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VISION

Creating Investment Solutions within everyone's reach



Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



ABL INCOME FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar* Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. M. Shakeb Murad**	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar*** Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member 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 Soneri Bank Limited	
Auditor:	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

* With effect from July 2, 2014.

** With effect from August 26, 2014

*** With effect from April 22, 2014

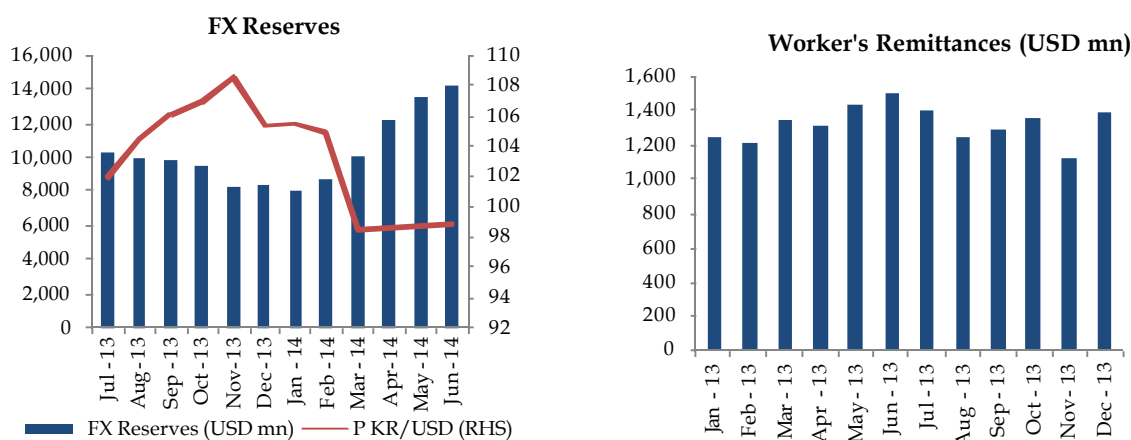
ABL INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Income Fund (ABL-IF), is pleased to present the Audited Financial Statements of ABL Income Fund for the year ended June 30, 2014.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape revealed gradual improvement throughout FY14 underpinned by renewed IMF support, significant improvement in PKR/USD parity, stable international oil prices, re-start of privatization process and Pakistan's return to international capital markets through a Eurobond issue. GDP growth, though lower than the target of 4.4% for FY14, grew by 4.1% during the year against 3.7% in FY13 which is the highest rate achieved since FY09. Most of the growth in GDP can be attributed to growth in industrial sector (5.84% in FY14 against 1.37% in FY13); however, growth in agriculture (2.12% in FY14 against 2.88% in FY13) and services sector (4.29% in FY14 against 4.85% in FY13) remained lackluster during the year. In a bid to meet IMF program targets, the government tightened its spending limit during the year and managed to reduce fiscal deficit to 5.8% of GDP which is a major improvement against budgetary target of 6.3% and last year's deficit of 8.2%. Provisional numbers suggest that revenues grew by 16.5%YoY which is also the highest growth rate in the last decade. Total revenue collection in FY14 stood at PKR2,260 billion which translates into a shortfall of PKR15 billion from twice-revised collection target of PKR2,275 billion. Despite this shortfall, the budgetary account received support from privatization proceeds and Eurobond inflows which helped bring down the fiscal deficit.

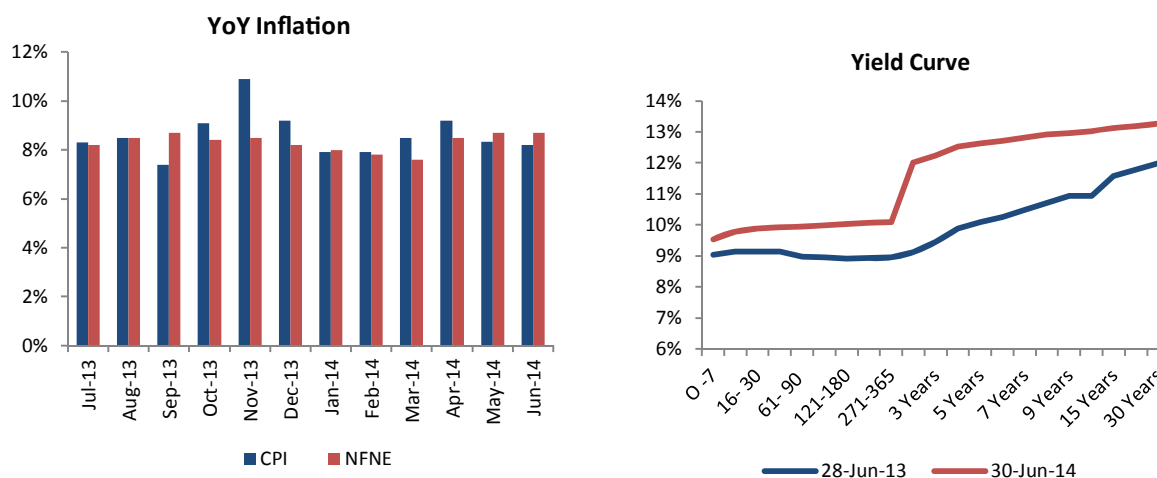


On the external account front, further deterioration was witnessed in the current account deficit which clocked-in at USD2.925 billion in FY14 compared to USD2.496 billion recorded in FY13. Increase in deficit was on account of lackluster growth in exports due to PKR appreciation and failure to reap full benefits of GSP+ status granted by the EU during the year. Deterioration in trade deficit was partially offset by increase in remittances which stood at highest ever level of USD15.832 billion and stable oil prices during the year. On the other hand, overall balance of payment recorded a surplus of USD3.843 billion due to inflow of USD2 billion in financial account from issuance of Eurobonds and USD1.5 billion inflows in the capital account attributed to financial assistance from KSA during the year. These inflows coupled with dollar inflows from other sources such as proceed from 3G & 4G auction, helped USD330 million from sale of Government's stake in UBL and USD674 million inflow from Coalition Support Fund helped the country end FY14 with impressive FX reserves level of USD14.139 billion of which USD9.095 billion were held by SBP while the rest were held by commercial banks. Improvement in FX reserves is encouraging given the

fact that the country ended FY13 with low reserves level of USD11.02 billion and touched an alarmingly low level of USD7.98 billion at the end of January 2014. As a result of a number of large foreign inflows, especially assistance received from KSA, rupee discontinued its downward trajectory and appreciated slightly by 0.84% to end the year at PKR98.78 vs. the dollar.

The monetary policy also moved in sync with the tight fiscal stance. The State Bank of Pakistan in an effort to curb inflation and meet IMF program requirements adopted a cautious course during the year and increased benchmark interest rate by 50bps to 9.5% in September 2013 and further by 50bps to 10% in November 2013 MPS. As a result, average CPI in FY14 clocked-in at 8.62% well below IMF's forecast of 10% inflation for the year. Government borrowings for budgetary support also improved and stood at PKR302.970 billion during FY14 of which PKR196.884 billion was from the central bank whereas the rest was from commercial banks.

The wheels have started to turn but Pakistan's economy will require continuous efforts and policy decision making in 2014-15. The fragile macroeconomic & geopolitical situation will be the key headwinds marring GDP growth in FY15. The current account deficit has started to expand due to poor export growth and the PKR revaluation does not bode well for the balance of payment position. Reemergence of energy circular debt, ongoing restructuring/sell-off of PSEs and the need for sustainable development spending to develop infrastructure to facilitate growth in the country will require a much bigger effort on tax collection side. Planned hike in energy tariffs and withdrawal of subsidies will keep inflation in the limelight but high base effect is expected to contain CPI inflation below 8% in FY15. The privatization process needs to gather steam and will play a vital role in keeping FX reserves and Rupee at a healthy level. Interest rates are likely to stay at current levels for some time as we see little room for SBP to start monetary easing program.



MUTUAL FUND INDUSTRY REVIEW

Open-end mutual fund industry witnessed significant improvement of 17.4% YoY to close FY14 with AUMs of PKR414 billion. The year saw a significant number of new fund launches, especially in the capital protected category. Once again, money market mutual funds bagged the largest slice of the pie despite recording a 6.4% decline in AUMs on YoY basis and closed the year at PKR119 billion compared to PKR127 billion at the end of FY13. The decline in money market funds' popularity can be attributed to single digit returns which forced investors to shift their funds to relatively riskier but higher-yielding instruments like income and equity funds. Equity funds, on the other hand, posted a strong growth of 27% YoY to close the year at PKR89 billion mainly on account of strong returns provided by the local bourse during the last couple of years fuelled by strong foreign inflows and corporate profitability. AUMs of Income funds increased by PKR9.283 billion



during FY14 to close the year at PKR65.007 billion mainly due to higher yields and gradual increase in risk appetite of investors who shifted from money market to income funds during the year. Prospects of monetary easing during FY14-15 are likely to keep this fund category popular with investors.

