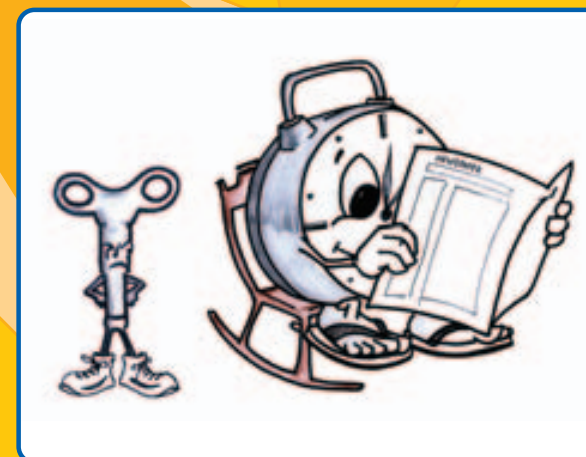
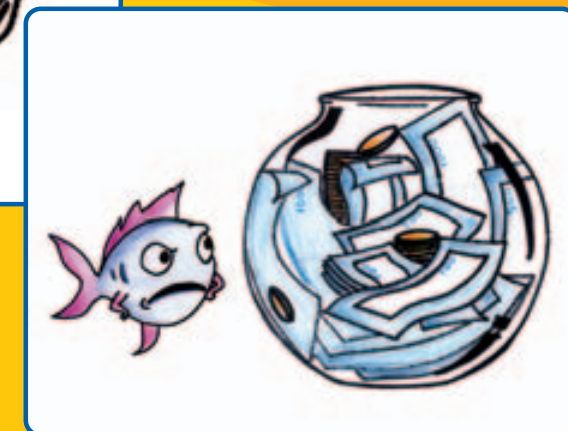
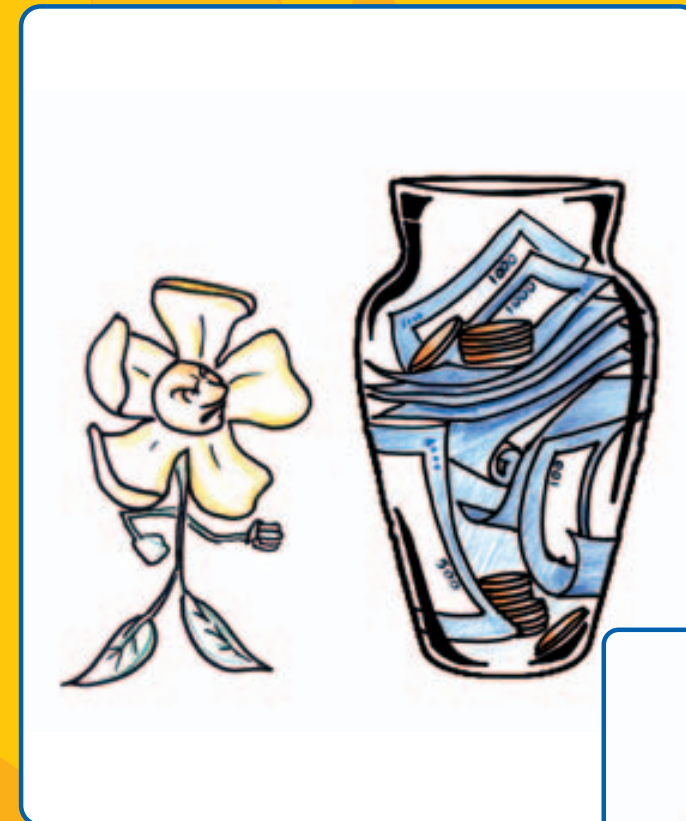


CONTACT US:

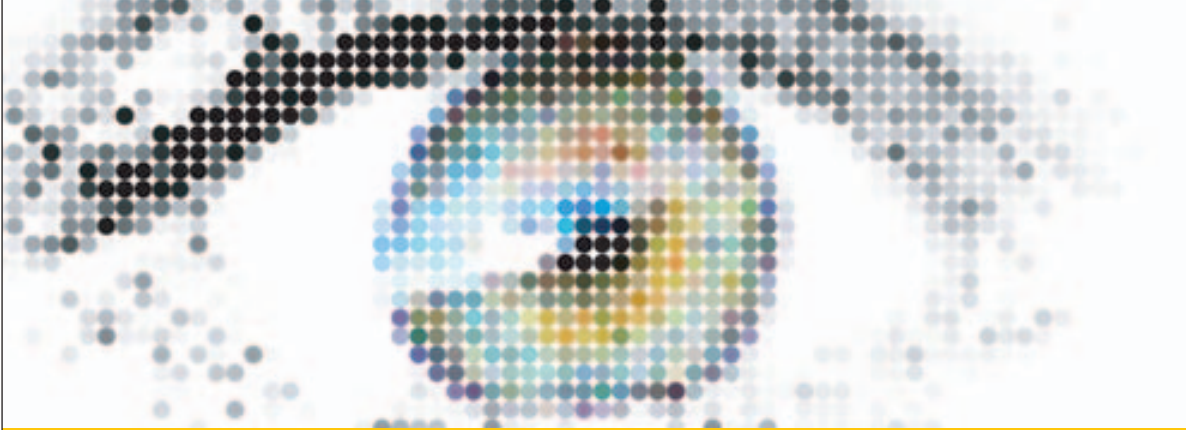
Helpline 0800 ABL-AM (0800 225 26)
UAN: (021) 111-ABL-AMC (111-225-262)
Email: contactus@ablmc.com
Website: www.ablmc.com



ANNUAL
REPORT 09

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VISION

“Creating investment solutions ,,
within everyone’s reach”



MISSION & CORE VALUES

MISSION & CORE VALUES

CORE VALUES

- To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABL AMC 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.

FUND INFORMATION

Management Company:	ABL Asset Management Company Limited 11 – B, Lalazar, M. T. Khan Road, Karachi.	
Board of Directors of the Management Company:	Sheikh Mukhtar Ahmed Mr. Mohammad Aftab Manzoor Mr. M. Jawaid Iqbal Mr. Muhammad Yaseen Mr. M. Shakeb Murad Mr. Samad Dawood Mr. Anis ur Rahman	Chairman Director Director Director Director Director Director
Audit Committee:	Mr. Mohammad Aftab Manzoor Mr. Muhammad Yaseen Mr. Samad Dawood	Chairman Member Member
Chief Executive Officer:	Mr. Anis ur Rahman, CFA	
Chief Operating Officer & Company Secretary:	Mr. Sulaiman S. Mehdi	
Chief Financial Officer:	Mr. Saqib Matin	
Head of Internal Audit:	Mr. Faisal Nadeem Mangroria	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Alfalah Limited United Bank Limited	
Distributors:	Allied Bank Limited Reliance Financials Product (Pvt.) Limited Invest Capital Investment Bank Limited Atlas Capital Markets (Pvt.) Limited IGI Investment Bank (FundSelect) Elixir Securities Pakistan (Pvt.) Limited Pyramid Financial Consultants (Pvt.) Limited	Foundation Securities (Pvt.) Limited Flow (Pvt.) Limited JS Global Capital Limited Vector Consulting (Pvt.) Limited BMA Financial Services Limited Alfalah Securities (Pvt.) Limited
Auditors:	A.F. Ferguson & Co., Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 – C1 – 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	
Rating:	Fund Stability: A(f) by JCR-VIS Management Company: AM3 by JCR-VIS	

