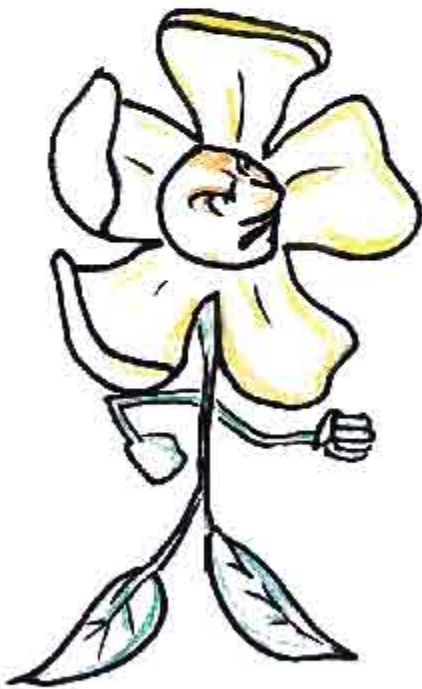




CONDENSED INTERIM FINANCIAL STATEMENT

FIRST QUARTER REPORT FOR THE PERIOD
ENDED SEPTEMBER 30, 2013



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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Tariq Mahmood Mr. Muhammad Wasim Mukhtar Mr. Kamran Nisbat Mr. M. Shakeb Mirad Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Ahsan Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nisbat Mr. Muhammad Wasim Mukhtar Mr. Khawaja Muhammad Ahsan	Chairman Member Member
Human Resources Committee:	Mr. Jawaid Iqbal Mr. Kamran Nisbat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ahsan Shirkani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi - 74400	
Bankers to the fund:	Allied Bank Limited Bank Al-Falah Limited United Bank Limited	
Auditor:	KPMG Taseer Huda & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	
Legal Adviser:	Dawood & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Income Fund (ABL-IF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-IF for the quarter ended September 30, 2013.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic frailties came to the forefront during 1QFY14 as inflation surged, currency depreciated while growth estimates were slashed. Re-entry in to the IMF program (USD6.64 billion Extended Finance Facility availed) forced the Government to take some tough decisions in order to ensure multilateral agencies' support. With IMF placing stringent conditions related to FX reserve build up and removal of subsidies, inflation jumped to 7.39% in September (1QFY14 average 8.06%) after hitting a low of 5.1% in May while the rupee depreciated by 6.5% during 1QFY14 to close at 106.04 vs. the USD. Weak current account numbers (USD632 million deficit for 2MFY14) and a drive to build up the FX reserves played havoc with the exchange rate over the quarter. At one stage, the Rupee hit a record low of Rs.110 in the interbank before the SBP intervened to arrest the situation. Confusing weakness in key economic indicators and unabated government borrowing (Rs.262 billion for 1QFY14) resulted in the Central Bank taking an earlier than expected U-turn on its monetary stance as it increased the discount rate by 50bps to 9.5% in September's monetary policy statement. The hike in the discount rate ended a monetary easing cycle in which rates were cut by a cumulative 500bps over a period of over 2 years.

In the wake of worsening economic situation the IMF cut Pakistan's growth estimates to 2.3% from earlier projections of 3%. As we look towards FY13-14, it is now clear that we have entered a new phase of monetary tightening. With inflation likely to continue its upward trend due to rupee depreciation, increase in energy/fuel prices and stringent taxation measures, another 100bps policy rate hike over the course of the fiscal year is very much on the cards. Furthermore, Government borrowing is expected to remain high as foreign aid remains sporadic, privatization process is stalled while tax collection remains below targeted levels (Rs.480 billion collected in 1Q, shortfall of Rs.20 billion).

MUTUAL FUND INDUSTRY REVIEW

The fixed income segment of the mutual fund industry showed a modest growth of 1.10% from Rs.233 billion in June 2013 to Rs.236 billion in September 2013. AUMs of the income fund category fell by 6.51% to Rs.52 billion in September 2013 from Rs.55 billion in June 2013. The decline is attributable to the reversal in monetary policy direction after a prolonged spell of declining interest rate regime which forced investors to redeem from high duration investments during the quarter. As a result, money moved from higher duration income funds to lower duration money market funds.