MONEY MARKET REVIEW

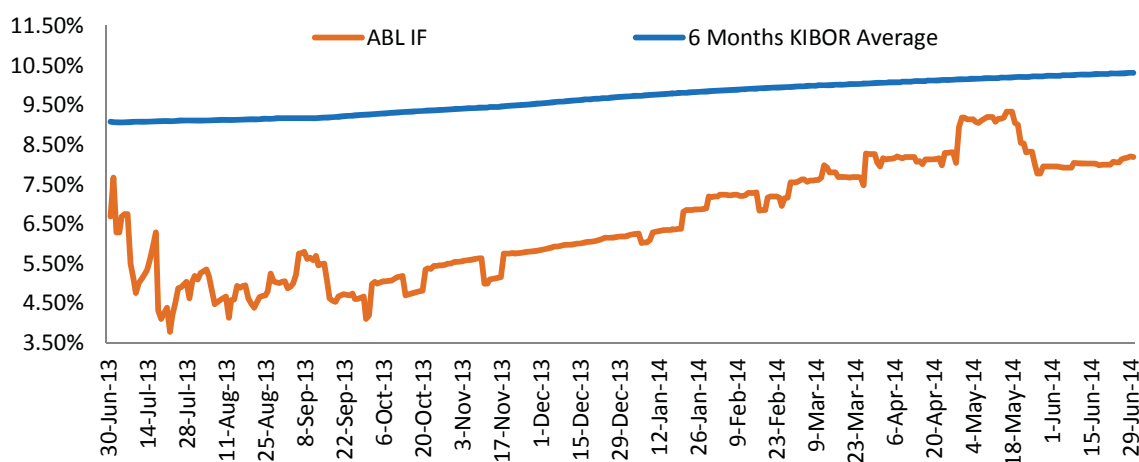
Government borrowings for budgetary support continued unabated during the year due to heavy financing requirements. As a result, borrowings from banking system increased by PKR323.66 billion during the outgoing fiscal year. M2 grew by 12.53% during the year led predominantly by PKR778.238 billion in Net Domestic Assets (NDA) and increase in Net Foreign Assets by PKR331.991 billion. The growth in M2 is much lower than 15.91% recorded in FY13 as well as IMF & government's projections at the start of FY14. The burden of deficit financing was put on the shoulders of domestic sources for most part of FY14; however, dollar inflows from bilateral and multilateral sources such as 3G & 4G auction and UBL privatization etc. in the second half of FY14 shifted the tilt of growth in M2 from domestic to foreign sources.

During the year, Central Bank conducted open market operations on regular basis to provide support to money markets as T-Bills were frequently traded above the DR due to shortage of liquidity. Meanwhile substantial shift of Government borrowing from short term T-bills to long term bonds were seen on account of changing economic dynamics in later half of FY 14.

FUND PERFORMANCE

ABL-IF returned 8.19% to its investors during FY14 versus benchmark return of 9.82%, showing an underperformance of 163 bps. The fund lagged its benchmark due to low exposure to KIBOR linked instruments and some mark to market losses in PIBs during the last quarter. Market dynamics saw a saw-tooth pattern during the last year and an initial upwards adjustment of 100 bps due to concerns over inflation and low FX reserves was followed by a wait and watch stance by SBP owing to lower than expected inflation numbers, a stable PKR/USD parity and heavy foreign inflows.

We maintained a generally high duration portfolio in ABL IF and increased our allocation in PIBs in second half of the fiscal year due to which our CYTD return improved to 9.92%. Moreover, spread transactions also helped the fund to outperform the benchmark yield in second half of the year. At yearend, the fund was holding cash of around 42.17% of total assets in order to take advantage of high rates offered by banks. Investment in PIBs, TFCs and Government backed Corporate Sukuks accounted for 29.41%, 8.15% and 4.12% of the fund respectively. During the period under review, ABL IF's AUM fell by 32% to PKR 1.682 billion as on June 30, 2014 due to year end redemptions and switching into ABL GSF.



DIVIDENDS

The Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on June 23, 2014 approved and declared final dividend distribution of Re.0.0463 per unit (0.46% of the par value of Rs.10) for the year ending June 30, 2014. This is in addition to the aggregate interim distribution of Re.0.7168 per unit (7.17% on the face value of Rs. 10 per unit) already distributed.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 15 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse excepts as disclosed below and in notes to the financial statements;

S. No	Name	Designation	Units Issued	Units Redeemed	Bonus Units
1	Sheikh Mukhtar Ahmed	Director	-	-	1,287.70
2	Mr. M. Jawaid Iqbal	Director	-	29,955.07	9,132.34
3	Mr. Tariq Mahmood	Director	-	-	17,577.17
4	Mr. Farid Ahmed Khan	CEO	196,428.92	1,357,075.60	69,973.30

12. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year six meeting were held. The 32nd, 33rd, 34th, 35th, 36th and 37th Board of Directors meetings were held on August 06, 2013, October 30, 2013, December 13, 2013, January 13, 2014, February 07, 2014 and April 22, 2014 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Director	Number of Meeting		Leave Granted	Meeting not Attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	6	6	-	-
2	Muhammad Waseem Mukhtar	6	5	1	36th
3	Tariq Mahmood*	6	6	-	-
4	Kamran Nishat	6	5	1	34th
5	M. Shakeb Murad	6	2	4	32nd, 34th, 36th & 37th
6	M. Jawaid Iqbal	6	4	2	33rd, 34th
7	Khawaja Muhammad Almas**	6	6	-	-
8	Farid Ahmed Khan***	6	6	-	-

*Appointed as new director vide circular resolution dated July 12, 2013.

**Resigned from the services as Director on the Board of ABL AMCL which has been approved on July 02, 2014

***Deemed director under section 200 of the Companies Ordinance, 1984.

13. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year Two meeting were held. The 13th and 14th meetings of the Board's Human Resource and Remuneration Committee were held on February 14, 2014, March 12, 2014 and respectively. Information in respect of attendance by directors in the meetings is given below:

S. No	Name of Director	Number of Meeting		Leave Granted	Meeting not Attended
		Held	Attended		
1	Mr. M. Jawaid Iqbal	2	2	-	-
2	Mr. Kamran Nishat	2	2	-	-
3	Mr. Farid Ahmed Khan	2	2	-	-

14. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year Four meeting were held. The 25th, 26th, 27th, and 28th meetings of the Board's Audit Committee were held on August 6, 2013, October 30, 2013, February 06, 2014 and April 22, 2014 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No	Name of Director	Number of Meeting		Leave Granted	Meeting not Attended
		Held	Attended		
1	Mr. Kamran Nishat	4	3	1	27th
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. Khawaja Muhammad Almas*	4	4	-	-

*Resigned from the services of the Board of ABL AMCL held on July 02, 2014

15. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Income Fund, is given hereunder:

S. No	Particulars	Units Held on June 30, 2014
1	Associated Companies, undertakings and related parties	
	• ABL Asset Management Company Limited	27,959,967
	• CFA Association of Pakistan	200,698
2	Mutual Funds	Nil
3	Directors and their spouse(s) and minor children	384,367
4	Executives	200,602
5	Public Sector Companies and corporations	22,257,289
6	Others Corporates	7,009,088
7	Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund	54,162,258
8	Shareholders holding five percent or more voting rights in the listed company	Not Applicable

AUDITORS

M/s. KPMG Taseer Hadi & Co. (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors, being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2015 for ABL Income Fund (ABL-IF).

FUND STABILITY RATING

On January 17, 2013, JCR-VIS reaffirmed Fund Stability Rating of 'A+ (f)' (Single A plus (f)) to ABL Income Fund (ABL-IF), which denotes moderate degree of stability in Net Asset Value.

MANAGEMENT QUALITY RATING

On June 21, 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM2-' (AM Two Minus) to 'AM Two ' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK AND STRATEGY

Amid political noise and a weak macro environment, signs of economic revival are evident in the economic landscape. Stable near-term oil prices, smooth running of IMF program, stable FX reserves level, successful start of the privatization program and serious efforts to tackle the energy sector problems are expected to act as catalyst for growth going ahead. However, in order to achieve this, the Government will have to put populist politics on the side and take tough decisions on energy subsidies, broadening of tax base, law and order situation and complete overhaul of public sector enterprises.

We believe that Pakistan's economy can break the shackles of anemic growth rates and the investment climate can improve considerably if the Government maintains fiscal discipline. If the recovery continues, we see the possibility of discount rate cut in first half of FY15. Hence, we will align our portfolio accordingly play the yield curve movement and adopt an active trading strategy in order to optimize returns.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 26, 2014

ABL INCOME FUND

FUND MANAGER REPORT

OBJECTIVE

The objective of ABL Income Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long term debt instruments, both within and outside Pakistan.

FUND PERFORMANCE

During the period, ABL-Income Fund posted an annualized return of 8.19% compared to the benchmark performance of 9.93%, thus showing an underperformance of 163bps. The underperformance was due to low holdings in KIBOR link instruments and some mark to market losses on long bonds after the 100 bps increase in discount rate. After a tough first half, we altered our asset allocation in 2H14 and tilted more towards high duration high yield instruments to catch up with the benchmark. As on June 30, 2014 net assets under management of ABL IF were PKR 1.682 billion, a decline of 32% YoY due to year end redemptions.

At the period end, we offloaded entire inventory of T-Bills in order to place funds with banks at high rates. Hence, investment in cash assets stood at 42.16% of the fund as at June. Moreover, exposure in PIBs was limited to 29.41% of total assets. As per our strategy to increase TFC portfolio, we have added exposure to banking TFCs due to which investment in TFCs (including Govt. backed corporate TFCs) stood at 12.27% of total assets. At year end, WAM of the portfolio was close to 791 days.

The scheme has maintained provision against Workers' Welfare Fund's Liability to the tune of Rs. 35.007 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.2090 per unit.