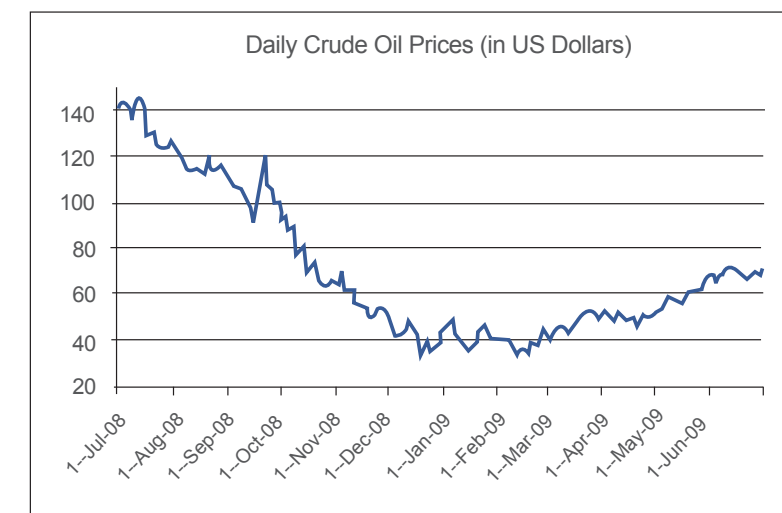
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited (the Management Company) is pleased to present the Annual Report of ABL Income Fund (ABL-IF) for the period ended June 30, 2009.

PERFORMANCE OF PAKISTAN'S ECONOMY AND GLOBAL HIGHLIGHTS

GLOBAL ENVIRONMENT

FY09 would be remembered as one of the most turbulent ones for the global economy and Pakistan has been no exception. The sequence of crisis began with the mounting losses on sub-prime mortgage derivatives in US which led to serious difficulties in a host of large financial institutions. The decision to let Lehman Brothers fail on 15 September, 2008 pulled the plug on an already embattled and weakened financial system. Inter-bank accommodation and all classes of private credit dried up and brought down day-to-day economic activities almost to a halt. There was a boom and bust in commodity prices with crude oil first rising to US\$ 145.29 per barrel in July 2008 and then crashing down to US\$ 33.87 per barrel in less than six months. Inflation, which became rampant on back of commodity price shocks translated into deflation with all major developed countries facing a free fall in prices. All classes of assets tumbled, the only exception being government bonds. As the contagion spread and job losses rose in the advanced industrial economies, confidence was eroded further and general consumer demand in both the US and other developed nations dropped. In consequence, emerging economies saw export markets contract. Both debt and equity markets received serious setbacks compromising their ability to function as platforms for raising capital.



However, wide-ranging government policy actions to inject liquidity into markets, stabilize bank balance sheets, and restore credit market functioning have allowed financial markets to regain their footing. As a result, risk appetite has recoiled, leading to a powerful rally in risk assets such as stocks. Stability in the economic powerhouses has helped reduce risk in the emerging markets in Latin America and Asia. Timely support from IMF to more vulnerable economies such as Pakistan was also a major factor contributing to stability. Nevertheless, it is still early to comment whether the recovery, if any, was fundamentals or liquidity driven. To quote Economist Magazine "The S&P 500 index is trading on P/E ratio of around 20, based on 2009 forecasts for corporate earnings. A more cautious approach, using earnings reported under official accounting standards, puts the multiple at 27. Both the numbers are above the historical average". According to Smithers & Co., the American market is 37 percent overvalued on the best long-term measure, the cyclically adjusted P/E ratio. Emerging stock markets (of which Pakistan is a part) are up by 62 percent since start of the year and are 94 percent above their lows. It is a strange dilemma that markets in general are facing, which is a sharp economic recovery on back of government stimulus packages and heightened inflationary fears emanating from very same packages.

DOMESTIC ENVIRONMENT

The local economy succumbed to global economic woes where substantial flight of FDI and loss of export revenues were witnessed during early part of FY09. Although contraction in export receipts was more than compensated by massive import compression on back of global crash of crude oil and commodity prices, significant threat to external account in light of reduced foreign inflows remained the key threat to Pakistan's economy. In order to ensure that macroeconomic difficulties do not further slow down the pace of economic recovery, the government reached an agreement with IMF for a US\$ 7.6 billion package with interest rate varying from 3.5 percent to 4.5 percent spread out over a period of 23 months (loan package from IMF was later enhanced to US\$11.3 billion). Despite abundant support from IMF and other bilateral and multilateral donors, Pakistan's external account remains exposed to a host of uncertainties, especially, the future increase in crude oil prices (crude oil contributed approximately 28 percent to total imports in FY09).

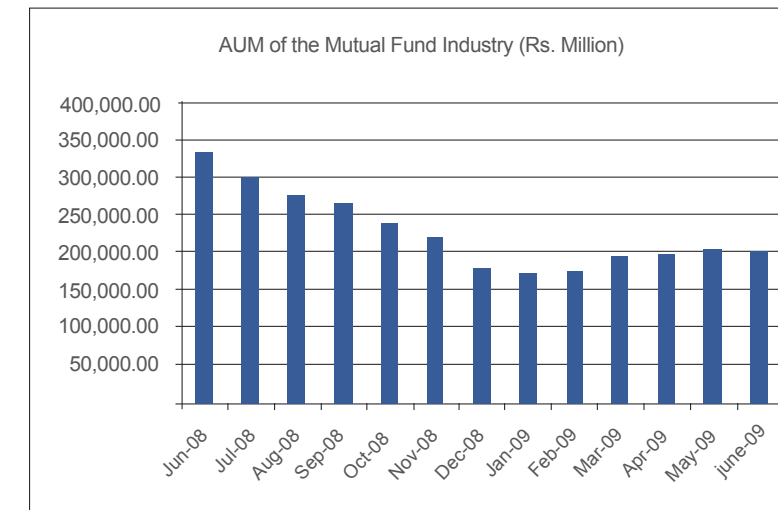
Tight Monetary Policy to curb inflationary pressures was a major hindrance in path of Pakistan's economic recovery. While countries all over the world were loosening interest rates to support their economies, State Bank of Pakistan (SBP) made price control its top priority. SBP announced a 200 bps hike in discount rate to 15 percent on November 12, 2008 and after a slight reversal in the mounting inflationary and demand pressures, it made a downward adjustment of 100 bps in its policy rate on April 20, 2009. The discount rate currently is 13 percent and though the economy is in desperate need for a rate cut Central Bank contemplates future inflationary pressures, in wake of power tariff and fuel prices hikes, are reasons enough for holding interest rates up. It is reasonable to expect Discount Rate not going below 12 percent in near future despite higher rate cut expectations by some economists.

Political instability and the volatile security situation were yet other factors that strained local economic condition. Power shortages forced local industry to either slow or hold down their production thus heavily impacting the Manufacturing Sector. Large Scale Manufacturing Industry, which registered a contraction of 7.7 percent in FY09 as against expansion of 4 percent in last year and 5.5 percent target for the year, was worst hit. Services Sector grew by 3.6 percent as against last year's growth of 6.6 percent. Respite came from the Agricultural Sector that depicted a growth of 4.7 percent as compared to 1.1 percent witnessed last year. The GDP as a result managed to grow at 2 percent in FY09, which compares sharply with last fiscal year's GDP growth of 4.1 percent.