FUND PERFORMANCE

During the period under review, ABL IF's AUM fell by 16.66% to Rs.2,064 billion as on September 30, 2013 due to lower than expected returns and switching into cash funds. For 1QFY14, ABL IF performance stood at 4.11% vs. the benchmark return of 9.15%, showing an underperformance of 5.04%. The performance was largely affected by valuation losses on the fund's bond portfolio due to an unexpected move by SBP to raise the discount rate.

Selective investments were pursued in AAA rated Government guaranteed Power Sector TFCs and spread transactions during the period in order to minimize the impact of losses on long term bonds. At the end of the period, we reduced our exposure in government securities to 15.9% (T-bills-11.23% and PIBs-4.67%) from 26.1% at June 30th 2013 and enhanced our allocation towards high yielding TFCs & Spread Transactions (from 10.84% in June 2013 to 23.62% in September 2013). However, a major portion of our exposure is parked in TDRs and cash balances (18.43% and 39.48% of total assets respectively) in order to add stability to returns and take advantage of attractive deposit rates on account of quarter end.

OUTLOOK

We expect market to remain volatile in the short run due to high inflation expectations on account of sharp Rupee devaluation, hike in power tariff and increase in oil prices. With Pakistan's entrance into the IMF Extended Finance Facility during the period, stringent measures to ensure fiscal discipline have to be implemented. Going forward, we see testing time for economic managers as they need to take stringent steps in the short-term to address macro imbalances.

ABL-IF will maintain its bias towards short duration government instruments in order to curtail return volatility till such time that inflationary pressures ease off. The fund's stance of selecting quality debt instruments from the corporate sector will continue to support underlying yields without enhancing the risk profile of the fund. Similarly, we will also maintain our allocation in spread transactions in order to outperform KIBOR linked benchmark. Primary investments will remain in government securities (mainly T-bills) along with good Corporate & Banking IPCs in order to boost returns and curtail volatility.

DIVIDEND

Interim distribution of Rs.0.1211 per unit (1.21% of the par value of Rs.10) for ABL-IF for the quarter ending September 30, 2013 has been announced.

AUDITORS

M/s. KPMG Taseer Hadi & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2014 for ABL Income Fund (ABL-IF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 17, 2013, has reaffirmed the Fund Stability Rating of ABL Income Fund at 'A+' (f) (Single A plus (f)).

MANAGEMENT QUALITY RATING

The Management Quality Rating of ABL Asset Management Limited (ABL AMC) is 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

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 Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

Karachi, October 30, 2013

For and on behalf of the Board



FARID AHMED KHAN

Chief Executive Officer

ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2013

		September 30, 2013	June 30, 2013
	Notes	(Rupees in '000) (Unaudited)	(Audited)
ASSETS			
Balances with banks	4	856,713	1,100,682
Investments	5	1,239,674	1,233,517
Profit receivables		28,221	21,783
Security deposits, prepayments and other receivables		25,623	15,531
Preliminary expenses and flotation costs		-	224
Receivable against sale and maturity of investments		-	147,844
Total assets		2,170,291	2,521,581
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company		4,931	3,656
Payable to the Central Depository Company of Pakistan Limited - Trustee		224	285
Payable to the Securities and Exchange Commission of Pakistan		440	1,143
Dividend payable		1	1
Payable against redemption of units		3,375	5,243
Payable against purchase of investments		62,786	-
Accrued expenses and other liabilities	6	34,177	33,330
Total liabilities		103,934	44,608
NET ASSETS		2,064,297	2,476,973
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,064,297	2,476,973
CONTINGENCIES AND COMMITMENTS			
	7	(Number of units)	
NUMBER OF UNITS IN ISSUE		206,584,188	247,453,718
		(Rupees)	
NET ASSETS VALUE PER UNIT		9.9925	10.0098
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 13 form an integral part of this condensed interim financial statements.