FUTURE OUTLOOK AND STRATEGY

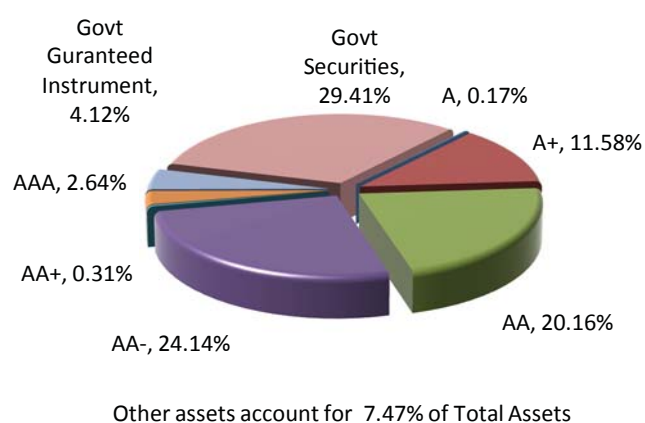
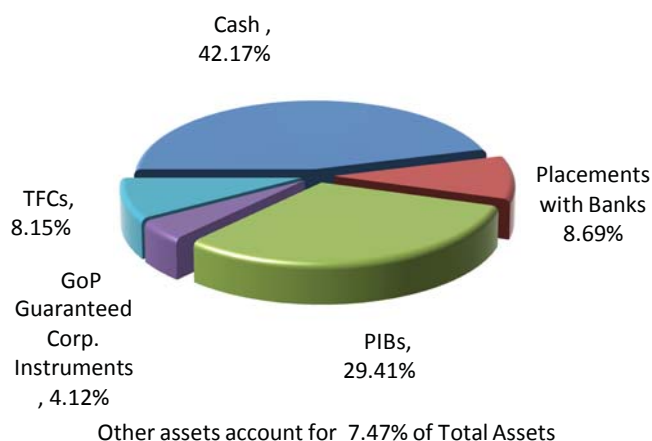
Amid political noise and a weak macro environment, signs of economic revival are evident in the economic landscape. Stable near-term oil prices, smooth running of IMF program, stable FX reserves level, successful start of the privatization program and serious efforts to tackle the energy sector problems are expected to act as catalyst for growth going ahead. However, in order to achieve this, the Government will have to put populist politics on the side and take tough decisions on energy subsidies, broadening of tax base, law and order situation and complete overhaul of public sector enterprises.

If the recovery continues, we see the possibility of discount rate cut in first half of FY15. Hence, we will align our portfolio accordingly play the yield curve movement and adopt an active trading strategy in order to optimize returns. ABL-IF will reallocate its assets before MPS and adjust its exposure in PIBs to benefit from any change in interest rates. Moreover, we will increase our allocation in high rated TFCs and spread transactions in order to improve the running yield and reduce the tracking error.

ABL Income Fund Performance		FY-2014
Yield		8.19%
Benchmark (6 month KIBOR Average)		9.82%
Weighted Average Time to Maturity		791 Days

ABL Income Fund AUM & Pricing		FY-2014
Assets Under Management as at June 30, 2014 (PKR million)		1,682.11
Closing NAV per unit as June 30, 2014 (PKR) (Ex Dividend)		10.0409
Closing NAV per unit as June 30, 2014 (PKR) (Cum Dividend)		10.8040

ABL Income Fund AUM & Pricing		
Distribution	Date	FY-2014
1st Distribution	26-Sep-13	0.1211
2nd Distribution	27-Dec-13	0.1906
3rd Distribution	26-Mar-14	0.2397
4th Distribution	29-May-14	0.1654
5th Distribution	19-Jun-14	0.0463



ABL INCOME FUND

PERFORMANCE TABLE

	June 2014 (Rupees in '000)	June 2013 (Rupees in '000)	June 2012 (Rupees in '000)	June 2011 (Rupees in '000)	June 2010 (Rupees in '000)
Net Assets	1,682,107	2,476,973	3,784,263	4,878,536	8,360,054
Net Income	126,901	265,987	623,793	639,266	933,649
	(Rupees per unit)	(Rupees per unit)	(Rupees per unit)	(Rupees per unit)	(Rupees per unit)
Net Assets value	<u>10.0409</u>	<u>10.0098</u>	<u>10.0289</u>	<u>10.0195</u>	<u>10.0164</u>
Interim distribution	<u>0.7168</u>	<u>0.7559</u>	<u>0.8777</u>	<u>0.8296</u>	<u>0.8123</u>
Final distribution	<u>0.0463</u>	<u>0.2175</u>	<u>0.2361</u>	<u>0.2848</u>	<u>0.2421</u>
Distribution date final	<u>June 23, 2014</u>	<u>June 28, 2013</u>	<u>June 25, 2012</u>	<u>June 29, 2011</u>	<u>June 28, 2010</u>
Closing offer price	<u>10.1915</u>	<u>10.0098</u>	<u>10.0289</u>	<u>10.0195</u>	<u>10.0164</u>
Closing repurchase price	<u>10.0409</u>	<u>10.0098</u>	<u>10.0289</u>	<u>10.0195</u>	<u>10.0164</u>
Highest offer price	<u>10.4074</u>	<u>10.3479</u>	<u>10.3158</u>	<u>10.2906</u>	<u>10.2731</u>
Lowest offer price	<u>10.1424</u>	<u>10.0022</u>	<u>10.0006</u>	<u>10.0032</u>	<u>10.0032</u>
Highest repurchase price per unit	<u>10.2536</u>	<u>10.3479</u>	<u>10.3158</u>	<u>10.2906</u>	<u>10.2731</u>
Lowest repurchase price per unit	<u>9.9925</u>	<u>10.0022</u>	<u>10.0006</u>	<u>10.0032</u>	<u>10.0032</u>
	Percentage	Percentage	Percentage	Percentage	Percentage
Total return of the fund					
- capital growth	<u>0.56%</u>	<u>0.14%</u>	<u>0.54%</u>	<u>0.51%</u>	<u>0.43%</u>
- income distribution	<u>7.63%</u>	<u>9.73%</u>	<u>11.14%</u>	<u>11.14%</u>	<u>10.54%</u>
Average Annual return of the fund					
One Year	<u>8.19%</u>	<u>9.87%</u>	<u>11.68%</u>	<u>11.65%</u>	<u>10.97%</u>
Two Year	<u>9.44%</u>	<u>11.36%</u>	<u>12.35%</u>	<u>11.95%</u>	<u>12.53%</u>
Three Year	<u>10.92%</u>	<u>12.34%</u>	<u>12.79%</u>	<u>13.58%</u>	<u>-</u>
Four Year	<u>12.06%</u>	<u>13.01%</u>	<u>-</u>	<u>-</u>	<u>-</u>
Five Year	<u>12.03%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Since Inception	<u>13.50%</u>	<u>14.44%</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average Portfolio duration in days	<u>335</u>	<u>260</u>	<u>238</u>	<u>201</u>	<u>92</u>

* Interim Distribution date

2014		2013		2012	
Date	Rate	Date	Rate	Date	Rate
<u>Sept 27, 2013</u>	<u>Re 0.1211 Per Unit</u>	<u>Sept 24, 2012</u>	<u>Re 0.3479 Per Unit</u>	<u>Sept 27, 2011</u>	<u>Re 0.3158 Per Unit</u>
<u>Dec 30, 2013</u>	<u>Re 0.1906 Per Unit</u>	<u>Dec 27, 2012</u>	<u>Re 0.2531 Per Unit</u>	<u>Dec 26, 2011</u>	<u>Re 0.3089 Per Unit</u>
<u>March 27, 2014</u>	<u>Re 0.2397 Per Unit</u>	<u>March 22, 2013</u>	<u>Re 0.1549 Per Unit</u>	<u>March 26, 2012</u>	<u>Re 0.2530 Per Unit</u>
<u>May 30, 2014</u>	<u>Re 0.1654 Per Unit</u>				
2011		2010			
Date	Rate	Date	Rate		
<u>Sept 29, 2010</u>	<u>Re 0.2701 Per Unit</u>	<u>Sept 29, 2009</u>	<u>Re 0.2731 Per Unit</u>		
<u>Dec 30, 2010</u>	<u>Re 0.2689 Per Unit</u>	<u>Dec 30, 2009</u>	<u>Re 0.2783 Per Unit</u>		
<u>March 30, 2011</u>	<u>Re 0.2906 Per Unit</u>	<u>March 30, 2010</u>	<u>Re 0.2609 Per Unit</u>		

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

ABL INCOME FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office
 CDC House, 99-B, Block 'B'
 S.M.C.H.S. Main Shahr-e-Faisal
 Karachi - 74400, Pakistan.
 Tel: (92-21) 111-111-500
 Fax: (92-21) 34326020 - 23
 URL: www.cdcpakistan.com
 Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the constitutive documents of the Fund.

In our previous report for the six months period ended December 31, 2013, the attention of the unit holders was drawn towards the fact that the Fund had taken the exposure in the Privately Placed Sukuks and Term Finance Certificates issued by WAPDA Third Sukuk Company Limited and the WAPDA respectively, which was collectively exceeded the prescribed limit for exposure to any single issuer as per Regulation 55(5) of NBFC Regulations in October 2013. In order to comply with the said directive, the Management Company has disposed off both the securities in February 2014.


Aftab Ahmed Diwan
 Officiating Chief Executive Officer
 Central Depository Company of Pakistan Limited

Karachi: October 22, 2014



ABL INCOME FUND

REVIEW REPORT TO THE UNIT HOLDERS



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Karachi, 75530 Pakistan

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REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of ABL Asset Management Company Limited, the Management Company of **ABL Income Fund** (the Fund) for the year ended 30 June 2014 to comply with the requirements of Listing Regulation No. 35 of the Karachi Stock Exchange, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

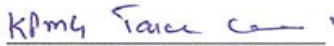
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2014.

Date: 12 September 2014

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

ABL INCOME FUND

STATEMENT OF COMPLIANCE BY ABL INCOME FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 35 of the listing regulations of the Karachi Stock Exchange Limited (“the Exchange”) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The board of directors (“the Board”) of ABL Asset Management Company Limited (“the Management Company”), an un-listed public company, manages the affairs of ABL Income Fund (“the Fund”). The Fund being a unit trust open ended scheme does not have its own board of directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Exchange, in the following manner:

1. The Management Company encourages representation of independent, executive and non-executive directors. At present, the Board includes:

Category	Names
Executive Director	Mr. Farid Ahmed Khan (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Kamran Nishat Mr. Shakeb Murad
Non-Executive Directors	Mr. Sheikh Mukhtar Ahmed Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year a casual vacancy occurred on the Board which has been simultaneously filled by the Board on 12th July 2013.
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board. . There is no executive director of the Management Company other than the CEO
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Two directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit continued their services and no change were made during this financial year.
11. The Directors' Report of the Fund for the year ended 30 June 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the chairman of the Committee is a non-executive director.
18. There exists an internal audit function within the Management Company.