Local bourses, in this situation, were quick to react and the KSE-100 Index suffered a staggering decline of around 40 percent due to panic selling by both foreign and domestic investors in period between April 18, 2008 and August 27, 2008. Regulators had to place a floor at KSE-100 Index at 9,144 level on August 27, 2008 to prevent further outflows from the local bourses. As a consequence the KSE-100 Index was removed from the Emerging Market (EM) Index in December 2008. Equity Funds were unable to redeem their investments in shares due to the aforementioned reasons, which is what led SECP to issue a directive barring redemptions in equity funds. Not only did this shatter investors' confidence in general but also caused massive outflow of foreign capital post removal of floor, which was in effect another blow to the external account.

Steep fall in foreign exchange reserves and sharp depreciation of the exchange rate (both driven by external account pressures) led to substantial drain of the rupee liquidity from interbank market by October 2008. The resulting decline in banks' liquidity and lower T-bills with Scheduled Banks led to sharp jump in call rates in the inter-bank market. Thus, the spread between call and repo rose to exceptionally high levels during 2QFY09.

During the 2QFY09 liquidity constraints substantiated by sky rocketing interest rates leading to an adverse effect on TFC prices as their tradability diminished. In November 2008, SECP issued a circular instructing all Fixed Income Mutual Funds to mark down TFC prices based on a pre-defined mechanism. This decision led to an abnormal drop in Net Asset Values (NAVs), thereby incurring heavy losses to investors of Fixed Income Mutual Funds. As cash equivalent assets exhausted, Fixed Income Mutual Funds were left with excessive exposure to Corporate Bonds thereby rendering them illiquid. After portraying a significant growth of 55% in terms of AUMs during the last 5 years, the mutual fund industry faced difficulties during FY09 due to aforementioned reasons. With the economic slowdown and severe liquidity crunch in the market, the overall AUM of the mutual fund industry declined by 39% from a level of Rs.335.5 billion in June 2008, to close at Rs.204.8 billion in June 2009. The industry touched its lowest level of Rs.174 billion in January 2009; however it recovered from this level, increasing by 17 percent during the last 5-months period of FY09.



SBP took several measures to improve liquidity position in the market, including injection of fresh liquidity into the system through OMOs, reduction in CRR by 1 percent, allowance of HTM securities for discounting purposes, and an increase in SLR eligibility limit of the PIBs from 5 percent to 10 percent of the term deposit limit. The effect of SBP support to improve market liquidity and lowering of inflation expectations led to softening of market interest rates post November 2008 period.

Moreover, the assets structure of the banks started to change significantly after December 2008. Banks during the second half of FY09 restructured their assets, deploying more and more capital in the government backed securities and rationalizing advances to the private sector. Higher government borrowing and enhanced risk of NPLs were the key reasons behind this shift. The net effect again was enhanced liquidity in the system.

For the year ended June 30, 2009, SBP successfully met the three performance standards set by the IMF. Both the stock of budgetary borrowings from the SBP at Rs.1,130 billion and Net Domestic Assets (NDA) of SBP at Rs.1,183 billion were below their respective targeted ceilings of Rs.1,181 billion and Rs.1,321 billion. Similarly, the Net Foreign Assets (NFA) of SBP at US\$ 3.98 billion was higher than its targeted floor of US\$ 2.37 billion. However cumulative net government sector borrowing during FY09 stood at Rs.524 billion. Meeting the heavy government borrowing requirements from the commercial banks was possible due to adequate deposit generation in the system. During 4QFY09, total deposits witnessed a sharp increase of Rs.245.5 billion in contrast with the net increment of Rs.42 billion during the nine months of FY09.

FUND PERFORMANCE

During the period from September 20, 2008 to June 30, 2009, assets under management (AUM) of the mutual fund industry declined by 23.93%, however net assets under management of ABL-IF as on June 30, 2009 rose to Rs. 6,872 million an increase of 273.3% since the launch of the fund (i.e. Rs.1,841 million on September 20, 2008). Since inception the unit price of ABL-IF increased by 10.76% from its par value of Rs.10.00 to Rs. 11.0764 (cum dividends) as on June 30, 2009 translating into an annualized return of 14.56%.

During the period under review, ABL-IF managed to outperform its benchmark 1-Month KIBOR by 1.08% by locking its investments at higher rates with good financial institutions in anticipation that liquidity pressure easing off in the future. As per its objective ABL-IF maintained its conservative investment philosophy whilst yielding good returns to its investors and avoided taking exposure in TFCs due to price risk.

ABL Income Fund earned total income of Rs.367.87 million for the period from September 20, 2008 to June 30, 2009 mainly out of which Rs.295.78 million was earned from deposits with banks and term deposits, Rs.65.92 million was earned from placements and Rs.5.78 million from government securities. After accounting for expenses of Rs.45.40 million (comprising mainly of the management fee of Rs.37.40 million) net income from operating activities for the period from September 20, 2008 to June 30, 2009 stood at Rs.322.47 million.

With the net element of income/capital gains of Rs.75.90 million included in the prices of units issued less those in units redeemed, the net income for the period from September 20, 2008 to June 30, 2009 stood at Rs.398.37 million.

DIVIDEND

The Chief Executive Officer on behalf of the Board of Directors of the management company on June 29, 2009 declared final dividend distribution of Rs.0.2971/- per unit (2.97% of the par value of Rs.10/-) for ABL-IF for the period ended June 30, 2009. This was in addition to interim dividend distribution of Rs.0.4165/- per unit (4.17% of the par value of Rs.10/-) for the quarter ended December 31, 2008 and Rs.0.3462/- per unit (3.46% of the par value of Rs.10/-) made for the quarter ended March 31, 2009. Thus the total dividend distribution of ABL-IF during the period from September 20, 2008 to June 30, 2009 amounted to Rs.1.0598 per unit (10.60% of the par value of Rs.10/-).

In the better interest of the unit holders, especially Corporate(s) and Financial Institutions (FIs), ABL AMCL on behalf of ABL-IF distributed all dividends before quarter closings so that dividend income could be booked by the Corporate(s) and FIs during their respective quarters.

Since the above distribution is more than 90% of the income for the period from September 20, 2008 to June 30, 2009, the income of ABL-IF will not be subject to tax under the Clause 99 of the Part I of the Second Schedule of Income Tax Ordinance, 2001.

STRATEGY, REVIEW AND OUTLOOK OF ABL-IF

For strategy, review and outlook of ABL-IF, kindly refer to the Fund Manager's Report on Page #10 of the Annual Report

CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts have been maintained by the Fund;
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, provision of the Non Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities & 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 are 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. Since the Fund was launched on September 20, 2008 therefore performance table of the Fund covering only the current year's performance is given on page # 12 of the Annual Report;
9. There is no any statutory payment on account of taxes, duties, levies and charges outstanding;
10. The statement as to the value of investments of Staff Provident Fund is not applicable in the case of the Fund as such 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 and the Company Secretary and their spouses except as disclosed below and in notes to the financial statements;

S. No.	NAME	DESIGNATION	BEGINNING UNITS	UNITS ISSUED	UNITS REDEEMED	BONUS UNITS	CLOSING UNITS
1	Sheikh Mukhtar Ahmad	Chairman	9,706	-	-	1,065	10,771
2	Mr. M. Jawaid Iqbal	Director	29,275	-	-	870	30,145
3	Mr. M. Shakeb Murad	Director	29,961	-	-	-	29,961
4	Mr. Anis ur Rahman	CEO	10,000	9,711	-	1,386	21,097
5	Mr. Sulaiman Sadruddin Mehdi	Company Secretary	29,026	-	-	1,897	30,923
6	Mr. Saqib Matin	CFO	2,500	48,894	52,709	1,315	0