FARID ANJUM KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISBAT
 DIRECTOR

ABL INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Note	Quarter ended	
		September 30, 2013	2012
		(Rupees in '000)	
INCOME			
Capital (loss) / gain on sale of investments - net		(11,722)	18,426
Income from Government Securities		27,304	46,598
Income from Term Deposit Receipts		5,374	17,085
Income from Letters of Placement		211	217
Income from Term Finance Certificates / Biltina		10,398	10,255
Profit on deposits with bank		10,632	7,922
Dividend Income		1,660	983
		44,077	101,886
Goodwill (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	3.6	(9,409)	11,774
Unrealised (loss) / gain on revaluation of future contracts		4,537	(988)
		39,229	112,672
EXPENSES			
Remuneration of ABL Asset Management Company Limited- Management Company		8,793	10,683
Sindh Sales Tax on Management Company's remuneration		1,407	1,709
Federal Excise Duty on remuneration of Management Company		1,407	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		713	820
Annual fee - Securities and Exchange Commission of Pakistan		440	534
Brokerage and other transaction costs		324	329
Bank charges		79	46
Auditors' remuneration		108	114
Amortization of preliminary expenses and flotation costs		224	252
Printing charges		30	37
Listing fee		13	10
Annual rating fee		54	50
Other expenses		414	58
Total operating expenses		14,216	14,542
Net income from operating activities		25,013	98,130
Element of (loss) and capital (losses) included in prices of units issued less those in units redeemed - net		(3,751)	(5,063)
Provision for Workers' Welfare Fund	6.1	(426)	(1,883)
Net income for the period before taxation		20,836	93,188
Taxation	9	-	-
Net income for the period after taxation		20,836	93,188
Other comprehensive income for the period		-	-
Total comprehensive income for the period		20,836	93,188
Earnings per unit	10		

The annexed notes 1 to 13 form an integral part of this condensed interim financial statements.


FARID ANSHU KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISBAT
 DIRECTOR



ABL INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	<u>Quarter ended</u>	
	<u>September 30,</u>	<u>2013</u>
	2013	2012
	<u>(Rupees in '000)</u>	
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>
Net income for the period	20,856	93,185
Interim distribution:		
- Re Rs 0.1211 per unit on September 27, 2013 (2012: Re 0.3479 per unit on September 24, 2012)		
Cash distribution	-	(2)
Issue of 2,483,577 bonus units (2012 : 9,350,584)	(24,836)	(93,506)
	<u>(24,836)</u>	<u>(93,508)</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	(3,063)
Undistributed income carried forward	<u>(1,545)</u>	<u>7,526</u>
Undistributed income / (loss) carried forward comprising of:		
Realised income / (loss)	3,303	(3,260)
Unrealised (loss) / Income	(4,848)	10,786
	<u>(1,545)</u>	<u>7,526</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NURRAY
 DIRECTOR

ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended	
	September 30,	
	2013	2012
	(Rupees in '000)	
Net assets at the beginning of the period	2,476,973	3,784,263
Issue of 22,798,003 units (2012: 112,330,043 units)	229,161	1,143,289
Redemption of 66,151,110 units (2012: 195,002,003 units)	(666,424)	(1,970,872)
	(437,263)	(827,583)
Issue of 2,483,577 bonus units (2012: 9,350,584 units)	24,836	93,506
Net element of (income)/ loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing income / (loss) and capital gains / (losses) - transferred to Income Statement	3,731	3,063
- amount representing income / (loss) and capital gains / (losses) - transferred to distribution statement	-	3,063
	3,731	6,126
Other net income for the period	37,426	63,973
Capital gain/(loss) on sale of investments	(11,722)	18,426
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	(9,405)	11,774
Unrealised gain / (loss) on revaluation of future contracts	4,557	(988)
Total comprehensive income for the period	20,856	93,185
Interim distribution:		
- Re 0.1211 per unit on September 27, 2013 (2012: Re 0.3479 per unit on September 24, 2012)		
Cash distribution	-	(2)
Issue of bonus units	(24,836)	(93,506)
	(24,836)	(93,506)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	(3,063)
Net assets as at the end of the period	<u>2,864,297</u>	<u>3,892,924</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.