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the NAV of the Fund's units, was determined and intimated to directors, employees and the Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 26, 2014

ABL INCOME FUND

INDEPENDENT AUDITORS REPORTS



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Independent Auditors' Report to the Unit Holders

Report on the Financial Statements

We have audited the accompanying financial statements of **ABL Income Fund** ("the Fund"), which comprise of the statement of assets and liabilities as at 30 June 2014 and the related income statement, statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unit holders' fund for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2014, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

ABL INCOME FUND

INDEPENDENT AUDITORS REPORTS



KPMG Taseer Hadi & Co.

Other Matters

The financial statements of the Fund for the year ended 30 June 2013 were audited by another firm of Chartered Accountants, who vide their report dated 6 August 2013, addressed to the unit holders, had expressed an unmodified opinion thereon.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 26 August 2014

Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

ABL INCOME FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2014

	Note	June 30 2014	June 30 2013
----- Rupees in '000-----			
ASSETS			
Bank balances	4	728,927	1,100,682
Investments	5	869,638	1,233,517
Profit receivable	6	33,021	23,783
Security deposits and other receivables	7	20,672	15,531
Preliminary expenses and floatation costs	8	-	224
Receivable against sale and maturity of investments		74,606	147,844
Total assets		1,726,864	2,521,581
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	9	7,642	3,700
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	178	235
Payable to the Securities and Exchange Commission of Pakistan	11	1,361	2,143
Dividend payable		-	1
Payable against redemption of units		50	5,243
Accrued expenses and other liabilities	12	35,526	33,286
Total liabilities		44,757	44,608
NET ASSETS		1,682,107	2,476,973
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,682,107	2,476,973
CONTINGENCIES AND COMMITMENTS			
	13	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	14	167,525,357	247,453,718
NET ASSET VALUE PER UNIT		10.0409	10.0098

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	June 30 2014	June 30 2013
----- Rupees in '000-----			
INCOME			
Capital (loss) / gain on sale of investments - net		(8,189)	31,218
Income from government securities		84,457	178,061
Income from term deposit receipts		24,000	40,907
Income from letters of placement		4,830	5,635
Income from term finance certificates / other sukuks		38,655	44,382
Profit on deposits with bank		27,499	24,183
Dividend income		8,889	5,299
Other income		492	-
		180,633	329,685
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.6	916	511
		181,549	330,196
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	27,220	42,852
Sindh sales tax on remuneration of Management Company	9.2	5,052	6,901
Federal excise duty on remuneration of Management Company	9.3	4,355	280
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,392	3,278
Annual fee - Securities and Exchange Commission of Pakistan		1,361	2,143
Brokerage and securities transaction costs		1,238	1,134
Bank charges		237	403
Auditors' remuneration	14	526	430
Amortisation of preliminary expenses and floatation costs		224	998
Printing charges		101	150
Listing fee		50	40
Annual rating fee		230	216
Other expenses		489	212
Provision for workers' welfare fund	12.1	2,590	5,429
TOTAL OPERATING EXPENSES		46,065	64,466
NET INCOME FROM OPERATING ACTIVITIES		135,484	265,730
Element of (loss) / income and capital (losses) / gain included in prices of units issued less those in units redeemed - net		(8,583)	257
NET INCOME BEFORE TAXATION		126,901	265,987
Taxation	15	-	-
NET INCOME AFTER TAXATION		126,901	265,987

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL INCOME FUND

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	June 30 2014	June 30 2013
	----- Rupees in '000-----	
UNDISTRIBUTED INCOME BROUGHT FORWARD COMPRISING OF:		
- Realised income	1,924	9,587
- Unrealised income	511	1,325
	<u>2,435</u>	<u>10,912</u>
INTERIM DISTRIBUTION DURING THE YEAR:		
- Re 0.1211 per unit on 27 September 2013 (2013: Re 0.3479 per unit on 24 September 2012)		
Cash distribution	-	(2)
Issue of 2,483,577 bonus units (2013: 9,350,584 units)	(24,836)	(93,506)
- Re 0.1906 per unit on 30 December 2013 (2013: Re 0.2531 per unit on 27 December 2012)		
Cash distribution	(1)	(1)
Issue of 2,931,157 bonus units (2013: 8,582,386 units)	(29,312)	(85,824)
- Re 0.2397 per unit on 27 March 2014 (2013: Re 0.2530 per unit on 26 March 2013)		
Cash distribution	(1)	(1)
Issue of 3,453,052 bonus units (2013: 4,549,531 units)	(34,530)	(45,495)
- Re 0.1654 per unit on 30 May 2014 (2013: nil)		
Cash distribution	(1)	-
Issue of 2,645,328 bonus units (2013: nil)	(26,453)	-
- Re 0.0463 per unit on 23 June 2014 (2013: Re 0.2175 per unit on 28 June 2013)		
Cash distribution	-	(1)
Issue of 691,941 bonus units (2013: 5,277,069 units)	(6,919)	(52,771)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	415	3,137
Net income after taxation	126,901	265,987
Undistributed income carried forward	<u>7,698</u>	<u>2,435</u>
UNDISTRIBUTED INCOME CARRIED FORWARD COMPRISING OF:		
- Realised income	6,782	1,924
- Unrealised income	916	511
	<u>7,698</u>	<u>2,435</u>

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL INCOME FUND

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2014

	June 30 2014	June 30 2013
	----- Rupees in '000-----	
Net assets at the beginning of the year	2,476,973	3,784,263
Issue of 124,538,166 (2013: 328,454,125) units	1,258,253	3,334,492
Redemption of 216,671,581 (2013: 486,094,961) units	(2,188,600)	(4,907,507)
	(930,347)	(1,573,015)
Issue of 12,205,054 bonus units (2013: 27,759,570 units)	122,050	277,596
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- transferred to income statement	8,583	(257)
- transferred to distribution statement	(415)	(3,137)
	8,168	(3,394)
Capital gain on sale of investments - net	(8,189)	31,218
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	916	511
Other net income	134,174	234,258
	126,901	265,987
Distribution during the year:		
- Re 0.1211 per unit on 27 September 2013 (2013: Re 0.3479 per unit on 24 September 2012)		
Cash distribution	-	(2)
Issue of 2,483,577 bonus units (2013: 9,350,584 units)	(24,836)	(93,506)
- Re 0.1906 per unit on 30 December 2013 (2013: Re 0.2531 per unit on 27 December 2012)		
Cash distribution	(1)	(1)
Issue of 2,931,157 bonus units (2013: 8,582,386 units)	(29,312)	(85,824)
- Re 0.2397 per unit on 27 March 2014 (2013: Re 0.2530 per unit on 26 March 2013)		
Cash distribution	(1)	(1)
Issue of 3,453,052 bonus units (2013: 4,549,531 units)	(34,530)	(45,495)
- Re 0.1654 per unit on 30 May 2014 (2013: nil)		
Cash distribution	(1)	-
Issue of 2,645,327 bonus units (2013: nil units)	(26,453)	-
- Re 0.2175 per unit on 28 June 2014 (2013: Re 0.2361 per unit on 25 June 2013)		
Cash distribution	-	(1)
Issue of 691,941 bonus units (2013: 5,277,069 units)	(6,919)	(52,771)
	(122,053)	(277,601)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement - net	415	3,137
NET ASSETS AT THE END OF THE YEAR	1,682,107	2,476,973
	----- (Rupees) -----	
Net assets value per unit at the beginning of the period	10.0098	10.0289
Net assets value per unit at the end of the period	10.0409	10.0098

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
 DIRECTOR

ABL INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	June 30 2014	June 30 2013
----- Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxation		126,901	265,987
Adjustments			
Amortisation of preliminary expenses and floatation costs		224	998
Unrealised (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(916)	(511)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		8,583	(257)
Provision for Workers' Welfare Fund		2,590	5,429
Federal excise duty on remuneration of Management Company		4,355	280
		<u>141,737</u>	<u>271,926</u>
(Increase) / decrease in assets			
Profit receivable		(9,238)	(5,675)
Investments		414,795	368,595
Receivable against sale and maturity of investments		73,238	(147,844)
Security deposits and other receivables		(5,141)	(2,090)
		<u>473,654</u>	<u>212,986</u>
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		(413)	(3,366)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(57)	(115)
Payable to the Securities and Exchange Commission of Pakistan		(782)	(1,892)
Accrued expenses and other liabilities		(350)	249
		<u>(1,602)</u>	<u>(5,124)</u>
Net cash generated from operating activities		<u>613,789</u>	<u>479,788</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash distribution paid		(4)	(4)
Receipts from issuance of units		1,258,253	3,334,492
Payments on redemption of units		(2,193,793)	(4,902,264)
Net cash used in financing activities		<u>(935,544)</u>	<u>(1,567,776)</u>
Net (decrease) in cash and cash equivalents		<u>(321,755)</u>	<u>(1,087,988)</u>
Cash and cash equivalents at the beginning of the year		1,200,682	2,288,670
Cash and cash equivalents at the end of the year	4.2	<u>878,927</u>	<u>1,200,682</u>

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

ABL Income Fund (the Fund) was established under a Trust Deed executed on 16 June 2008 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 (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Securities and Exchange Commission of Pakistan (SECP) approved the revised /amended Trust Deed of the Fund on 6 June 2008. The Fund commenced its operations on 20 September 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003. through a certificate issued by the SECP on 7 December 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T. Khan Road, Karachi.

The Fund is an open-ended mutual fund and is listed on the Karachi Stock Exchange Limited. The units of the Fund are offered to public for subscription on a continuous basis. The units are transferable and are redeemable by surrendering them to the Fund.

