total assets</b>		<b>1,159,538</b>	<b>34,904,126</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company		5,192	14,202
Payable to the Central Depository Company of Pakistan Limited - Trustee		127	2,207
Payable to the Securities and Exchange Commission of Pakistan		22,961	11,552
Accrued expenses and other liabilities	6	116,508	37,809
<b>Total liabilities</b>		<b>144,788</b>	<b>65,770</b>
<b>NET ASSETS</b>		<b>1,014,750</b>	<b>34,838,356</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,014,750</b>	<b>34,838,356</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
----- Number of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>	8	<b>101,246,756</b>	<b>3,474,321,080</b>
----- Rupees -----			
<b>NET ASSETS VALUE PER UNIT</b>		<b>10.0225</b>	<b>10.0274</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

The annexed notes 1 to 13 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

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## ABL GOVERNMENT SECURITIES FUND CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2013

	For the Nine Months ended March 31, 2013	For the period from November 30, 2011 to March 31, 2012	For the quarter ended March 31, 2013	For the quarter ended March 31, 2012
<b>INCOME</b>				
Note ----- Rupees in '000' -----				
Net capital gain / (loss) on sale of investments	237,634	(991)	(43)	(628)
Income from Government Securities	2,914,879	716,706	20,090	708,426
Income from Term Deposit Receipts	21,315	6,899	3,144	6,608
Income from Letter of Placement	13,921	17,182	-	17,182
Income from Reverse Repurchase transactions	450	-	-	-
Income from Gop Ijara Sukuk	176,013	52,985	-	52,699
Profit on bank deposits	48,783	25,893	3,110	25,428
	<u>3,412,995</u>	<u>818,674</u>	<u>26,301</u>	<u>809,715</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading'	5.1 (538)	(10,582)	(747)	(10,294)
	<u>3,412,457</u>	<u>808,092</u>	<u>25,554</u>	<u>799,421</u>
<b>EXPENSES</b>				
Remuneration of ABL Asset Management Company Limited - Management Company	84,747	22,075	3,091	21,106
Sindh sales tax on Management Company's remuneration	13,560	3,532	495	3,377
Remuneration of Central Depository Company of Pakistan Limited - Trustee	23,521	5,381	370	5,265
Annual fee - Securities and Exchange Commission of Pakistan	22,961	5,137	185	5,079
Brokerage and other transaction costs	3,538	460	42	369
Auditors' remuneration	221	201	72	149
Rating fee	131	104	43	77
Printing charges	113	86	37	64
Amortisation of preliminary expenses and floatation costs	751	575	247	425
Settlement and bank charges	677	111	55	93
Listing fee	23	17	8	13
<b>Total operating expenses</b>	<u>150,243</u>	<u>37,679</u>	<u>4,645</u>	<u>36,017</u>
<b>Net income from operating activities</b>	<u>3,262,214</u>	<u>770,413</u>	<u>20,909</u>	<u>763,404</u>
Net element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed	671,966	46,699	(362)	46,119
	<u>3,934,180</u>	<u>817,112</u>	<u>20,547</u>	<u>809,523</u>
Provision for Workers' Welfare Fund	6.1 (78,684)	(8)	(411)	-
<b>Net income for the period before taxation</b>	<u>3,855,496</u>	<u>817,104</u>	<u>20,136</u>	<u>809,523</u>
Taxation	9 -	-	-	-
<b>Net income for the period after taxation</b>	<u>3,855,496</u>	<u>817,104</u>	<u>20,136</u>	<u>809,523</u>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>3,855,496</u>	<u>817,104</u>	<u>20,136</u>	<u>809,523</u>
<b>Earnings per unit</b>	10			