12. Meetings of the Board of Directors of the Management Company are held at least once in every quarter. During the period under review six meetings were held. Attendance of directors in these meetings are given below and in notes to the financial statements:

SNO.	NAME OF DIRECTOR	NUMBER OF MEETINGS HELD	ATTENDED	LEAVE GRANTED	MEETINGS NOT ATTENDED
1.	Sheikh Mukhtar Ahmed	6	2	4	8th, 10th, 12th and 13th
2.	Mr. M. Aftab Manzoor	6	5	1	12th
3.	Mr. M. Jawaid Iqbal	6	6	-	-
4.	Mr. Muhammad Yaseen	6	6	-	-
5.	Mr. M. Shakeb Murad	6	5	1	8th
6.	Mr. Samad Dawood	6	4	2	8th and 13th
7.	Mr. Anis ur Rahman	6	6	-	-

13. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Income Fund (ABL-IF), is given on page # 12 of the Annual Report.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors are being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2010 for ABL Income Fund (ABL-IF).

RATING OF THE FUND AND THE MANAGEMENT COMPANY

On December 15, 2008, JCR-VIS has assigned Fund Stability Rating of A(f) to ABL-IF denoting, both credit and price risk being considered manageable.

On December 15, 2008, JCR-VIS has assigned Management Quality Rating of 'AM3' to ABL AMCL which denotes 'good management quality'.

OUTLOOK

IMF's SBA has provided much needed support whereas external commodity pressures have also subsided. On the domestic front there is significant improvement in the macroeconomic indicators, like inflation and domestic and external balance. Inflation numbers are down from their peak level and expected to witness significant correction within the next few months.

We maintain our stance that, barring any unforeseen political surprises, the worst is over and 2009-10 would be a much better year for Pakistan's economy.

ACKNOWLEDGEMENT

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

For and on behalf of the Board.



ANIS UR RAHMAN
CEO

Karachi, October 20, 2009

FUND MANAGER'S REPORT STRATEGY, REVIEW AND OUTLOOK OF ABL INCOME FUND (ABL-IF)

OBJECTIVE

The objective of ABL-IF 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.

FUND PERFORMANCE AND MARKET OVERVIEW

As on June 30, 2009, net assets under management of ABL-IF rose to Rs.6,872 million, depicting an increase of 273% since its launch on September 20, 2008 (fund size was Rs.1,841 million). On the contrary, overall assets under management of the mutual fund industry declined by 23.93% ABL-IFs annualized return since inception was 14.56%, while its average benchmark return was 13.48%. However industry wide returns of fixed income funds for FY-09 averaged 4.79%.

FY-09 was a turbulent year especially for the asset management sector where fixed income funds experienced heavy redemptions on account of substantial losses due to downward revision in TFC prices. During 2QFY-09, the financial markets suffered through liquidity shortage due to hike in interest rates, flight in FDI and collapse of the local bourses. Cash equivalent assets of funds were liquidated to service redemptions, however funds were eventually left exposed to TFCs which had devalued considerably and thus, were rendered non-tradable.

ABL-IF was launched in September 2008 whilst the woes of the asset management sector had just commenced. The fund refrained from investments in TFCs and any equity linked instruments thus avoided any mark to market or impairment loss. ABL-IF prudently took exposure in both money market instruments and Term Deposit Receipts (TDRs). During the period under review, ABL-IF's performance in terms of return and AUM growth was one of the highest amongst its peers. ABL-IF distributed regular dividends on a quarterly basis.

The rationale for investments in short term TDRs and money market placements was to maintain a liquid profile and benefit from any upward revision in interest rates during 2QFY-09. Due to a dearth in liquidity and increase in discount rate during 2QFY-09, profit rates peaked and ABL-IF yielded its highest annualized return of 16.57% in December 2008. However, as the market depicted signs of recovery in 3QFY-09, longer term investments at high rates were locked in with good rated institutions, in order to sustain returns.

After Pakistan's entrance into the IMF Program in November 2008, economic indicators improved and inflationary pressures subsided due to tightening of the Monetary Policy, thus stability was restored to a near collapsing economy. Liquidity scarcity was curtailed and subsequently interest rates stabilized during 3QFY-09. Moreover with a cut in the discount rate by 100 bps to 14% in April 2009 from 15% set in November 2008, interest rates fell sharply. Although, ABL-IF had locked in investments at higher rates but due to improvement in liquidity and subsequent higher sales in ABL-IF (a growth of 245% since December 2008), returns were diluted thereby yielding an annualized return of 14.15% since December 2008.

Irrespective of Pakistan's entrance into the IMF Program, economic conditions did not revert to previous levels. Devaluation of the rupee against major currencies and heavy budgetary borrowing by the Government were the primary factors that impeded expeditious recovery. Furthermore, export oriented industries suffered on account of heavy borrowing and depressed revenue due to dampened sales. Previously, when the economy was performing, industries underwent heavy expansions via bank borrowed money thus substantial increase in finance costs crippled the country's industry. To add to its woes, power shortages and security risks irked any rehabilitation possibilities.

As a result, Non Performing Loans (NPLs) of the banking sector started accumulating thereby posing risks to the banking sector in general. By June 2009, NPLs stood at Rs.398 billion. However, due to SBP's prudent monitoring, stability prevailed and the banking sector still remains one of the most profitable sectors. ABL-IF to date has not taken exposure in TFCs as a policy measure and has concentrated its investments towards the financial sector in the form of TDRs and Money Market placements. However, due to drastic fall in TDR rates, investments in Treasury Bills are on the horizon and with the expectation of a further cut in discount rate; these could be a source of capital gains and benefit the unit holders.

FUTURE OUTLOOK AND STRATEGY

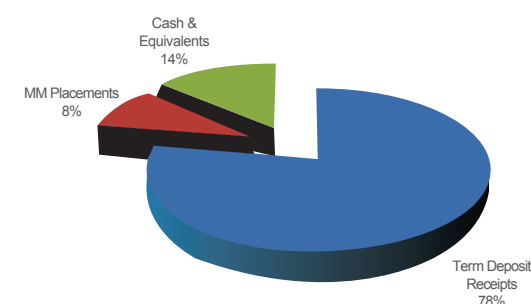
It is expected that interest rates would be slashed further in order to support the ailing industry and consequently enhance GDP growth. However challenges for the revival of the economy persist due to inflationary pressures, power shortage, ongoing security situation and commodity price volatility. ABL-IF intends to build on its T-Bill portfolio due to better comparable returns being offered with the possibility of capital gains on such investments in the future. In order to remain liquid, ABL-IF shall be maintaining its money market portfolio entailing various instruments such as reverse Repos, Certificate of Investments and Letter of Placements. Due to the pricing risks associated with TFCs ABL-IF is still vary on exposure to TFCs.