FARID ANSHIR KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISBAT
 DIRECTOR



ABL INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended	
	September 30,	
	2013	2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	20,856	93,185
<i>Adjustment for non-cash charges and other items:</i>		
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	9,405	(11,774)
Amortisation of preliminary expenses and flotation costs	224	252
Federal excise duty on remuneration of Management Company	1,407	-
Provision for Workers' Welfare Fund	426	-
Element of (Income) / loss and capital (gain) / losses included in prices of units issued less those in units redeemed	3,751	3,065
	<u>36,049</u>	<u>84,726</u>
(Increase)/ decrease in assets		
Investments	264,438	981,539
Profit receivables	(4,458)	1,410
Security deposits, prepayments and other receivables	(10,092)	(92)
Receivable against sale and maturity of investments	147,844	-
	<u>397,752</u>	<u>982,917</u>
Increase/ (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	1,275	(1,785)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	(97)
Payable to Securities and Exchange Commission of Pakistan	(1,703)	(3,901)
Dividend payable	-	2
Payable against purchase of investments	62,796	30,703
Accrued expenses and other liabilities	(996)	1,827
	<u>61,361</u>	<u>27,163</u>
Net cash generated from operating activities	<u>499,162</u>	<u>1,094,807</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Distribution paid	-	(2)
Receipts from issuance of units	229,161	1,143,289
Payments against redemption of units	(668,292)	(1,969,225)
Net cash used in financing activities	<u>(439,131)</u>	<u>(825,938)</u>
Net Increase in cash and cash equivalents	<u>56,031</u>	<u>268,869</u>
Cash and cash equivalents at the beginning of the period	1,200,682	838,670
Cash and cash equivalents at the end of the period	<u>4.2 1,256,713</u>	<u>1,107,539</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial statements.


FARID ANSHU KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISBAT
 DIRECTOR

ABL INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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 and Notified Entities Regulations, 2008. The Fund commenced its operations on September 20, 2008.

The Management Company of the Fund has been licensed to set 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 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.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at June 21, 2013 and Fund Stability Rating of A+(f) to the Fund as at January 17, 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, 2008 (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.

3 ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements is the same as those applied in the preparation of the published audited financial statements of the Fund for the year ended June 30, 2013.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2013.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2013.

	Note	(Unaudited) September 30, 2013	(Audited) June 30, 2013
(Rupees in '000)			
4			
BALANCES WITH BANKS			
Saving accounts	4.1	856,713	1,100,682
4.1			
These saving accounts carrying mark-up at rates ranging from 6.00% to 9.60% (June 30, 2013: 6.00% to 9.40%) per annum. Deposits in savings accounts include Rs. 3,792 million (June 30, 2013: Rs. 182,967 million) maintained with Allied Bank Limited, a related party.			
4.2			
CASH AND CASH EQUIVALENTS			
Balances with banks		856,713	1,100,682
Term deposit receipts		400,000	100,000
		<u>1,256,713</u>	<u>1,200,682</u>
	Note	(Unaudited) September 30, 2013	(Audited) June 30, 2013
(Rupees in '000)			
5			
INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Government Securities			
- Market Treasury Bills	5.1	243,769	659,110
- Pakistan Investment Bonds	5.2	101,289	-
- GOP Jarak Sukuk	5.3	2,002	2,001
Term Finance Certificates / Sukuk	5.4	447,051	372,406
Share of Listed Companies -Future Contracts	5.5	65,563	-
		<u>859,674</u>	<u>1,033,517</u>
- Loans and receivables		400,000	200,000
		<u>1,259,674</u>	<u>1,233,517</u>