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

The objective of the Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long-term instruments, both within and outside Pakistan. The Fund, in line with its investment objectives, invests primarily in money and debt markets, certificate of investments, clean placements, spread transactions and other absolute return instruments.

Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at 21 June 2013 and Fund Stability Rating of A+(f) to the Fund as at 17 January 2013.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The 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 (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC-21 - Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Fund’s financial statements.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Fund’s financial statements.
- Amendments to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.
- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of

accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Fund's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:
 - IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.
 - IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.
 - IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.
 - Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38,

recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

2.3 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.2 and 5)
- ii. Amortisation of preliminary expenses and floatation costs (note 3.7 and 8)
- iii. Impairment of financial assets (note 3.2.5)
- iv. Provision for Workers' Welfare Fund (note 12.1 & 9.2)
- v. Taxation (note 15)

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.5 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. 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

Financial assets 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 category.

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 (a) loans and receivables, (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for the liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of the financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

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 while the related 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 at fair value through profit or loss and available for sale are valued as follows:

- **Basis of valuation of debt securities**

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In the determination of the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

- **Basis of valuation of equity securities**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

- **Basis of valuation of government securities**

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

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

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in the other comprehensive income is shown as part of net income for the year.

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. Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

ABL INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014

	30 June 2014	30 June 2013
	(Rupees in '000)	
Net income for the year	126,901	265,987
Other comprehensive income for the year		-
Total comprehensive income for year	<u>126,901</u>	<u>265,987</u>

The annexed notes 1 to 26 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and shown as part of income before taxation. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership.

3.3 Derivatives

Derivative financial instruments are initially recognised at fair value. Subsequent to initial measurement each derivative financial instrument is remeasured to its fair value as at that day. The resultant gain or loss is recognised in the income statement.

3.4 Financial liabilities

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

3.5 Offsetting of financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Collateral

Cash collateral provided by the Fund is identified in the statement of assets and liabilities as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of assets and liabilities separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not

have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 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 to the unit holders.

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.

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 unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these 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 realised or unrealised, to its unit holders every year.

3.10 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared.

3.11 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realization of subscription money.

The offer price represents the net asset value per unit as of the close of the business day plus the allowance

for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per constitutive documents, 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, provision for transaction costs and any provision for duties and charges, if applicable. Back end loads are recorded as income of the fund.

3.12 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 net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year which pertains to unrealised gains / (losses) held in the unit holder's funds and undistributed income in a separate reserve account and any amount remaining in this reserve account at the end of an accounting year (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 year is recognised in the income statement.

3.13 Net asset value per unit

The Net Asset 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 year end.

3.14 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Discount on purchase of Market Treasury Bills is amortised to income statement using effective interest rate method.
- Income on Pakistan investment bonds, term deposit receipts, certificate of investments, certificate of deposits, letters of placement, reverse repurchase transactions, term finance certificate, sukuks and bank deposits is recognised on an accrual basis.
- Income on issue and repurchase of units is recognised when the units are issued and redeemed at the transaction date.
- Dividend income is recognised when the Fund's right to receive the dividend is established.

- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets at fair value through profit or loss category are included in the income statement in the year in which they arise.

4. BANK BALANCES	Note	June 30, 2014	June 30, 2013
----- Rupees in '000-----			
In profit and loss saving accounts	4.1	<u>728,927</u>	<u>1,100,682</u>
4.1 These saving accounts carry mark-up at rates ranging from 6.50% to 10.75% (30 June 2013: 6.00% to 9.40%) per annum. Deposits in saving accounts include Rs. 3.359 million (30 June 2013: Rs. 182.967 million) maintained with Allied Bank Limited, a related party.			
4.2 Cash and cash equivalents			
Bank balances		728,927	1,100,682
Term deposit receipts - having original maturity of 3 months or less	5.7	<u>150,000</u>	<u>100,000</u>
		<u>878,927</u>	<u>1,200,682</u>
5. INVESTMENTS			
Financial assets at fair value through profit or loss			
Market treasury bills	5.1	-	659,110
Pakistan investment bonds	5.2	507,798	-
GoP Ijarah Sukuks	5.3	-	2,001
Term finance certificates / other Sukuks	5.4	<u>211,840</u>	<u>372,406</u>
		<u>719,638</u>	<u>1,033,517</u>
Loans and receivables	5.7	<u>150,000</u>	<u>200,000</u>
		<u>869,638</u>	<u>1,233,517</u>

5.1 Market Treasury bills

Issue date	Tenor	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
(Rupees in '000)										
May 2, 2013	3 Months	125,000	-	125,000	-	-	-	-	-	-
July 12, 2013	3 Months	-	716,000	716,000	-	-	-	-	-	-
August 7, 2013	3 Months	-	297,000	297,000	-	-	-	-	-	-
September 19, 2013	3 Months	-	1,568,700	1,568,700	-	-	-	-	-	-
October 3, 2013	3 Months	-	120,000	120,000	-	-	-	-	-	-
October 21, 2013	3 Months	-	25,000	25,000	-	-	-	-	-	-
November 28, 2013	3 Months	-	767,000	767,000	-	-	-	-	-	-
December 12, 2013	3 Months	-	403,000	403,000	-	-	-	-	-	-
January 9, 2014	3 Months	-	365,000	365,000	-	-	-	-	-	-
January 23, 2014	3 Months	-	252,000	252,000	-	-	-	-	-	-
February 20, 2014	3 Months	-	119,400	119,400	-	-	-	-	-	-
April 17, 2014	3 Months	-	275,000	275,000	-	-	-	-	-	-
May 15, 2014	3 Months	-	392,000	392,000	-	-	-	-	-	-
February 28, 2014	OMO	-	583,000	583,000	-	-	-	-	-	-
January 24, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
July 12, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
July 25, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
January 23, 2014	6 Months	-	155,000	155,000	-	-	-	-	-	-
September 6, 2012	12 Months	11,150	-	11,150	-	-	-	-	-	-
May 30, 2013	12 Months	-	250,000	250,000	-	-	-	-	-	-
July 12, 2013	12 Months	-	24,000	24,000	-	-	-	-	-	-
July 26, 2012	12 Months	527,000	500,000	1,027,000	-	-	-	-	-	-
March 20, 2014	12 Months	-	425,000	425,000	-	-	-	-	-	-
April 4, 2014	OMO	-	9,000	9,000	-	-	-	-	-	-
Total		663,150	7,996,100	8,659,250	-	-	-	-	-	-

5.2 Pakistan investment bonds

Issue date	Tenor	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
(Rupees in '000)										
August 18, 2011	3 Years	-	200,000	200,000	-	-	-	-	-	-
July 19, 2012	3 Years	-	80,000	80,000	-	-	-	-	-	-
July 19, 2012	5 Years	-	100,000	100,000	-	-	-	-	-	-
July 19, 2012	10 Years	-	660,000	485,000	175,000	167,242	166,954	(288)	9.93%	19.20%
July 18, 2013	3 Years	-	3,392,000	3,046,500	345,500	340,287	340,844	557	20.26%	39.19%
July 18, 2013	5 Years	-	50,000	50,000	-	-	-	-	-	-
Total		-	4,482,000	3,961,500	520,500	507,529	507,798	269	30.19%	58.39%

5.3 GoP Ijarah Sukuks

Issue date	Coupon rate in %/ tenor in years	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
Rupees in '000										
May 16, 2011	11.94% / 3 Years	500	-	500	-	-	-	-	-	-
September 18, 2012	9.15% / 3 Years	1,500	-	1,500	-	-	-	-	-	-
Total		2,000	-	2,000	-	-	-	-	-	-

5.4 Term Finance Certificates / other sukuks

Term Finance Certificates (Listed debt securities)

Name of the investee company	Notes	Profit / Mark-up rate	Number of Certificates				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investment
			As at 1 July 2013	Purchased during the year	Sold / matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation / (diminution)		
Askari Bank Limited - II		6 months KIBOR plus 1.50%	6,000	-	6,000	-	-	-	-	-	-
Pakistan Mobile Communication Limited		6 months KIBOR plus 1.65%	-	14,800	14,800	-	-	-	-	-	-
Bank Al Falah-V	5.4.1	6 months KIBOR plus 1.25%	20,000	12,000	23,000	9,000	46,008	45,578	(430)	2.71%	5.24%
NIB Bank Limited TFC II	5.4.2	6 months KIBOR plus 1.15%	-	10,000	-	10,000	50,000	50,000	-	2.97%	5.75%
United Bank Limited - IV		6 months KIBOR plus 0.85%	18,100	-	18,100	-	-	-	-	-	-
Engro Fertilizer - III		6 months KIBOR plus 1.6%	-	6,300	6,300	-	-	-	-	-	-
Total			44,100	43,100	68,200	19,000	96,008	95,578	(430)	5.68%	10.99%

5.4.1 These represent listed term finance certificates and carry a mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.25% receivable half yearly in arrears with no floor or cap and will mature on 20 February 2021. These term finance certificates are unsecured. The rating of the instrument is AA- as at 30 June 2014.

5.4.2 These represent listed term finance certificates and carry a mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.15% receivable half yearly in arrears with no floor or cap and will mature on 18 June 2022. These term finance certificates are unsecured. The rating of the instrument is A+ as at 30 June 2014.