ABL-IF - PERFORMANCE	FY-09
Yield since Inception (20 September, 2008 – 30 June, 2009)	14.56%
Benchmark Average (1M- KIBOR)	13.48%
Standard Deviation	1.69%
Sharpe Ratio	1.08
Weighted Average Duration as at June 30, 2009	82 days

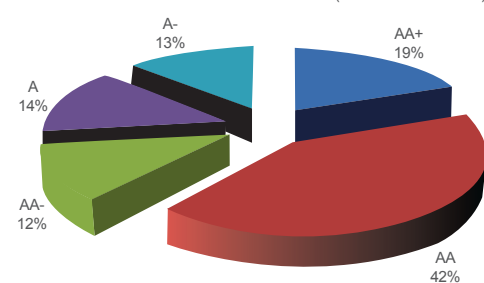
ABL-IF - AUM & PRICING	FY-09
Assets under Management as at June 30, 2009 (PKR mn)	6,872
Closing NAV per unit as at June 30, 2009 (PKR)(Ex- Dividends)	10.0166
Closing NAV per unit as at June 30, 2009 (Cum- Dividends)	11.0764

DISTRIBUTIONS	PAYOUT	RUPEES PER UNIT
1st Quarterly Dividend (December 2008)	100%	0.4165
2nd Quarterly Dividend (March 2009)	100%	0.3462
3rd Quarterly Dividend (June 2009)	100%	0.2971

ABL-IF ASSET ALLOCATION (AS AT 30 JUNE 2009)



ABL-IF PORTFOLIO QUALITY (AS AT 30 JUNE 2009)



ABL INCOME FUND PERFORMANCE TABLE

	June 2009 Rupees in '000
Net Assets	6,872,176
Net Income	398,369
	(Rupees per unit)
Net Assets value	10.0166
Interim distributions	0.7627
Final distribution	0.2971
Final Distribution date	June 29, 2009
Closing offer price	10.0166
Closing repurchase price	10.0166
Highest offer price	10.4165
Lowest offer price	10.0000
Highest repurchase price per unit	10.4165
Lowest repurchase price per unit	10.0000
	Percentage
Total return of the fund	
- capital growth	3.96%
- income distribution	10.60%
Average return of the fund	14.56%
Weighted average Portfolio duration in days	82
Distribution date	Rate
December 31, 2008	Re 0.4165 Per Unit
March 31, 2009	Re 0.3462 Per Unit

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 PATTERN OF UNIT HOLDINGS

AS AT JUNE 30, 2009

Category	No. of Unit Holders	Number of units held	Rupees in '000	
			Net asset value of amount invested	Percentage of total investment
Individuals	841	58,153,422	582,500	8.48%
Associated Companies/Directors	14	213,213,716	2,135,676	31.08%
Insurance Companies	7	43,350,167	434,221	6.32%
Banks/DFIs	5	44,339,158	444,128	6.46%
NBFCs	1	5,548,654	55,579	0.81%
Retirement Funds	32	42,099,848	421,697	6.14%
Public Limited Companies	12	147,921,109	1,481,667	21.56%
Others	20	131,455,045	1,316,708	19.16%
	932	686,081,119	6,872,176	100%



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

The ABL Income Fund (the Fund), an open-end Fund was established under a trust deed dated June 16, 2008, executed between ABL Asset Management Company Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from September 20, 2008 to June 30, 2009 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 and the constitutive documents of the Fund.


Muhammad Hanif Jakhura
 Chief Executive Officer
 Central Depository Company of Pakistan Limited

Karachi: October 21, 2009

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office: CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shaheed-e-Faisal, Karachi-74400, Pakistan. Ph: (92-21) 111-111-500, Fax: (92-21) 34326020-23
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PRICEWATERHOUSECOOPERS

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **ABL Asset Management Company Limited** (the Management Company) of **ABL Income Fund** (the Fund) to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance and report if it does not. 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 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, sub-regulation (xiii a) of the Listing Regulation No. 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the board of directors for their consideration and approval 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices 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 Management Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period ended June 30, 2009.


 Chartered Accountants
 Karachi
 Dated: 20 OCT 2009

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STATEMENT OF COMPLIANCE BY ABL INCOME FUND WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE PERIOD ENDED JUNE 30, 2009

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 (Guarantee) Limited 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 non-executive directors. At present, all the directors, except for the Chief Executive Officer (CEO) of the Management Company, are non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the directors of the Management Company have confirmed that they are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, have been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the period under review.
5. The Management Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors and employees of the Management Company.
6. The Board has developed a vision/mission statement, an overall corporate strategy and significant policies for 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 CEO have been taken by the Board. There is no other executive director of the Management Company besides the CEO.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose 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. The related party transactions have been placed before the audit committee and approved by the board of directors with necessary justification for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
10. In order to apprise the directors of their duties and responsibilities, the requirements of applicable laws and regulations and for their orientation purposes they have been provided with the copies of the NBFC (Establishment and Regulation) Rules, 2003, NBFC & NE Regulations, 2008, Companies Ordinance 1984, Listing Regulations, Code of Corporate Governance, Prudential Regulations, Management Company's Memorandum and Articles of Association and all other relevant rules and regulations and hence are conversant with the relevant laws applicable to the Management Company and to the Fund, their policies and procedures and with the provisions of Memorandum and Articles of Association and are aware of their duties and responsibilities.
11. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

12. The roles and responsibilities of the Chairman and the CEO have been approved by the Board.
13. The Directors' Report of the Fund for the period ended June 30, 2009 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
14. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
15. The directors, CEO and executives do not hold any interest in the units of the Fund other than disclosed in the Directors Report.
16. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
17. 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.
18. 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.
19. There exists an effective internal audit function within the Management Company.
20. The statutory auditors of the Fund have confirmed that they have been give 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.
21. 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.
22. We confirm that all other material principles contained in the Code have been complied with

For and on behalf of the Board.



ANIS UR RAHMAN
CEO

Karachi, October 20, 2009

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11, Chunddogar Road, P.O. Box 4716
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Telephone: (021) 2426682-6 / 2426711-5
Facsimile: (021) 2415007 / 2427938**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS**

We have audited the accompanying financial statements of **ABL Income Fund**, which comprise the statement of assets and liabilities as at June 30, 2009, and the related income statement, distribution statement, statement of movement in unit holders' funds and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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 June 30, 2009 and of its financial performance, cash flows and transactions for the period then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.



Chartered Accountants
Engagement Partner: Rashid A. Jafer

Dated: 20 OCT 2009

Karachi



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Kabul Office: House No. 4, Street No. 3, District 6, Road Kote-3, Kabul, Afghanistan, Tel: (93-799) 315320-203424

ABL INCOME FUND STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2009

	Note	June 30, 2009 Rupees in '000
ASSETS		
Bank balances	4	3,814,798
Investments	5	3,034,000
Profit receivable	6	112,863
Security deposit		100
Preliminary expenses and floatation costs	7	4,222
Total assets		6,965,983
LIABILITIES		
Payable to ABL Asset Management Company Limited - Management Company	8	12,083
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	622
Payable to Securities and Exchange Commission of Pakistan	10	2,194
Dividend payable		77,701
Payable against redemption of units		760
Accrued expenses and other liabilities	11	447
Total liabilities		93,807
NET ASSETS		6,872,176
Unit Holders' Funds (As Per Statement Attached)		6,872,176
CONTINGENCIES AND COMMITMENTS		
	12	Number of Units
NUMBER OF UNITS IN ISSUE	13	686,081,119
NET ASSET VALUE PER UNIT	14	10.0166