The annexed notes 1 to 13 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 GOVERNMENT SECURITIES FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2013	For the Nine Months ended March 31, 2013	For the period from November 30, 2011 to March 31, 2012
	----- Rupees in '000' -----	
Undistributed Income brought forward:		
- realised income	101,361	-
- unrealised loss	(6,218)	-
	95,143	-
Net income for the period	3,855,496	817,104
<b>Interim distribution:</b>		
Class -A Re 0.2561 per unit on August 29, 2012		
Class -B Re 0.2340 per unit on August 29, 2012		
Cash distribution	(1,879,554)	-
Issue of 1,546,993 bonus units	(15,470)	-
Class -A Re 0.0701 per unit on September 24, 2012		
Class -B Re 0.0626 per unit on September 24, 2012		
Cash distribution	(339,593)	-
Issue of 385,801 bonus units	(3,858)	-
Class -A Re 0.0698 per unit on October 24, 2012		
Class -B Re 0.2226 per unit on October 24, 2012		
Cash distribution	(208,841)	-
Issue of 2,629,017 bonus units	(26,290)	-
Class -A Re 0.0895 per unit on November 29, 2012		
Class -B Re 0.0778 per unit on November 29, 2012		
Cash distribution	(892,011)	-
Issue of 1,354,740 bonus units	(13,547)	-
Class -A Re 0.0648 per unit on December 27, 2012		
Class -B Re 0.0558 per unit on December 27, 2012		
(2011-Re 0.0503 per unit on December 26,2011)		
Cash distribution	(645,800)	(3,772)
Issue of 679,259 bonus units (2011: 59,177)	(6,793)	(592)
Class -B Re 0.1843 per unit on February 27, 2013		
Cash distribution	-	-
Issue 1,938,051 of bonus units	(19,381)	-
Class -B Re 0.0547 per unit on March 22, 2013		
Class A (2012-Re 0.2372 per unit on March 26,2012)		
Class B (2012-Re 0.2846 per unit on March 26,2012)		
Cash distribution	-	(713,963)
Issue of 554,054 bonus units (2012: 3,391,587)	(5,541)	(33,916)
Net element of income and capital gains included in prices of units issued less those in units redeemed	108,194	-
Undistributed income carried forward	2,154	64,861
<b>Undistributed income comprising:</b>		
- realised income	2,692	75,443
- unrealised loss	(538)	(10,582)
	2,154	64,861

The annexed notes 1 to 13 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

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**ABL GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT  
IN UNIT HOLDERS' FUND (UNAUDITED)**

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	<b>For the Nine Months ended March 31, 2013</b>	<b>For the period from November 30, 2011 to March 31, 2012</b>
	-----Rupees in '000'-----	
Net Assets at beginning of the period	34,838,356	-
Issue of 15,134,443,282 units (2012: 4,173,770,222 units)	152,323,089	35,360,623
Redemption of 18,516,605,521 units (2012: 2,219,546,330 units)	(185,364,426)	(15,771,686)
Issue of bonus units	(33,041,337)	19,588,937
- Interim 9,087,915 distribution units (2012: 3,450,764 units)	90,880	34,508
Net 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	(671,966)	(46,699)
- amount representing income and capital gains transferred to distribution statement	(108,194)	-
	(780,160)	(46,699)
Other net income for the period	3,618,400	828,677
Gain / (Loss) on sale of investments	237,634	(991)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	(538)	(10,582)
	3,855,496	817,104
<b>Interim distribution:</b>		
Class -A Re 0.2561 per unit on August 29, 2012		
Class -B Re 0.2340 per unit on August 29, 2012		
Cash distribution	(1,879,554)	-
Issue of 1,546,993 bonus units	(15,470)	-
Class -A Re 0.0701 per unit on September 24, 2012		
Class -B Re 0.0626 per unit on September 24, 2012		
Cash distribution	(339,593)	-
Issue of 385,801 bonus units	(3,858)	-
Class -A Re 0.0698 per unit on October 24, 2012		
Class -B Re 0.2226 per unit on October 24, 2012		
Cash distribution	(208,841)	-
Issue of 2,629,017 bonus units	(26,290)	-
Class -A Re 0.0895 per unit on November 29, 2012		
Class -B Re 0.0778 per unit on November 29, 2012		
Cash distribution	(892,011)	-
Issue of 1,354,740 bonus units	(13,547)	-
Class -A Re 0.0648 per unit on December 27, 2012		
Class -B Re 0.0558 per unit on December 27, 2012		
(2011-Re 0.0503 per unit on December 26,2011)		
Cash distribution	(645,800)	(3,772)
Issue of 679,259 bonus units(2011: 59,177)	(6,793)	(592)
Class -B Re 0.1843 per unit on February 27, 2013		
Cash distribution	-	-
Issue 1,938,051 of bonus units	(19,381)	-
Class -B Re 0.0547 per unit on March 22, 2013		
Class A (2012-Re 0.2372 per unit on March 26,2012)		
Class B (2012-Re 0.2846 per unit on March 26,2012)		
Cash distribution	-	(713,963)
Issue of 554,054 bonus units (2012: 3,391,587)	(5,541)	(33,916)
Net Element of income and capital gains included in prices of units issued less those in units redeemed	(4,056,679)	(752,243)
	108,194	-
<b>Net assets as at end of the period</b>	<u>1,014,750</u>	<u>19,641,607</u>