5.1 Market Treasury Bills

Issue date	Term	Face Value			Balance as at September 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Carrying value	Market value		
Rupee in '000									
May 3, 2011	9 Months	125,000	-	125,000	-	-	-	-	-
July 12, 2013	9 Months	-	736,000	716,000	-	-	-	-	-
July 25, 2013	9 Months	-	1,150,000	1,150,000	-	-	-	-	-
		125,000	1,886,000	1,991,000	-	-	-	-	- %
January 24, 2013	6 Months	-	230,000	230,000	-	-	-	-	-
July 12, 2013	6 Months	-	230,000	230,000	250,000	244,100	243,700	(339)	12%
July 25, 2013	6 Months	-	230,000	230,000	-	-	-	-	-
		-	790,000	990,000	250,000	244,100	243,700	(339)	12%
September 6, 2012	12 Months	11,150	-	11,150	-	-	-	-	-
July 12, 2013	12 Months	-	24,000	24,000	-	-	-	-	-
July 26, 2013	12 Months	577,000	908,000	1,027,000	-	-	-	-	-
		588,150	932,000	1,062,150	-	-	-	-	-
Total - September 30, 2013		803,150	3,348,000	3,553,150	250,000	244,100	243,700	(339)	12%

5.2 Pakistan Investment Bonds

Issue date	Term	Face Value			Balance as at September 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Carrying value	Market value		
Rupee in '000									
August 18, 2011	3 Years	-	300,000	-	100,000	101,334	101,209	(263)	5%
July 19, 2012	3 Years	-	300,000	300,000	-	-	-	-	-
July 19, 2012	5 Years	-	300,000	300,000	-	-	-	-	-
July 19, 2012	10 Years	-	30,000	30,000	-	-	-	-	-
July 18, 2013	3 Years	-	377,000	377,000	-	-	-	-	-
July 18, 2013	5 Years	-	30,000	30,000	-	-	-	-	-
Total - September 30, 2013		-	1,037,000	1,037,000	100,000	101,334	101,209	(263)	5%

5.3 Govt (Muzak) securities

Issue date	Term/Coupon Rate in %	Face Value			Balance as at September 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Carrying value	Market value		
Rupee in '000									
May 14, 2011	3 Years@4.0%	500	-	-	500	501	502	1	0.82%
September 18, 2012	3 Years@8.25%	1,500	-	-	1,500	1,899	1,900	1	8.07%
Total - September 30, 2013		2,000	-	-	2,500	2,399	2,402	2	6.10%



6.4 Term Finance Certificates

Name of the investee company	Profit / Markup rate	Number of Certificates			Balance as at September 30, 2013			Market value as a percentage of total investments	
		As at July 1, 2013	Purchased during the year	Disposed off / matured during the period	As at September 30, 2013	Carrying value	Market value		
Adiant Bank Limited - II	6 months KIBOR plus 1.50%	6,800	-	-	6,800	29,914	29,914	2.30%	
Adiant Bank Limited - IV	6 months KIBOR plus 1.75%	-	8,400	-	8,400	45,354	45,307	3.43%	
Standard Chartered Bank (Zimbabwe) Limited - RFFPC	6 months KIBOR plus 2.75%	18,200	10,000	-	28,200	189,356	97,338	7.73%	
United Bank Limited - IV	6 months KIBOR plus 3.50%	18,100	-	12,100	-	-	-	0.00%	
Falshon Mobile Communication Limited	6 months KIBOR plus 1.50%	-	14,900	-	14,900	74,000	74,006	5.80%	
Bank Al Falah-V	6 months KIBOR plus 1.25%	28,000	-	-	28,000	181,547	182,337	7.18	
WAFDA-EPFDC	6 months KIBOR plus 1%	-	20,000	-	20,000	189,000	189,000	7.54%	
Total		54,300	33,300	12,100	65,500	481,305	447,561	(4,222)	31.49%

6.4.1 Outstanding term finance certificates carry coupon rates ranging from 9.84% to 11.27% (June 2013 9.84% to 11.08%) per annum.