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR

ABL INCOME FUND INCOME STATEMENT

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO JUNE 30, 2009

	Note	For the period from September 20, 2008 to June 30, 2009 Rupees in '000
INCOME		
Gain on sale of investments		202
Income from Government Securities		5,778
Income from Term Deposit Receipts		251,441
Income from Certificates of Investment		35,814
Income from Certificates of Deposit		7,897
Income from Letters of Placement		22,209
Income from Reverse Repurchase transactions		189
Profit on bank accounts		44,339
Total Income		367,869
EXPENSES		
Remuneration of ABL Asset Management Company Limited - Management Company		37,398
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,271
Annual fee - Securities and Exchange Commission of Pakistan		2,194
Brokerage and other transactions cost		653
Bank charges		196
Auditors' remuneration	16	380
Amortisation of preliminary expenses and floatation costs		778
Listing fee		160
Other expenses	17	371
Total Expenses		45,401
Net income from operating activities		322,468
Element of income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed		75,901
Net income for the period		398,369
Earnings per unit	18	

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


ANIS UR RAHMAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL INCOME FUND DISTRIBUTION STATEMENT

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO JUNE 30, 2009

	For the period from September 20, 2008 to June 30, 2009 Rupees in '000
Final distribution for the period from September 20, 2008 to June 30, 2009: Rs. 0.2971 per unit (Date of distribution: June 29, 2009)	
- Cash distribution	(77,701)
- Issue of bonus units	(110,361)
Interim distribution: Rs 0.7627 per unit (Date and amount of distribution: Rs 0.4165 on December 31, 2008 and Rs 0.3462 on March 31, 2009)	
- Cash distribution	(119,967)
- Issue of bonus units	(78,975)
Net income for the period	398,369
Undistributed income carried forward	11,365

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


ANIS UR RAHMAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL INCOME FUND STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO JUNE 30, 2009

	For the period from September 20, 2008 to June 30, 2009 Rupees in '000
Net Assets at beginning of the period	
Issue of 1,258,637,641 units	12,759,872
Redemption of 591,490,147 units	(6,012,496)
	6,747,376
Element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed transferred to income statement	(75,901)
Issue of bonus units	
- Interim distribution (7,897,547 units)	78,975
- Final distribution (11,036,078 units)	110,361
Net income for the period	398,369
Interim distribution	
- Cash distribution	(119,967)
- Issue of bonus units	(78,975)
Final distribution	
- Cash distribution	(77,701)
- Issue of bonus units	(110,361)
	11,365
Net assets as at the end of the period	<u>6,872,176</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


ANIS UR RAHMAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL INCOME FUND CASH FLOW STATEMENT

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO JUNE 30, 2009

	For the period from September 20, 2008 to June 30, 2009 Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income for the period	398,369
Adjustments	
Amortization of preliminary expenses and floatation costs	778
Remuneration of ABL Asset Management Company Limited - Management Company	37,398
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,271
Net element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed	(75,901)
	363,915
(Increase) / decrease in assets	
Profit receivable	(112,863)
Investments	(3,034,000)
Security deposit	(100)
	(3,146,963)
Increase / (decrease) in liabilities	
Payable to Securities and Exchange Commission of Pakistan	2,194
Accrued expenses and other liabilities	447
Payable against redemption of units	760
Dividend payable	77,701
	81,102
Remuneration paid to ABL Asset Management Company Limited - Management Company	(29,315)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(2,649)
Paid to ABL Asset Management Company Limited for preliminary expenses and floatation costs	(1,000)
	(32,964)
Net cash use in operating activities	(2,734,910)
CASH FLOWS FROM FINANCING ACTIVITIES	
Dividend	(197,668)
Amount received on issue of units	12,759,872
Amount paid on redemption of units	(6,012,496)
Net cash generated from financing activities	6,549,708
Net increase in cash and cash equivalents	3,814,798
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u>3,814,798</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


ANIS UR RAHMAN
CEO


MUHAMMAD YASEEN
DIRECTOR

ABL INCOME FUND NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO JUNE 30, 2009

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Income Fund (the Fund) was established under a Trust Deed executed on June 16, 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 June 6, 2008. The Fund commenced its operations on September 20, 2008.

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

The Fund is an open ended mutual fund and is listed on the Karachi Stock Exchange (Guarantee) 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 units of the Fund were initially offered to public for subscription at par from September 17, 2008 to September 19, 2008 and thereafter these units are offered to public for subscription on a continuous basis.

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, CFS, certificate of investments, clean placements, spread transactions, derivatives and other absolute return instruments.

This is the first year of operations of the fund and JCR-VIS Credit Rating Company Limited has been appointed as the rating company. The rating company has assigned Management Quality Rating of 'AM3' to the Management Company and Fund Stability Rating of 'A(f)' to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

During the year ended June 30, 2009, IFRS 7 'Financial Instruments: Disclosures' became effective. IFRS 7 has superseded IAS 30 and the disclosure requirements of IAS 32. Adoption of this standard has only resulted in additional disclosures which have been set out in note 24 to these financial statements.

There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2008 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

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

IAS 1 (Revised), 'Presentation of financial statements' (effective for annual periods beginning on or after January 1, 2009), was issued in September 2007. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented, separately from owner changes in equity, either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When the entity applies an accounting policy retrospectively or makes retrospective restatement or reclassifies items in the financial statements, they will be required to present a restated financial position (balance sheet) as at the beginning of the comparative period in addition to the current requirement to present the balance sheet as at the end of the current and the comparative period. The adoption of this standard will only impact the presentation of the financial statements.

IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement' (Effective from January 1, 2009). This amendment to the Standard permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category, a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available-for-sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The management is in the process of assessing the impact of its adoption on the Fund's financial statements.

IFRS 7 (Amendment), 'Financial Instruments: Disclosure'. There are a number of minor amendments to IFRS 7 in respect of enhanced disclosures for liquidity risks and fair value measurements. These amendments are unlikely to have an impact on the Fund's financial statements. Therefore, these amendments have not been analysed in detail.

IAS 38 (Amendment), 'Intangible assets' (effective from January 1, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access of goods or receipt of services. This amendment is not expected to have a significant effect on the Fund's financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2009 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires 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 judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are as follows:

i) Classification and valuation of investments (note 3.1)

2.5 Accounting convention

These financial statements are prepared under the historical cost convention except for certain investments which are carried at fair values.

2.6 Functional and Presentation Currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are stated below:

3.1 Investments

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell the asset.

The management determines the appropriate classification of the investments made by the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis. Investments are categorized as follows:

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

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

3.2 Basis of valuation of Government Securities

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

3.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. 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. Currently, the Fund is not charging any sales load, transactions costs or any provision for duties and charges.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption request 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. Currently, the Fund is not charging any back-end load, transactions costs or any provision for duties and charges.

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

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

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

However, there is no element of income/ (loss) and capital gain/ (loss) relating to units issued and redeemed during the current accounting period which pertains to unrealized gains/ (losses) held in the unit Holder's Funds as the Fund has not recognized any investment as 'available for sale' during the period ended June 30, 2009.

3.5 Provisions

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

3.6 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

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

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include commission paid to the Securities and Exchange Commission of Pakistan (SECP) being formation cost, printing, advertisement and other expenses. These costs are being amortized over a period of five years starting from the commencement of operations of the Fund, in accordance with the requirements set out in the Trust Deed of the Fund.

3.9 Offsetting of financial instruments

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

3.10 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include bank balances, loans and receivables, profit receivable, advances and deposits, prepayments and other receivables.