Term Finance Certificates (Unlisted debt securities)

Name of the investee company	Notes	Profit / Mark-up rate	Number of Certificates				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investment
			As at 1 July 2013	Purchased during the year	Sold / matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation / (diminution)		
Standard Chartered Bank Pakistan Limited - TFC	5.4.3	6 months KIBOR plus 0.75%	10,200	29,000	30,200	9,000	45,185	45,090	(95)	2.68%	5.18%
Askari Bank Limited - IV		6 months KIBOR plus 1.75%	-	8,400	8,400	-	-	-	-	-	-
Bank Al Falah-IV		6 months KIBOR plus 2.50%	-	9,750	9,750	-	-	-	-	-	-
WAPDA	5.4.4	6 months KIBOR plus 1.00%	-	34,000	20,000	14,000	70,000	71,172	1,172	4.23%	8.18%
Bank Al Habib Limited - III			-	7,600	7,600	-	-	-	-	-	-
Total			10,200	88,750	75,950	23,000	115,185	116,262	1,077	6.91%	13.36%

5.1 Market Treasury bills

Issue date	Tenor	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
(Rupees in '000)										
May 2, 2013	3 Months	125,000	-	125,000	-	-	-	-	-	-
July 12, 2013	3 Months	-	716,000	716,000	-	-	-	-	-	-
August 7, 2013	3 Months	-	297,000	297,000	-	-	-	-	-	-
September 19, 2013	3 Months	-	1,568,700	1,568,700	-	-	-	-	-	-
October 3, 2013	3 Months	-	120,000	120,000	-	-	-	-	-	-
October 21, 2013	3 Months	-	25,000	25,000	-	-	-	-	-	-
November 28, 2013	3 Months	-	767,000	767,000	-	-	-	-	-	-
December 12, 2013	3 Months	-	403,000	403,000	-	-	-	-	-	-
January 9, 2014	3 Months	-	365,000	365,000	-	-	-	-	-	-
January 23, 2014	3 Months	-	252,000	252,000	-	-	-	-	-	-
February 20, 2014	3 Months	-	119,400	119,400	-	-	-	-	-	-
April 17, 2014	3 Months	-	275,000	275,000	-	-	-	-	-	-
May 15, 2014	3 Months	-	392,000	392,000	-	-	-	-	-	-
February 28, 2014	OMO	-	583,000	583,000	-	-	-	-	-	-
January 24, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
July 12, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
July 25, 2013	6 Months	-	250,000	250,000	-	-	-	-	-	-
January 23, 2014	6 Months	-	155,000	155,000	-	-	-	-	-	-
September 6, 2012	12 Months	11,150	-	11,150	-	-	-	-	-	-
May 30, 2013	12 Months	-	250,000	250,000	-	-	-	-	-	-
July 12, 2013	12 Months	-	24,000	24,000	-	-	-	-	-	-
July 26, 2012	12 Months	527,000	500,000	1,027,000	-	-	-	-	-	-
March 20, 2014	12 Months	-	425,000	425,000	-	-	-	-	-	-
April 4, 2014	OMO	-	9,000	9,000	-	-	-	-	-	-
Total		663,150	7,996,100	8,659,250	-	-	-	-	-	-

5.2 Pakistan investment bonds

Issue date	Tenor	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
(Rupees in '000)										
August 18, 2011	3 Years	-	200,000	200,000	-	-	-	-	-	-
July 19, 2012	3 Years	-	80,000	80,000	-	-	-	-	-	-
July 19, 2012	5 Years	-	100,000	100,000	-	-	-	-	-	-
July 19, 2012	10 Years	-	660,000	485,000	175,000	167,242	166,954	(288)	9.93%	19.20%
July 18, 2013	3 Years	-	3,392,000	3,046,500	345,500	340,287	340,844	557	20.26%	39.19%
July 18, 2013	5 Years	-	50,000	50,000	-	-	-	-	-	-
Total		-	4,482,000	3,961,500	520,500	507,529	507,798	269	30.19%	58.39%

5.3 GoP Ijarah Sukuks

Issue date	Coupon rate in %/ tenor in years	Face Value				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at 1 July 2013	Purchased during the year	Sold/ matured during the year	As at 30 June 2014	Carrying value	Market value	Appreciation/ (diminution)		
Rupees in '000										
May 16, 2011	11.94% / 3 Years	500	-	500	-	-	-	-	-	-
September 18, 2012	9.15% / 3 Years	1,500	-	1,500	-	-	-	-	-	-
Total		2,000	-	2,000	-	-	-	-	-	-

5.4.3 These represent un-listed term finance certificates and carry a mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 0.75% receivable half yearly in arrears with no floor or cap and will mature on 29 June 2022. These term finance certificates are unsecured. The rating of the instrument is AAA as at 30 June 2014.

5.4.4 These represent un-listed term finance certificates and carry a mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.00% receivable half yearly in arrears with no floor or cap and will mature on 27 September 2021. These term finance certificates are unsecured. The rating of the instrument is AAA as at 30 June 2014.

Other Sukuks

Issue date	Coupon rate in % / tenor in years	Face Value			Balance as at 30 June 2014			Carrying value as a percentage of net assets	Carrying value as a percentage of total market value of investment
		As at 1 July 2013	Purchased during the year	Sold / matured during the year	As at 30 June 2014	Carrying value	Market value		
(Rupees in '000)									
HUBCO	10.70 / 6 Months	100,000	-	100,000	-	-	-	-	-
WAPDA	10.48 / 8 Years	-	215,000	215,000	-	-	-	-	-
K-Electric	12.31 / 3 Years	-	50,000	50,000	-	-	-	-	-
Total		100,000	265,000	365,000	-	-	-	0.00%	0.00%
Grand total of term finance certificates /									
Other Sukuks		154,300	396,850	509,150	42,000	211,193	211,840	647	12.59% 24.35%

5.4.5 The above include term finance certificates with fair value aggregating to Rs nil (2013: Rs 10.073 million) which have been pledged with National Clearing Company of Pakistan limited for guaranteeing settlement of the Fund's Trade in terms of circular No. 11 dated October 23, 2007, issued by the SECP.

5.4.6 Outstanding term finance certificates carry coupon rates ranging from 10.92% to 11.38% per annum.

5.5 Shares of listed companies

Name of the investee company	Number of shares				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
	As at 1 July 2013	Purchased during the year	Sold during the year	As at June 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)									

Shares of listed companies - Fully paid ordinary shares of Rs. 10 each unless stated otherwise

Personal Goods

Nishat Chunian Limited	-	311,500	311,500	-	-	-	-	-	-
Nishat Mills Limited	-	327,500	327,500	-	-	-	-	-	-
	-	639,000	639,000	-	-	-	-	-	-

Construction & Materials

D.G.Khan Cement Company Limited	-	1,031,500	1,031,500	-	-	-	-	-	-
Lucky Cement Limited	-	36,000	36,000	-	-	-	-	-	-
	-	1,067,500	1,067,500	-	-	-	-	-	-

Chemicals

Fauji Fertilizer Company Limited	-	284,000	284,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	298,000	298,000	-	-	-	-	-	-
Engro Corporation	-	578,000	578,000	-	-	-	-	-	-
	-	1,160,000	1,160,000	-	-	-	-	-	-

Oil and Gas

Attock Refinery Pakistan Limited	-	15,000	15,000	-	-	-	-	-	-
Oil and Gas Development Company Ltd.	-	20,000	20,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	249,500	249,500	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	256,000	256,000	-	-	-	-	-	-
	-	540,500	540,500	-	-	-	-	-	-

Name of the investee company	Number of shares				Balance as at 30 June 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
	As at 1 July 2013	Purchased during the year	Sold during the year	As at June 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) -----									
Foods Producers									
Engro Foods Limited	-	93,000	93,000	-	-	-	-	-	-
	-	93,000	93,000	-	-	-	-	-	-
Non Life Insurance									
Adamjee Insurance Company Limited	-	260,500	260,500	-	-	-	-	-	-
	-	260,500	260,500	-	-	-	-	-	-
Electricity									
Hub Power Company Limited	-	128,000	128,000	-	-	-	-	-	-
	-	128,000	128,000	-	-	-	-	-	-
Commercial Banks									
National Bank of Pakistan	-	855,500	855,500	-	-	-	-	-	-
United Bank Limited	-	3,500	3,500	-	-	-	-	-	-
Bank Alfalah Limited	-	131,000	131,000	-	-	-	-	-	-
	-	990,000	990,000	-	-	-	-	-	-
Fixed Line communication									
Pakistan Telecommunication Limited	-	2,652,000	2,652,000	-	-	-	-	-	-
	-	2,652,000	2,652,000	-	-	-	-	-	-
Total	-	7,530,500	7,530,500	-	-	-	-	-	-

5.6	Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	June 30 2014	June 30 2013
		----- Rupees in '000 -----	
	Market value of securities	719,638	1,033,517
	Less: carrying value of securities	718,722	1,033,006
		916	511
5.7	Loans and receivables		
	Term deposit receipts		
	- having original maturity of 3 months or less	150,000	100,000
	- having original maturity of more than 3 months	-	100,000
		150,000	200,000
5.7.1	Term deposit receipts carry mark-up at 10.95% (30 June 2013: 9.95% to 10.25%) per annum and maturity on 11 September 2014 (30 June 2013: ranging from 22 July 2013 to 04 October 2013).		
6.	PROFIT RECEIVABLE		
	Profit accrued on term deposit receipts	900	7,827
	Profit accrued on bank deposits	1,256	1,523
	Profit accrued on Pakistan investment bonds	26,815	-
	Profit accrued on debt securities	4,050	14,387
	GOP Ijarah Sukuk	-	46
		33,021	23,783

	Note	June 30 2014	June 30 2013
----- Rupees in '000-----			
7	SECURITY DEPOSITS AND OTHER RECEIVABLES		
	Security deposit with CDC	100	100
	National Clearing Company of Pakistan Limited - security deposit	20,072	14,926
	Bonds Automated Trading System (BATS) - security deposit	500	500
	Other receivables	-	5
		<u>20,672</u>	<u>15,531</u>
8.	PRELIMINARY EXPENSES AND FLOATATION COSTS		
	Opening balance	224	1,222
	Less: amortisation during the year	(224)	(998)
	Closing balance	<u>-</u>	<u>224</u>
8.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over five years in accordance with the requirement set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.		
9.	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
	Management fee	9.1 1,901	2,910
	Sindh sales tax on remuneration of Management Company	9.2 1,046	510
	Federal Excise duty on remuneration of Management Company	9.3 4,635	280
	Sales load	60	-
		<u>7,642</u>	<u>3,700</u>
9.1	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 an amount equal to 2 percent of such assets of the Fund. In the current year, the Management Company has charged remuneration at the rate of 1.5 percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.		
9.2	The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.		
9.3	As per the requirement of the Finance Act 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 9.2, further levy of the FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. As a matter of abundant caution, the Management company has made a provision with effect from 13 June 2013, aggregating to Rs. 4.635 million.		
10.	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30 2014
			June 30 2013
			----- Rupees in '000-----
	Trustee fee	10.1	<u>178</u>
			<u>235</u>

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund as at 30 June 2014 was as follows:

Net assets value	Tariff per annum
Upto Rs 1 billion	Rs 0.6 million or 0.17 percent per annum of NAV whichever is higher.
Rs 1 billion to Rs 5 billion	Rs 1.7 million plus 0.085 percent per annum of NAV exceeding Rs 1 billion.
Over Rs 5 billion	Rs 5.1 million plus 0.07 percent per annum of NAV exceeding Rs 5 billion.