6.5 Share of Listed Companies - Future Contracts

Name of the investee company	Number of Shares			Balance as at September 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2013	Purchased during the period	Sales during the period	As at September 30, 2013	Carrying value	Market value		

Share of listed companies - Fully Paid up ordinary shares of Rs. 25 each unless stated otherwise.

Rural Life Telecommunication

Falshon Tele Communication Company Limited	-	1,086,000	1,086,000	-	-	-	8%	8%
	-	1,086,000	1,086,000	-	-	-	8%	8%

New Life Insurance

Adaptive Insurance company Limited	-	41,300	-	41,300	1,465	1,234	(8%)	8%
	-	41,300	-	41,300	1,465	1,234	(8%)	8%

Oil & Gas

Adiant Refinery Limited	-	15,800	15,800	-	-	-	8%	8%
	-	15,800	15,800	-	-	-	8%	8%

Food Producers

Rego Foods Limited	-	88,000	88,000	-	-	-	8%	8%
	-	88,000	88,000	-	-	-	8%	8%

Construction & Materials

D.O.Hillam Cement Company Limited	-	769,300	-	769,300	34,961	21,618	(61%)	4%
Lucky Cement Limited	-	88,000	-	88,000	4,897	4,182	(85%)	8%
	-	947,300	-	947,300	39,858	25,799	(65%)	4%

Commercial Banks

National Bank of Pakistan	-	394,500	394,500	-	-	-	8%	8%
	-	394,500	394,500	-	-	-	8%	8%

Personal Goods

Minak Cotton Limited	-	296,500	341,500	15,000	937	264	(83%)	8%
Minak Mills Limited	-	188,000	188,000	-	-	-	8%	8%
	-	484,500	529,500	15,000	937	264	(83%)	8%

Oil and Gas

Falshon Petroleum Limited	-	277,500	277,500	-	-	-	8%	8%
Falshon State Oil Company Limited	-	168,000	171,000	18,000	1,038	4,088	(81%)	8%
	-	445,500	448,500	18,000	1,038	4,088	(81%)	8%

Chemicals

Engen Corporation Limited	-	380,000	384,500	4,500	643	611	(94%)	8%
Fertilizer Company Limited	-	90,000	7,000	2,900	282	254	(91%)	8%
Fertilizer Company Ltd. Qatar Limited	-	14,500	14,500	-	-	-	8%	8%
	-	584,500	7,500	7,400	925	865	(92%)	8%

Total - September 30, 2013		769,300	32,500	607,300	76,130	62,569	(1,597)	4%
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		(Unaudited) September 30, 2013	(Audited) June 30, 2013
		(Rupees in '000)	
3.6	Net unrealised (diminution) / appreciation on re-assessment of investments classified as financial assets 'at fair value through profit or loss'		
	Market value of securities	859,674	1,033,517
	Less: Carrying value of securities	869,079	1,033,006
		<u>(9,405)</u>	<u>511</u>
		(Unaudited) September 30, 2013	(Audited) June 30, 2013
		(Rupees in '000)	
6	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	394	286
	Brokerage	244	174
	Printing and other charges	165	239
	Payable to Workers' Welfare Fund	32,844	32,418
	Withholding tax payable	91	169
	Payable to JCR - VES for Rating Fee	55	-
	Other Payables	384	44
		<u>34,177</u>	<u>33,330</u>

6.1 Provision for Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 2.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 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 heading 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 June 30, 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 32,844 million (including Rs 0.4256 million for the current period) in these condensed financial statements. Had the same not been made the net asset value per unit of the Fund as at Sep 30, 2013 would have been higher by Rs 0.1589 per unit.

7 CONTINGENCIES AND COMMITMENTS

There were no other contingencies outstanding as at September 30, 2013.

8 PROVISION FOR FEDERAL EXCISE DUTY

As per the requirement of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of 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. During the period, the Honorable High Court issued in a Constitutional petition relating to levy of Federal Excise Duty (FED) on Mutual Fund has granted stay order for the recovery of Federal Excise Duty (FED). As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 1,687,126.