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

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

3.11 Impairment

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

3.12 Revenue recognition

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

3.13 Cash and cash equivalents

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

	Note	<u>June 30, 2009</u> <u>Rupees in '000</u>
4 BANK BALANCES		
Saving accounts	4.1	914,798
Term deposit accounts	4.2	2,900,000
		<u>3,814,798</u>

- 4.1 These saving accounts carry mark-up at rates ranging from 5.00% to 15.00% per annum. Deposits in savings accounts include Rs. 153,684,777 maintained with Allied Bank Limited, a related party.
- 4.2 Term deposit accounts carry mark-up at rates ranging from 13.25% to 13.85% per annum and maturities ranging from July 7, 2009 to September 27, 2009.

	Note	<u>June 30, 2009</u> <u>Rupees in '000</u>
5 INVESTMENTS		
Loans and receivables		
Certificates of Investment	5.1	500,000
Certificate of Deposit	5.2	79,000
Term Deposit Receipts	5.3	2,455,000
		<u>3,034,000</u>

At fair value through profit or loss - held for trading

- | | | |
|-----------------------|-----|---|
| Government Securities | 5.4 | - |
|-----------------------|-----|---|
- 5.1 Certificates of Investment carry mark- up at rates ranging from 13.25% to 13.40% per annum and maturities ranging from October 23, 2009 to November 02, 2009.
- 5.2 Certificate of Deposit carry mark- up at the rate of 17.75% per annum and maturity at August 04, 2009.
- 5.3 Term Deposit Receipts carry mark-up at rates ranging from 12.90% to 15.00% per annum and maturities ranging from July 09, 2009 to April 22, 2010. Term Deposit Receipts include Rs. 155,000,000 maintained with Allied Bank Limited, a related party.

5.4 Government Treasury bills

Issue date	Tenor	Face Value				Balance as at June 30, 2009	Fair value as at June 30, 2009	Fair value as a % of net assets
		Balance as at September 20, 2008	Purchases during the period	Sales during the period	Matured during the period			
(Rupees in '000)								
April 9, 2009	12 Months	-	100,000	100,000	-	-	-	
April 23, 2009	12 Months	-	100,000	100,000	-	-	-	
May 7, 2009	12 Months	-	150,000	150,000	-	-	-	
February 12, 2009	6 Months	-	200,000	200,000	-	-	-	
March 12, 2009	3 Months	-	20,000	-	20,000	-	-	
		-	570,000	550,000	20,000	-	-	

	<u>June 30, 2009</u> <u>Rupees in '000</u>
6 PROFIT RECEIVABLE	
Interest accrued on Term Deposit Receipts	79,983
Interest accrued on Certificates of Investment	11,778
Interest accrued on Certificates of Deposit	5,648
Markup accrued on Bank Deposits	15,454
	<u>112,863</u>

	<u>For the period from</u> <u>September 20, 2008</u> <u>to June 30, 2009</u> <u>Rupees in '000</u>
7 PRELIMINARY EXPENSES AND FLOATATION COSTS	
Incurred during the period	5,000
Less: amortized during the period	(778)
Balance as at June 30, 2009	<u>4,222</u>

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. As per the requirement of the Trust Deed, these costs are being amortized over a period not exceeding five years.

	Note	<u>June 30, 2009</u> <u>Rupees in '000</u>
8 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
Management fee	8.1	8,083
Preliminary expenses and flotation costs		4,000
		<u>12,083</u>

- 8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 1.5 percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

	Note	<u>June 30, 2009</u> <u>Rupees in '000</u>
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Trustee fee	9.1	621
CDS custody charges		1
		<u>622</u>

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

Net Assets	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Asset Value whichever is higher.
Exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2007 a collective investment scheme was required to pay, as an annual fee to the SECP, an amount equal to one-tenth of one percent of the average annual net assets of the scheme.

From 21st November 2008, under the provisions of the revised Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), a collective investment 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 and a flat fee of Rs. 250,000 per annum.

	<u>June 30,2009</u> Rupees in '000
11 ACCRUED EXPENSES AND OTHER LIABILITIES	
Auditors' remuneration	242
Brokerage	60
Printing charges	145
	<u>447</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and/ or commitments as at June 30, 2009.

13 NUMBER OF UNITS IN ISSUE

As at June 30, 2009 ABL - Employees Superannuation (Pension) Fund (core investor) held 39,880,238 units. Out of these units, 25,000,000 units were subscribed towards subscription of seed capital of the Fund.

14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit is calculated by dividing the net assets of the Fund by the number of units in circulation as at the period end.

15 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2009, all financial assets and financial liabilities, carried on the Statement of Assets and Liabilities, are categorised as 'Loans and receivables' and 'Liabilities other than at fair value through profit or loss', respectively.

	<u>For the period from</u> <u>September 20, 2008</u> <u>to June 30,2009</u> Rupees in '000
16 AUDITORS' REMUNERATION	
Annual audit fee	175
Half yearly review fee	100
Other certifications and services	105
	<u>380</u>
17 OTHER EXPENSES	
Printing charges	194
Annual rating fee	170
Other expenses	7
	<u>371</u>

18 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of management, the determination of weighted average units for calculating EPU is not practicable.

19 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, ABL-Employees Superannuation (Pension) Fund and ABL- Staff Provident Fund, Dawood Hercules Chemicals Limited, Engro Chemicals Pakistan Limited, Central Insurance Company Limited, Dawood Foundation and Pebbles (Private) Limited being entities under common management and/ or directorship, Central Depository Company being the trustee of the fund and the directors and officers of the management company.

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

Details of transactions and balances with connected persons are as follows:

	<u>For the period from</u> <u>September 20, 2008</u> <u>to June 30,2009</u> Rupees in '000
ABL Asset Management Company Limited - Management Company	
Sales of 25,438,533 units	255,700
Bonus of 725,205 units	7,252
Redemption of 18,146,658 units	186,150
Remuneration for the period	37,398
Preliminary expenses and floatation costs paid by the management company	5,000
Preliminary expenses and floatation costs repaid to the management company	1,000
Allied Bank Limited	
Sales of 172,616,212 units	1,750,000
Cash dividend	108,487
Markup income for the period	8,281
Term Deposit Receipt matured	150,000
Term Deposit Receipt placed	305,000
Bank charges paid	77
Redemption of 97,616,212 units	977,421
ABL Asset Management Company Limited - Staff Provident Fund	
Sales of 145,092 units	1,474
Bonus of 4,854 units	49
Redemption of 103,195 units	1,059
ABL- Employees Superannuation (Pension) Fund	
Sales of 39,880,238 units	405,000
Cash dividend	42,265
ABL- Staff Provident Fund	
Sales of 2,644,829 units	27,000
Cash dividend	2,803
Dawood Hercules Chemicals Limited	
Sales of 65,013,847 units	664,925
Bonus of 1,546,499 units	15,465
Redemption of 36,597,578 units	375,000
Engro Chemicals Pakistan Limited	
Sales of 49,917,138 units	500,000