The annexed notes 1 to 13 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 GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM CASH FLOW  
STATEMENT (UNAUDITED)**

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	For the Nine Months ended March 31, 2013	For the period from November 30, 2011 to March 31, 2012
<b>Note</b>	-----Rupees in '000'-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	3,855,496	817,104
<b>Adjustment:</b>		
Amortisation of preliminary expenses and floatation costs	751	575
Unrealised diminution on re-measurement of investments classified as "financial assets at fair value through profit or loss"	538	10,582
Net element of income and capital gains included in prices of units issued less those in units redeemed	(671,966)	(46,699)
	<u>3,184,819</u>	<u>781,562</u>
<b>(Increase) / decrease in assets</b>		
Profit receivable	157,441	(67,106)
Investments	29,479,133	(30,809,352)
Prepayments	33	(113)
	<u>29,636,607</u>	<u>(30,876,571)</u>
<b>Increase / (decrease) in liabilities</b>		
Remuneration Payable to ABL Asset Management Company Limited	(9,010)	9,104
Remuneration Payable to Central Depository Company of Pakistan Limited - Trustee	(2,080)	2,072
Payable to Securities and Exchange Commission of Pakistan	11,409	5,137
Accrued expenses and other liabilities	78,699	484
	<u>79,018</u>	<u>16,797</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>32,900,444</u>	<u>(30,078,212)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(3,965,799)	(3,772)
Receipts from issue of units	152,323,089	35,360,623
Payments against redemption of units	(185,364,426)	(771,575)
<b>Net cash (used in) / generated from financing activities</b>	<u>(37,007,136)</u>	<u>34,585,276</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(4,106,692)</u>	<u>4,507,064</u>
Cash and cash equivalents at the beginning of the period	4,328,667	-
<b>Cash and cash equivalents at the end of the period</b>	<u>4.2</u> <u>221,975</u>	<u>4,507,064</u>

The annexed notes 1 to 13 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

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## ABL GOVERNMENT SECURITIES FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 and it was executed on November 1, 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

The Fund is an open ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund has been categorised as an open-end Income Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CISs).

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

The JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2- (Positive Outlook) to the Management Company and fund stability rating of A+(f) to the Fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the 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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the



NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published financial statements of the Fund for the period ended June 30, 2012.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

## 2.3 **Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:**

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

## 3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the published financial statements of the Fund for the period ended June 30, 2012.

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that



## 5.1 Financial assets at fair value through profit or loss - held for trading

## a) Government Treasury Bills

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 investment
		As at July 1, 2012	Purchased during the period	Disposed / matured during the period	As at March 31, 2013	Carrying value	Market value		
Rupees in '000									
April 19, 2012	3 Months	1,152,000	50,000	1,202,000	-	-	-	-	-
May 3, 2012	3 Months	4,065,000	4,538,540	8,603,540	-	-	-	-	-
May 17, 2012	3 Months	5,929,280	1,897,000	7,826,280	-	-	-	-	-
May 31, 2012	3 Months	1,001,000	557,000	1,558,000	-	-	-	-	-
June 14, 2012	3 Months	2,300,000	2,498,000	4,798,000	-	-	-	-	-
June 28, 2012	3 Months	1,750,000	1,793,300	3,543,300	-	-	-	-	-
July 12, 2012	3 Months	-	1,050,000	1,050,000	-	-	-	-	-
July 26, 2012	3 Months	-	2,022,300	2,022,300	-	-	-	-	-
August 9, 2012	3 Months	-	250,000	250,000	-	-	-	-	-
August 23, 2012	3 Months	-	1,852,000	1,852,000	-	-	-	-	-
September 6, 2012	3 Months	-	5,907,000	5,907,000	-	-	-	-	-
September 20, 2012	3 Months	-	250,000	250,000	-	-	-	-	-
October 4, 2012	3 Months	-	750,000	750,000	-	-	-	-	-
October 18, 2012	3 Months	-	1,355,000	1,355,000	-	-	-	-	-
November 1, 2012	3 Months	-	2,250,000	2,250,000	-	-	-	-	-
November 15, 2012	3 Months	-	4,895,000	4,895,000	-	-	-	-	-
November 29, 2012	3 Months	-	10,250,000	10,250,000	-	-	-	-	-
December 13, 2012	3 Months	-	187,000	187,000	-	-	-	-	-
January 10, 2013	3 Months	-	250,000	250,000	-	-	-	-	-
January 24, 2013	3 Months	-	250,000	250,000	-	-	-	-	-
February 7, 2013	3 Months	-	250,000	250,000	-	-	-	-	-
February 21, 2013	3 Months	-	300,000	75,000	225,000	220,873	220,861	(12)	-
March 7, 2013	3 Months	-	350,000	258,500	91,500	90,150	90,138	(12)	-
March 21, 2013	3 Months	-	475,000	475,000	-	-	-	-	-
January 26, 2012	6 Months	50,000	1,928,000	1,978,000	-	-	-	-	-
February 9, 2012	6 Months	5,226,000	1,552,000	6,778,000	-	-	-	-	-
June 28, 2012	6 Months	-	500,000	500,000	-	-	-	-	-
July 12, 2012	6 Months	-	34,216,350	34,216,350	-	-	-	-	-
July 26, 2012	6 Months	-	28,564,780	28,564,780	-	-	-	-	-
August 9, 2012	6 Months	-	16,997,000	16,997,000	-	-	-	-	-
August 23, 2012	6 Months	-	22,177,000	22,177,000	-	-	-	-	-
September 6, 2012	6 Months	-	600,000	600,000	-	-	-	-	-
September 20, 2012	6 Months	-	250,000	250,000	-	-	-	-	-
October 4, 2012	6 Months	-	3,350,000	3,350,000	-	-	-	-	-
October 18, 2012	6 Months	-	6,250,000	6,250,000	-	-	-	-	-
November 1, 2012	6 Months	-	54,234,000	54,234,000	-	-	-	-	-
November 15, 2012	6 Months	-	750,000	750,000	-	-	-	-	-
November 29, 2012	6 Months	-	9,895,000	9,895,000	-	-	-	-	-
December 13, 2012	6 Months	-	187,000	187,000	-	-	-	-	-
January 10, 2013	6 Months	-	250,000	-	250,000	243,923	243,662	(261)	-
January 24, 2013	6 Months	-	490,000	365,000	125,000	121,444	121,400	(44)	-
February 7, 2013	6 Months	-	250,000	250,000	-	-	-	-	-
February 21, 2013	6 Months	-	250,000	150,000	100,000	98,886	98,862	(24)	-
March 7, 2013	6 Months	-	250,000	250,000	-	-	-	-	-
March 21, 2013	6 Months	-	250,000	250,000	-	-	-	-	-
July 28, 2011	12 months	510,000	4,500,350	5,010,350	-	-	-	-	-
August 11, 2011	12 Months	180,000	2,200	182,200	-	-	-	-	-
August 25, 2011	12 Months	1,273,800	11,040,500	12,314,300	-	-	-	-	-
September 8, 2011	12 Months	200,000	-	200,000	-	-	-	-	-
September 22, 2011	12 Months	470,000	4,179,410	4,649,410	-	-	-	-	-
October 6, 2011	12 Months	-	4,006,000	4,006,000	-	-	-	-	-
October 20, 2011	12 Months	-	4,737,150	4,737,150	-	-	-	-	-
November 3, 2011	12 Months	-	45,633,900	45,633,900	-	-	-	-	-
November 17, 2011	12 Months	-	12,334,000	12,334,000	-	-	-	-	-
December 1, 2011	12 Months	-	14,542,855	14,542,855	-	-	-	-	-
January 12, 2012	12 Months	-	1,230,000	1,230,000	-	-	-	-	-
January 26, 2012	12 Months	-	300,000	300,000	-	-	-	-	-
July 12, 2012	12 Months	-	11,350,000	11,250,000	100,000	97,569	97,465	(104)	-
July 26, 2012	12 Months	-	6,365,055	6,365,000	55	53	53	-	-
August 9, 2012	12 Months	-	3,744,100	3,744,100	-	-	-	-	-
August 23, 2012	12 Months	-	3,490,000	3,490,000	-	-	-	-	-
September 6, 2012	12 Months	-	8,750,000	8,750,000	-	-	-	-	-
September 20, 2012	12 Months	-	64,907,000	64,907,000	-	-	-	-	-
October 4, 2012	12 Months	-	5,250,000	5,250,000	-	-	-	-	-
October 18, 2012	12 Months	-	1,350,000	1,350,000	-	-	-	-	-
November 1, 2012	12 Months	-	1,463,000	1,408,000	55,000	52,203	52,128	(75)	-
November 15, 2012	12 Months	-	253,700	250,000	3,700	3,501	3,495	(6)	-
November 29, 2012	12 Months	-	250,000	250,000	-	-	-	-	-
December 13, 2012	12 Months	-	187,000	187,000	-	-	-	-	-
<b>Total</b>		<b>24,107,080</b>	<b>437,284,490</b>	<b>460,441,315</b>	<b>950,255</b>	<b>928,602</b>	<b>928,064</b>	<b>(538)</b>	

## b) Gop Ijara Sukuk

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 investment
		As at July 1, 2012	Purchased during the period	Disposed/matured during the period	As at March 31, 2013	Carrying value	Market value		
-----Rupees in '000-----									
March 7, 2011	3 Year	-	55,000	55,000	-	-	-	-	-
May 16, 2011	3 Year	4,300	35,000	39,300	-	-	-	-	-
December 26, 2011	3 Year	44,086	127,075	171,161	-	-	-	-	-
March 2, 2012	3 Year	3,901,000	2,349,900	6,250,900	-	-	-	-	-
April 30, 2013	3 Year	5,000	-	5,000	-	-	-	-	-
June 28, 2012	3 Year	2,680,000	4,228,200	6,908,200	-	-	-	-	-
September 18, 2012	3 Year	-	6,275,000	6,275,000	-	-	-	-	-
<b>Total</b>		<b>6,634,386</b>	<b>13,070,175</b>	<b>19,704,561</b>	-	-	-	-	-

## c) Pakistan Investment Bonds

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 investment
		As at July 1, 2012	Purchased during the period	Disposed/matured during the period	As at March 31, 2013	Carrying value	Market value		
-----Rupees in '000-----									
July 19, 2012	3 Year	-	50,000	50,000	-	-	-	-	-
July 19, 2012	5 Year	-	50,000	50,000	-	-	-	-	-
July 19, 2012	10 Year	-	50,000	50,000	-	-	-	-	-
September 3, 2009	3 Year	-	100,000	100,000	-	-	-	-	-
<b>Total</b>		-	<b>250,000</b>	<b>250,000</b>	-	-	-	-	-
<b>Grand Total</b>					<b>928,602</b>	<b>928,064</b>	<b>(538)</b>		

## 5.2 Loans and receivables

Term deposit receipts carry mark-up at rate 10.25% (June 30, 2012: 12.00% to 12.45%) per annum. Term deposit receipts include Rs. 100 million (June 30, 2012: Rs. 500 million) maintained with Allied Bank Limited, a related party.

Note	(Un-Audited) (Audited)	
	March 31, 2013	June 30, 2012
	-----Rupees in '000'-----	

## 6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		219	212
Brokerage		6	144
Rating fee		131	-
Printing charges		117	104
Withholding tax payable		28	26
Provision for Workers' Welfare Fund	6.1	<u>116,007</u>	<u>37,323</u>
		<u>116,508</u>	<u>37,809</u>

## 6.1 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs. 116.01 million (including Rs. 78.68 million for the current period).