9 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY**11.1 Details of transactions with connected persons during the period are as follows:**

	(Usual Unit) Quarter ended	
	September 30, 2013	2012
	(Rupees in '000)	
ABL Asset Management Company Limited		
- Management Company		
Bonus of 313,932 units (2012: 182,562 units)	3,139	1,826
Remuneration to the management company	8,795	10,683
Sindh Sales Tax on remuneration of the Management Company	1,407	1,709
Fed on remuneration of the Management Company	1,407	-
Allied Bank Limited-Holding Company of the Management Company		
Redemption of NIL units(2012: 75,000,000 units)	-	754,733
Markup income on bank deposits	978	738,908
Bank charges	38	9,816
Markup income on term deposits receipt	2,584	-

	(Unaudited) Quarter ended September 30, 2013 2012	
	(Rupees in '000)	
Habib Metropolitan Bank Limited -Connected person		
Bonus of 250,896 units (2012: NIL units)	2,509	-
Redemption of 7,043,830 units (2012: NIL units)	71,000	-
Mark-up income on bank deposits	11	-
CFA Association of Pakistan		
Bonus of 2,253 units (2012: Nil units)	23	-
TRUSTEE		
Central Depository Company of Pakistan Limited		
Remuneration for the period	713	820
CHAIRMAN OF THE BOARD OF MANAGEMENT COMPANY		
Sheikh Mukhtar Ahmad		
Bonus of 198 units (2012:518 units)	2	5
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Jawad Iqbal		
Redemption of 29,955 units (2012: NIL units)	300	-
Bonus of 1,408 units (2012: 3,041 units)	14	30
Tariq Mahmood		
Bonus of 2,709 units (2012: 3,894 units)	27	39
KEY MANAGEMENT PERSONNEL		
CHIEF EXECUTIVE OFFICER		
Bonus of 15,637 units (2012: 40,808 units)	156	409
EXECUTIVES		
Bonus of NIL units (2012: 1,163 units)	-	12
Redemption of NIL units (2012: 34,603 units)	-	346
	(Unaudited) September 30, 2013	(Audited) June 30, 2013
	(Rupees in '000)	
11.2 Amounts outstanding as at period / year ended		
ABL Asset Management Company Limited - Management Company		
Outstanding 26,237,294 units (June 30 2013: 25,823,362 units)	262,176	259,488
Remuneration payable to management company	2,712	2,910
India Sales Tax on Management Company's Remuneration	434	466
Federal Excise Duty Payable to the management company	1,687	280
Sales load Payable to Management Company	98	-

	(Unaudited) September 30, 2013	(Audited) June 30, 2013
	(Rupees in '000)	
Allied Bank Limited		
Bank balance	3,782	182,987
Mark up accrued	50	690
Tax Deposit Receipts	100,000	100,000
Mark up accrued on tax deposit receipt	10,138	7,354
Habib Metropolitan Bank Limited		
Outstanding 20,968,997 units (June 30 2013: 27,761,891 units)	209,532	277,891
Balance held in savings accounts	299	350
CFA Association Of Pakistan		
Outstanding 180,332 units (2013: 186,079 units)	1,881	1,865
Central Depository Company of Pakistan Limited - Trustee		
Remuneration and GDC commission fee payable	224	235
Security deposits	100	100
CHAIRMAN OF THE MANAGEMENT COMPANY		
Shahid Mubsher Ahmad		
Outstanding 16,389 units (2013:16,391 units)	168	164
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Javed Iqbal		
Outstanding 117,651 units (2013: 146,199 units)	1,176	1,463
Tariq Mahmood		
Outstanding 226,445 units (2013: 223,736 units)	2,263	2,239
KEY MANAGEMENT PERSONNEL		
CHIEF EXECUTIVE OFFICER		
Outstanding 1,306,913 units (2013: 1,291,276 units)	13,059	12,925

12 GENERAL

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

12.2 Certain prior period's figures have been reclassified/re-arranged for the purpose of comparison. However, there were no material reclassifications to report.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 30, 2013 by the Board of Directors of the Management Company.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISBAT
 DIRECTOR



ABL Asset Management

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