	<u>For the period from September 20, 2008 to June 30,2009 Rupees in '000</u>
Central Insurance Company Limited	
Sales of 9,793,330 units	100,000
Bonus of 277,302 units	2,773
Redemption of 9,830,522 units	100,000
Pebbles (Private) Limited	
Sales of 4,577,555 units	46,010
Redemption of 2,279,507 units	23,457
Dawood Foundation	
Sales of 4,967,205 units	50,000
Bonus of 147,576 units	1,476
CHAIRMAN OF THE MANAGEMENT COMPANY	
Sheikh Mukhtar Ahmad	
Sales of 9,706 units	100
Bonus of 1,065 units	11
DIRECTORS OF THE MANAGEMENT COMPANY	
Mr. Muhammad Jawaid Iqbal	
Sales of 29,275 units	300
Bonus of 870 units	9
Mr. M. Shakeb Murad	
Sales of 29,961 units	300
KEY MANAGEMENT PERSONNEL	
Chief Executive Officer	
Sales of 19,711 units	200
Bonus of 1,386 units	14
	<u>For the period from September 20, 2008 to June 30,2009 Rupees in '000</u>
Executives	
Sales of 704,981 units	7,190
Bonus of 16,134 units	161
Redemption of 549,833 units	5,613
Central Depository Company of Pakistan Limited - Trustee	
Remuneration for the period	3,271
	<u>June 30, 2009 (Rupees in '000)</u>
ABL Asset Management Company Limited - Management Company	
Outstanding 8,017,080 units	80,304
Preliminary expenses and floatation costs payable	4,000
Remuneration payable to management company	8,083
Allied Bank Limited	
Outstanding 75,000,000 units	751,245
Cash dividend payable	51,284
Bank balances	153,685
Mark - up accrued	1,801
Term Deposit Receipt placed	155,000

	<u>June 30,2009 Rupees in '000</u>
ABL Asset Management Company Limited - Staff Provident Fund	
Outstanding 46,751 units	468
ABL- Employees Superannuation (Pension) Fund	
Outstanding 39,880,238 units	399,464
Cash dividend payable	11,848
ABL- Staff Provident Fund	
Outstanding 2,644,828 units	
Cash dividend payable	786
Dawood Hercules Chemicals Limited	
Outstanding 29,962,768 units	300,125
Engro Chemicals Pakistan Limited	
Outstanding 49,917,138 units	500,000
Central Insurance Company Limited	
Outstanding 240,110 units	2,405
Pebbles (Private) Limited	
Outstanding 2,298,048 units	
Dawood Foundation	
Outstanding 5,114,781 units	51,233
CHAIRMAN OF THE MANAGEMENT COMPANY	
Sheikh Mukhtar Ahmad	
Outstanding 10,771 units	108
DIRECTORS OF THE MANAGEMENT COMPANY	
Mr. Muhammad Jawaid Iqbal	
Outstanding 30,145 units	302
Mr. M. Shakeb Murad	
Outstanding 29,961 units	300
KEY MANAGEMENT PERSONNEL	
Chief Executive Officer	
Outstanding 21,097 units	211
Executives	
Outstanding 171,282 units	1,716
Central Depository Company of Pakistan Limited - Trustee	
Remuneration and CDC connection fee payable	622

20 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	Mr. Anis Ur Rehman	Chief Executive Officer	18	CFA
2	Mr. Sulaiman S. Mehdi	Chief Operating Officer	7	ACIS
3	Mr. Saqib Matin	Chief Financial Officer	10	ACA
4	Mr. Hammad Abbas	Fund Manager	5	MBA

20.1 Mr. Hammad Abbas is not managing any other Fund.

For the period from
September 20, 2008
to June 30, 2009

21 TOP TEN BROKERS/ DEALERS BY PERCENTAGE OF COMMISSION PAID

1	Alfalah Securities (Private) Limited	25.57%
2	IGI Finex Securities Limited	24.29%
3	Global Securities Pakistan Limited	19.26%
4	Invest Capital Investment Bank Limited	11.83%
5	JS Global Capital Limited	8.91%
6	First Dawood Investment Bank Limited - Brokerage Division	4.91%
7	KASB Securities Limited	3.52%
8	Elixir Securities Pakistan (Private) Limited	0.98%
9	First Capital Securities Corporation Limited	0.58%
10	BMA Capital Management Limited	0.14%

22 PATTERN OF UNIT HOLDINGS

-----As at June 30, 2009-----

Category	Number of Unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	841	58,153,422	582,500	8.48%
Associated Companies/ Directors	14	213,213,716	2,135,676	31.08%
Insurance Companies	7	43,350,167	434,221	6.32%
Bank/ DFIs	5	44,339,158	444,128	6.46%
NBFCs	1	5,548,654	55,579	0.81%
Retirement Funds	32	42,099,848	421,697	6.14%
Public Limited Companies	12	147,921,109	1,481,667	21.56%
Others	20	131,455,045	1,316,708	19.16%
	932	686,081,119	6,872,176	100%

23 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 8th, 9th, 10th, 11th, 12th, and 13th Board meetings were held on October 29, 2008, November 10, 2008, January 06, 2009, January 28, 2009, February 25, 2009 and April 24, 2009 respectively. Information in respect of attendance by directors in the meetings is given below:

S.No.	Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
1	Sheikh Mukhtar Ahmed	6	2	4	8th, 10th, 12th and 13th
2	Mr. Mohammad Aftab Manzoor	6	5	1	12th
3	Mr. M. Jawaid Iqbal	6	6	-	-
4	Mr. Muhammad Yaseen	6	6	-	-
5	Mr. M. Shakeb Murad	6	5	1	8th
6	Mr. Samad Dawood	6	4	2	8th and 13th
7	Mr. Anis ur Rahman	6	6	-	-

24 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, government securities, spread transactions, continuous funding system transactions and investments in other money market instruments. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to:

24.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

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.

24.1.1 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 exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pak Rupees.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is mainly exposed to interest rate risk on its investments and on balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

Interest Rate	Exposed to Yield/ Interest risk			Not exposed to Yield/ Interest rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
%	-----As at June 30, 2009-----				
	(Rupees in '000)				

On-balance sheet financial instruments

Financial assets

Bank balances	5 - 15	3,814,798	-	-	-	3,814,798
Investments	12.9 - 17.75	1,079,000	1,955,000	-	-	3,034,000
Profit receivable	-	-	-	-	112,863	112,863
Security deposit	-	-	-	-	100	100
Preliminary expenses and floatation costs	-	-	-	-	4,222	4,222
Sub Total		4,893,798	1,955,000	-	117,185	6,965,983

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	-	-	-	-	12,083	12,083
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	622	622
Payable to Securities and Exchange Commission of Pakistan	-	-	-	-	2,194	2,194
Dividend payable	-	-	-	-	77,701	77,701
Payable against redemption of units	-	-	-	-	760	760
Accrued expenses and other liabilities	-	-	-	-	447	447
Sub Total		-	-	-	93,807	93,807

On-balance sheet gap		4,893,798	1,955,000	-	23,378	6,872,176
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24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest 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. At present, the Fund is not exposed to price risk as there are no investments in marketable securities.

24.2 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 investment in loans and receivables and balances with banks. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that are financial institutions with reasonably high credit ratings.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company.

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 broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Management Company manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

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

	As at June 30, 2009			
	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	8,083	1,000	3,000	12,083
Payable to Central Depository Company of Pakistan Limited - Trustee	622	-	-	622
Payable to Securities and Exchange Commission of Pakistan	2,194	-	-	2,194
Dividend payable	77,701	-	-	77,701
Payable against redemption of units	760	-	-	760
Accrued expenses and other liabilities	447	-	-	447
	<u>89,807</u>	<u>1,000</u>	<u>3,000</u>	<u>93,807</u>

In accordance with the risk management policies stated in note 24, 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.

25 CAPITAL RISK MANAGEMENT

The Fund's capital is represented by redeemable units. These 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 or specific capital requirements on the subscription and redemption of units.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong capital base to meet unexpected losses or opportunities.

26 GENERAL


Figures have been rounded off to the nearest thousand rupees.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 20, October 2009 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
(Management Company)


ANIS UR RAHMAN
CEO


MUHAMMAD YASEEN
DIRECTOR