	Note	June 30 2014	June 30 2013
----- Rupees in '000-----			
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	11.1	<u>1,361</u>	<u>2,143</u>
11.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as 'income scheme' is required to pay, as an annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the scheme.			
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		293	286
Brokerage		108	174
Printing and others charges		48	239
Payable to Workers' Welfare Fund	12.1	35,008	32,418
Withholding taxes		54	169
Other payable		15	-
		<u>35,526</u>	<u>33,286</u>

12.1 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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended 30 June 2011, 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. However, on December 14, 2010, the Ministry 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.

During the year ended 30 June 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs. 35.01 million (including Rs. 2.59 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at 30 June 2014 would have been higher by Rs. 0.2090 per unit.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the year end.

14. AUDITORS' REMUNERATION

	June 30, 2014	June 30, 2013
	----- Rupees in '000-----	
Annual audit fee	330	220
Half yearly review fee	110	110
Other certification and services	60	75
Out of pocket expenses	26	25
	<u>526</u>	<u>430</u>

15. 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 to the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed more than ninety percent of the Fund's accounting income to its unit holders.

16. FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2014, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than at fair value through profit or loss.

As at 30 June 2014

	Loans and receivables	Financial assets at fair value through profit or loss	Total
----- (Rupees in '000) -----			
Financial assets			
Balances with banks	728,927	-	728,927
Investments	150,000	719,638	869,638
Profit receivable	33,021	-	33,021
Security deposits and other receivables	20,672	-	20,672
Receivable against sale and maturity of investments	74,606	-	74,606
	<u>1,007,226</u>	<u>719,638</u>	<u>1,726,864</u>

As at 30 June 2014

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
----- (Rupees in '000) -----			
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	7,642	7,642
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	178	178
Dividend payable	-	-	-
Payable against redemption of units	-	50	50
Accrued expenses and other liabilities	-	464	464
	<u>-</u>	<u>8,334</u>	<u>8,334</u>

As at 30 June 2013

	Loans and receivables	Financial assets at fair value through profit or loss	Total
----- (Rupees in '000) -----			
Financial assets			
Balances with banks	1,100,682	-	1,100,682
Investments	200,000	1,033,517	1,233,517
Profit receivable	23,783	-	23,783
Receivable against sale and maturity of investments	15,531	-	15,531
Security deposits and other receivables	147,844	-	147,844
	<u>1,487,840</u>	<u>1,033,517</u>	<u>2,521,357</u>

	As at 30 June 2013		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	----- (Rupees in '000) -----		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	3,700	3,700
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	235	235
Dividend payable	-	1	1
Payable against redemption of units	-	5,243	5,243
Accrued expenses and other liabilities	-	699	699
	<u>-</u>	<u>9,878</u>	<u>9,878</u>

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the trustee, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited - Employees Superannuation (Pension) Fund, Allied Bank Limited - Staff Provident Fund, Cyan Limited, Cyan Limited - Employees Provident Fund and CFA Association of Pakistan being entities under common management and / or directorship, other associated companies of the Management Company, Key Management Personnel and other funds being managed by the Management Company and unit holders holding 10 percent or more units of the Fund.

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

17.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively,

17.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

	June 30 2014	June 30 2013
	----- Rupees in '000 -----	
17.5 Details of transactions during the year		

ABL Asset Management Company Limited - Management Company

Issue of nil units (2013: 19,715,441 units)	-	201,500
Bonus of 2,036,605 units (2013: 960,384 units)	20,366	9,603
Remuneration	27,220	42,852
Sindh sales tax on remuneration of the Management Company	5,052	6,856
FED on management fee	4,355	280

	June 30 2014	June 30 2013
	----- Rupees in '000-----	
Allied Bank Limited		
Redemption of nil units (2013: 75,000,000 units)	-	754,732
Mark-up income on bank deposits	1,679	4,295
Mark-up income on term deposit receipts	2,668	7,526
Amount placed in term deposit receipts	-	100,000
Bank charges	66	57
CFA Association of Pakistan		
Issue of nil units (2013: 179,340 units)	-	1,800
Bonus of 14,619 units (2013: 6,739 units)	146	67
Unit holders holding 10 percent or more units of the Fund		
Issue of 22,366,819 units (2013: 26,756,466 units)	226,000	270,000
Redemption of 43,364,408 units (2013: 52,280,739 units)	437,247	532,059
Bonus of 1,210,498 units (2013: 2,580,893 units)	12,105	25,809
TRUSTEE		
Central Depository Company of Pakistan Limited		
Remuneration	2,392	3,278
CHAIRMAN OF THE BOARD OF DIRECTORS MANAGEMENT COMPANY		
Sheikh Mukhtar Ahmad		
Bonus of 1,288 units (2013:1,502 units)	13	15
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Javaid Iqbal		
Issue of nil units (2013: 49,969 units)	-	500
Bonus of 9,132 units (2013: 8,816 units)	91	88
Redemption of 29,955 units (2013: nil units)	300	-
Tariq Mehmood*		
Bonus of 17,577 units	176	-
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 196,429 units (2013: Nil units)	2,000	-
Bonus of 69,973 units (2013: 118,294 units)	700	1,182
Redemption of 1,357,076 units (2013: Nil units)	13,711	-

17.6 Details of amounts outstanding as at year end	June 30 2014	June 30 2013
	----- Rupees in '000-----	
ABL Asset Management Company Limited		
- Management Company		
Outstanding 27,959,967 units (2013: 25,923,362 units)	280,743	259,488
Remuneration payable	1,901	2,910
Sindh sales tax on remuneration of the Management Company	1,046	466
FED On Management Fee	4,635	-
Sales load	60	
Allied Bank Limited		
Balances held in savings accounts	3,359	182,967
Mark - up accrued on deposits	35	690
CFA Association Of Pakistan		
Outstanding 200,698 units (2013: 186,079 units)	2,015	1,863
Unit holders holding 10 percent or more units of the Fund		
Outstanding nil units (2013: 27,761,891 units)	-	277,891
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	178	235
Security deposits receivable	100	100
CHAIRMAN OF THE MANAGEMENT COMPANY		
Sheikh Mukhtar Ahmad		
Outstanding 17,679 units (2013:16,391 units)	178	164
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Javaid Iqbal		
Outstanding 125,376 units (2013: 146,199 units)	1,259	1,463
Tariq Mehmood*		
Outstanding 241,312 units	2,423	-
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Outstanding 200,602 units (2013: 1,291,276 units)	2,014	12,925

* Prior year comparatives have not been presented as the person did not classify as related party / connected person as at 30 June 2013.

18. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of investment committee of the Fund are as follows:

S. No	Name	Designation	Experience in years	Qualification
1	Farid Ahmed Khan	Chief Executive Officer	20	CFA
2	Muhammad Imran	Chief Investment Officer	15	MBA
3	Abid Jamal	Head of Research	10	CFA
4	Kamran Aziz	Fund Manager	6	CFA
5	Faizan Saleem	Fund Manager	7	MBA

18.1 Mr. Faizan Saleem is the Fund Manager of the Fund. He is also managing the following funds:

- ABL Government Securities Fund
- ABL Cash Fund

19. TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended 30 June 2014:

S.No.	Particulars	Percentage
1	Invest & Finance Securities Limited	59.56%
2	JS Global Capital Limited	8.72%
3	Invest Capital Markets Limited	8.34%
4	C & M Management (Private) Limited	7.65%
5	Elixir Securities Pakistan (Private) Limited	4.81%
6	KASB Securities Limited	2.61%
7	Optimus Markets (Private) Limited	2.34%
8	Invest One Markets Limited	2.29%
9	Vector Capital (Private) Limited	1.40%
10	Next Capital	0.89%

List of top 10 brokers by percentage of commission charged during the year ended 30 June 2013:

S.No.	Particulars	Percentage
1	Invest & Finance Securities Limited	40.68%
2	Invest Capital Markets Limited	24.91%
3	C & M Management (Private) Limited	13.33%
4	JS Global Capital Limited	8.13%
5	Global Securities Pakistan Limited	2.77%
6	Summit Capital (Private) Securities	2.21%
7	KASB Securities Limited	2.14%
8	Elixir Securities Pakistan (Private) Limited	1.39%
9	Invest One Markets Limited	1.16%
10	ICON Securities (Private) Limited	1.04%

20. PATTERN OF UNIT HOLDING

As at 30 June 2014			
Category	Number of Unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	881	558,200	33.18%
Associated companies / directors	4	284,194	16.89%
Insurance companies	5	53,316	3.17%
Banks / DFIs	3	331,812	19.73%
Retirement funds	19	158,709	9.44%
Public limited companies	3	223,483	13.29%
Others	13	72,393	4.30%
	928	1,682,107	100.00%

As at 30 June 2013			
Category	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,185	921,416	37.20%
Associated companies / directors	5	275,904	11.14%
Insurance companies	5	49,280	1.99%
Banks / DFIs	2	382,473	15.44%
Retirement funds	24	156,636	6.32%
Public limited companies	7	351,814	14.20%
Others	18	339,450	13.70%
	1,246	2,476,973	100.00%

21. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 32nd, 33rd, 34th, 35th, 36th and 37th Board of Directors meetings were held on August 06, 2013, October 30, 2013, December 13, 2013, January 13, 2014, February 07, 2014 and April 22, 2014 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	No. of meetings			Meetings not attended
		Held	Attended	Leave granted	
Directors					
1	Sheikh Mukhtar Ahmed	6	6	-	-
2	Muhammad Waseem Mukhtar	6	5	1	36th BOD
3	Tariq Mahmood	6	6	-	-
4	Kamran Nishat	6	5	1	34th BOD
5	M. Shakeb Murad	6	2	4	32nd BOD, 34th BOD, 36th BOD and 37th BOD
6	M. Jawaid Iqbal	6	4	2	33rd BOD and 34th BOD
7	Khawaja Muhammad Almas	6	6	-	-
8	Farid Ahmed Khan*	6	6	-	-
Other persons					
1	Saqib Matin**	6	6	-	-

* Deemed director under section 200 of the Companies Ordinance, 1984.