## 7 CONTINGENCIES AND COMMITMENTS

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

## 8 NUMBER OF UNITS IN ISSUE

	For the Nine Months Ended March 31, 2013			For the period from November 30, 2011 to June 30, 2012		
	Class A	Class B	Total	Class A	Class B	Total
Total units in issue at the beginning of the period	3,376,062,224	98,258,856	3,474,321,080	-	-	-
Add: units issued	14,928,983,312	205,459,970	15,134,443,282	4,871,948,536	839,008,639	5,710,957,175
Add: bonus units issued	-	9,087,915	9,087,915	-	4,947,977	4,947,977
Less: units redeemed	(18,305,045,536)	(211,559,985)	(18,516,605,521)	(1,495,886,312)	(745,697,760)	(2,241,584,072)
Total units in issue at the end of the period	-	101,246,756	101,246,756	3,376,062,224	98,258,856	3,474,321,080

	(UnAudited)		(Audited)			
	As of March 31, 2013 Number in '000	Class A	Class B	As of June 30, 2012 Number in '000	Class A	Class B
Net Asset Value	Nil	1,014,750	33,853,350	985,006		
Number of Units	Nil	101,247	3,376,062	98,259		
<b>Total</b>	-	10.0225	10.0275	10.0246		

## 9 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, 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 management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

## 10 EARNINGS PER UNIT (EPU)

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

- 11.1 Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited being entities under common management / or directorship, Central Depository Company of Pakistan Limited being the trustee of the Fund and directors and officers of the Management Company.
- 11.2 Transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market norms.
- 11.3 Remuneration to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and the Trust Deed respectively.

### 11.4 Details of transactions during the period

	----- (UnAudited) -----	
	For the Nine Months ended March 31, 2013	For the period from November 30, 2011 to March 31, 2012
	----- Rupees in '000' -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Issue of Nil units (2012: 27,468,382 Units)	-	275,000
Bonus of 1,741,703 units (2012: 833,482 Units)	17,417	8,335
Remuneration for the period	84,747	22,075
Sindh sales tax on Management Company's remuneration	13,560	3,532
Preliminary expense and flotation costs	-	5,000
Initial deposit in bank account made on behalf of the fund	-	15
<b>Allied Bank Limited</b>		
Issue of 14,928,983,312 units (2012: 3,379,232,988 units)	150,251,534	33,885,416
Redemption of 18,305,045,536 units (2012: 1,495,886,312 units)	183,237,451	15,000,000
Cash dividend	3,965,793	709,364
Mark up accrued on bank deposits	12,476	7,751
Term Deposit Receipts	100,000	500,000
Mark up on Term Deposit Receipts	4,999	336
Bank charges	133	57
Sale of Treasury Bills	169,979,207	-
Sale of Gop-Ijara Sukuk	2,722,483	-
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Issue of 497,498 units (2012: 29,984 Units)	5,000	300
Bonus of 5,660 units (2012: 1,009 Units)	57	10
<b>Executives</b>		
Issue of Nil units (2012: 999 Units)	-	10
Bonus of Nil units (2012: 34 Units)	-	1
Redemption of 1,059 units (2012: Nil Units)	11	-
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration for the period	23,521	5,381



	(Unaudited) March 31, 2013	(Audited) June 30, 2012
<b>11.5</b>	-----Rupees in '000'-----	
<b>Amounts outstanding as at period end</b>		
<b>ABL Asset Management Company Limited - Management Company</b>		
Outstanding 20,582,089 (June 30, 2012: 18,840,386 Class B) units	206,284	188,867
Preliminary expenses and floatation costs payable	4,000	5,000
Remuneration payable to the Management Company	1,028	7,933
Sindh sales tax on remuneration of the Management Company	164	1,269
<b>Allied Bank Limited</b>		
Outstanding Nil (June 30, 2012: 3,376,062,224 Class A) units	-	33,853,350
Bank balances	4,671	75,694
Mark up accrued	152	82
Term deposit receipts	100,000	-
Mark up on Term Deposit Receipts	4,999	-
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Outstanding 534,942 (June 30, 2012: 31,784 Class B) units	5,361	319
<b>Executives</b>		
Outstanding Nil (June 30, 2012: 1,059 Class B) units	-	11
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	127	2,207

## 12 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.

## 13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
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](mailto:contactus@ablamc.com)

Website: [www.ablamc.com](http://www.ablamc.com)



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