** Attended BOD meetings as Company Secretary.

22. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing TFCs exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on the last repricing date of these TFCs, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs 0.359 million.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at 30 June 2014 include Pakistan Investment Bonds and term deposit receipts. Pakistan Investment Bonds are classified as held for trading, exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association on 30 June 2014, with all other variables held constant, the net assets would be lower by Rs. 14.05 million. In case of 100 basis points decrease in rates announced by the Financial Markets Association on 30 June 2014 with all other variables held constant, the net assets would be higher by Rs. 14.76 million.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

20. PATTERN OF UNIT HOLDING

As at 30 June 2014			
Category	Number of Unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	881	558,200	33.18%
Associated companies / directors	4	284,194	16.89%
Insurance companies	5	53,316	3.17%
Banks / DFIs	3	331,812	19.73%
Retirement funds	19	158,709	9.44%
Public limited companies	3	223,483	13.29%
Others	13	72,393	4.30%
	928	1,682,107	100.00%

As at 30 June 2013			
Category	Number of unit holders	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)			
Individuals	1,185	921,416	37.20%
Associated companies / directors	5	275,904	11.14%
Insurance companies	5	49,280	1.99%
Banks / DFIs	2	382,473	15.44%
Retirement funds	24	156,636	6.32%
Public limited companies	7	351,814	14.20%
Others	18	339,450	13.70%
	1,246	2,476,973	100.00%

21. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 32nd, 33rd, 34th, 35th, 36th and 37th Board of Directors meetings were held on August 06, 2013, October 30, 2013, December 13, 2013, January 13, 2014, February 07, 2014 and April 22, 2014 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	No. of meetings			Meetings not attended
		Held	Attended	Leave granted	
Directors					
1	Sheikh Mukhtar Ahmed	6	6	-	-
2	Muhammad Waseem Mukhtar	6	5	1	36th BOD
3	Tariq Mahmood	6	6	-	-
4	Kamran Nishat	6	5	1	34th BOD
5	M. Shakeb Murad	6	2	4	32nd BOD, 34th BOD, 36th BOD and 37th BOD
6	M. Jawaid Iqbal	6	4	2	33rd BOD and 34th BOD
7	Khawaja Muhammad Almas	6	6	-	-
8	Farid Ahmed Khan*	6	6	-	-
Other persons					
1	Saqib Matin**	6	6	-	-

* Deemed director under section 200 of the Companies Ordinance, 1984.

** Attended BOD meetings as Company Secretary.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Particulars	As at 30 June 2014					Total
	Effective yield / interest rate %	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5 - 10.75	728,927	-	-	-	728,927
Investments	10.92-12.41	150,000	-	719,638	-	869,638
Profit receivable	-	-	-	-	33,021	33,021
Security deposits and other receivables	-	-	-	-	20,672	20,672
Receivable against sale and maturity of investments	-	-	-	-	74,606	74,606
Sub total		878,927	-	719,638	128,299	1,726,864
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	-	-	-	-	7,642	7,642
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	178	178
Dividend payable	-	-	-	-	-	-
Payable against redemption of units	-	-	-	-	50	50
Accrued expenses and other liabilities	-	-	-	-	464	464
Sub total		-	-	-	8,334	8,334
On-balance sheet gap (a)		878,927	-	719,638	119,965	1,718,530
Off-balance sheet financial instruments (b)		-	-	-	-	-
Off-balance sheet gap (a+b)		-	-	-	-	-
Total interest rate sensitivity gap		878,927	-	719,638	119,965	1,718,530
Cumulative interest rate sensitivity gap		878,927	878,927	719,638		

Particulars	As at 30 June 2014					Total
	Effective yield / interest rate %	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6 - 9.4	1,100,682	-	-	-	1,100,682
Investments	9 - 11.94	859,110	130,044	244,363	-	1,233,517
Profit receivable	-	-	-	-	23,783	23,783
Security deposits and other receivables	-	-	-	-	15,531	15,531
Receivable against sale and maturity of investments	-	-	-	-	147,844	147,844
Sub total		1,959,792	130,044	244,363	187,158	2,521,357
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	-	-	-	-	3,376	3,376
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	235	235
Dividend payable	-	-	-	-	1	1
Payable against redemption of units	-	-	-	-	5,243	5,243
Accrued expenses and other liabilities	-	-	-	-	743	743
Sub total		-	-	-	9,598	9,598
On-balance sheet gap (a)		1,959,792	130,044	244,363	177,560	2,511,759
Off-balance sheet financial instruments (b)		-	-	-	-	-
Off-balance sheet gap (a+b)		-	-	-	-	-
Total interest rate sensitivity gap		1,959,792	130,044	244,363	177,560	2,511,759
Cumulative interest rate sensitivity gap		1,959,792	2,089,836	2,334,199		

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Fund is not exposed to any price risk as on 30 June 2014.

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investments, balances with banks and security deposits held with various entities. The Fund does not foresee any credit risk with respect to government securities since these represent the interests of the Government of Pakistan. The credit risk on other financial assets is limited because the counter parties are financial institutions and companies with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

22.2.1 The analysis below summarises the available published credit rating of the Fund's financial assets as at 30 June 2014:

Bank balances by rating category

Name of the bank	Rating agency	Published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	0.45%
Askari Bank Limited	PACRA	AA	0.03%
Bank Al Habib Limited	PACRA	AA+	0.06%
Bank Alfalah Limited	PACRA	AA	1.54%
Barclays Bank Limited	Standard & Poor's	A	0.08%
Deutsche Bank AG	Standard & Poor's	A	-*
Faysal Bank Limited	PACRA	AA	46.23%
Habib Metropolitan Bank Limited	PACRA	AA+	0.06%
MCB Bank Limited	PACRA	AAA	0.07%
NIB Bank Limited	PACRA	AA-	0.08%
Soneri Bank Limited	PACRA	AA-	50.81%
United Bank Limited	JCR-VIS	AA+	0.14%
Albaraka Bank (Pakistan) Limited	PACRA	A	0.39%
Sindh Bank Limited	JCR-VIS	AA-	0.06%

* Nil due to rounding off

Term deposit receipts by rating category

Name of the bank	Rating agency	Published rating	Percentage of term deposit receipt
JS Bank Limited	PACRA	A+	100%

Term finance certificates by rating category

Name of the issuer	Rating agency	Published rating	Percentage of term finance certificate
Standard Chartered Bank Pakistan Limited	PACRA	AAA	21%
Bank Alfalah Limited	PACRA	AA-	22%
NIB Bank Limited	PACRA	A+	34%
WAPDA	PACRA	AAA	23%

There are no financial assets that are past due or impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various credit-worthy financial institutions and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan, thereby mitigating any significant concentrations of credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to manage liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damages to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund has ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at June 30, 2014			
Upto three months	More than three months and up to one year	More than one year	Total

(Rupees in '000)

Liabilities

Payable to ABL Asset Management Company Limited - Management Company	7,642	-	-	7,642
Payable to the Central Depository Company of Pakistan Limited - Trustee	178	-	-	178
Dividend payable	-	-	-	-
Payable against redemption of units	50	-	-	50
Accrued expenses and other liabilities	464	-	-	464
	8,334	-	-	8,334

As at June 30, 2013			
Upto three months	More than three months and up to one year	More than one year	Total

(Rupees in '000)

Liabilities

Payable to the ABL Asset Management Company Limited - Management Company	3,376	-	-	3,376
Payable to the Central Depository Company of Pakistan Limited - Trustee	235	-	-	235
Dividend payable	1	-	-	1
Payable against redemption of units	5,243	-	-	5,243
Accrued expenses and other liabilities	743	-	-	743
	9,598	-	-	9,598

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

International Financial Reporting Standard 7, 'Financial Instruments: Disclosure' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investment of the Fund carried at fair value are categorised as follows:

	As at June 30, 2014			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investment in securities - financial assets at fair value through profit or loss				
- Pakistan investment bonds	-	507,798	-	507,798
- Term finance certificates	-	211,840	-	211,840
	As at June 30, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investment in securities - financial assets 'at fair value through profit or loss'				
- Market treasury bills	-	659,110	-	659,110
- Term finance certificates / other sukuku	-	372,406	-	372,406
- GoP Ijarah Sukuku	-	2,001	-	2,001

24. UNIT HOLDER'S FUND RISK MANAGEMENT

The unit holder's fund is represented by redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' funds

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained

and complied with the requirements of minimum fund size during the year.

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 26, 2014 by the Board of Directors of the Management Company.

26. GENERAL

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

26.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR