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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Khalid A. Sherwani Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Zia Ijaz Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Zia Ijaz	Chairman Member Member
Human Resource Committee:	Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited Askari Bank Limited Faysal Bank Limited Deutsche Bank Limited	Habib Metropolitan bank limited MCB Bank Limited NIB Bank Limited Standard Chartered Bank Pakistan limited Barclays Bank Limited Bank Al Habib Limited
Distributor:	Allied Bank Limited BMA Financial Services Limited Vector Consulting (Pvt.) Limited IGI Investment Bank Elixir Securities Pakistan (Pvt.) Limited Reliance Financial Products (Pvt.) Limited	Invest Capital Investment Bank Limited Pyramid Financial Consultants (Pvt.) Limited Foundation Securities (Pvt.) Limited Metro Securities (Pvt.) Limited FundShop Investment Solutions
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Income Fund (ABL-IF), is pleased to present the Condensed Interim Financial Statements(un-audited) of ABL Income Fund for the half year ended December 31, 2012.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape somewhat stabilized during 1HFY13, but remains prone to growing challenges on the fiscal and political front. Key economic indicators showed some resilience despite continuous poor law and order situation, mounting political noise, acute energy shortages, heavy Government spending and high international oil prices. Release of coalition support funds to the tune of USD 1.8bn rescued the weak external account and fiscal deficit situation with the current account posting a surplus of USD 250mn for 1HFY13. Provisional 1HFY13 fiscal deficit of 2.4% implied that the situation is not yet out of control, especially in the event of revenue shortfall (PKR 897bn collected vs. target of PKR 962bn) and high government subsidies ahead of elections. CPI numbers were also highly encouraging, as inflation averaged 8.32% in the first 6 month of this fiscal year compared to 10.87% during the corresponding period of last year. Controlled food inflation and Supreme Court's decision to slash CNG prices significantly contributed to the dip in CPI figures.

Taking cue from the encouraging CPI figures and steady current account situation, monetary authorities adopted a pro-growth stance, slashing the policy rate by 250bps during 1HFY13 to 9.5%. This implied that the discount rate was back in single digits after a break of 66 months. However, even such a steep decline in interest rates failed to ignite the economy or cause any excitement at the capital markets. Private sector credit off take remained subdued (PKR 74bn for 1HFY13) while Government borrowing from commercial banks escalated (PKR 746bn for 1HFY13). Overall M2 growth was witnessed at 6.98% for 1HFY13 (PKR 534bn) with NFA just about breaking even. Indeed the key area of concern was the continuous slide of the Rupee against the USD (1HFY13 depreciation 2.76%) in midst of depleting FX reserves (USD 13.8bn in December vs. USD 15.3bn at June 2012) emanating from IMF debt repayments (USD 1.2bn principal repayments during 1HFY13) and high import bill. FDI also remained disappointing at USD 563mn as poor security situation and continuous political uncertainty hampered flows. Healthy remittances recorded at USD 7.1bn (+12.5% YoY), however, provided some respite.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry declined by 13.7% in 1HFY13 to close at PKR 309 billion in December 2012. The drop was primarily due to withdrawals by banks in Money Market and Government Securities Funds, as changes in tax rates reduced the tax efficiency of mutual funds. Fixed Income category (comprising of Income, Aggressive Income and Cash funds) registered a decline of PKR 65billion (-27%) in 1HFY13 to PKR 179 billion as at December 2012. However, lower interest rates and healthy corporate results helped equity funds to post positive growth in fund sizes as stock, balanced and asset allocation funds grew by 1.18%, 8.50% and 41.56% respectively.

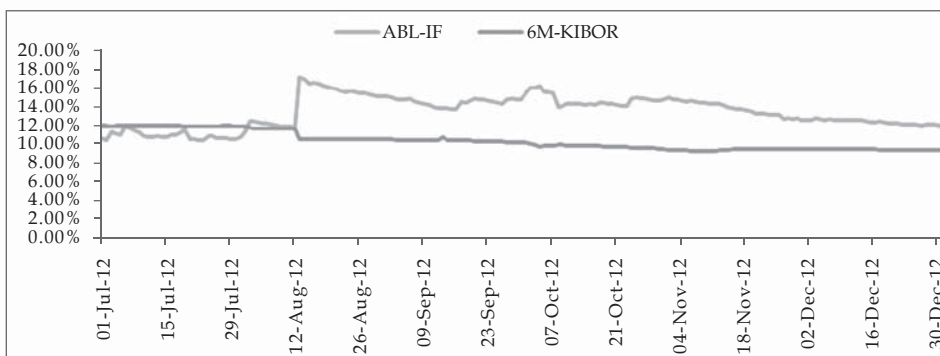
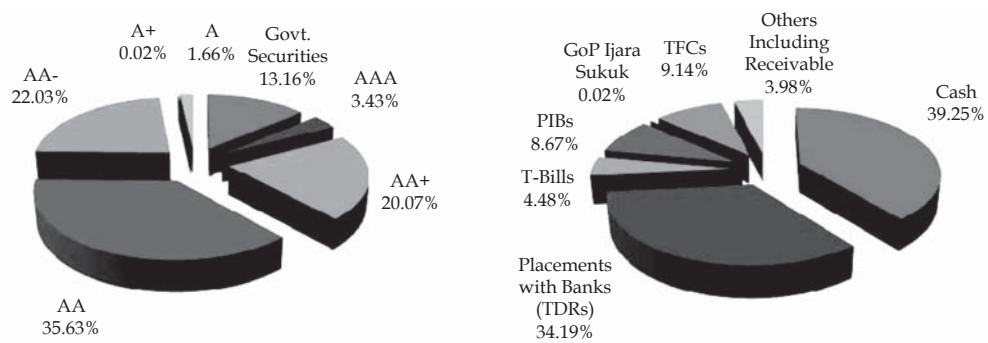
Rate cuts during the period brought a boon for income funds as they gained the most from the valuation adjustments in debt instruments due to their high duration portfolios. Despite the commendable performance portrayed by income funds, they were yet again out classed by money market funds in terms of AUMs as investor bias remained firm towards low duration and low risk-bearing assets. The income fund category declined by 41% to PKR 50.292bn at December 31, 2012 compared to PKR 85.296bn as at June 30, 2012.

FUND PERFORMANCE

ABL-IF outperformed its benchmark (Average 6 month KIBOR) of 10.36% by 179 bps during the period. The fund had positioned itself to extract maximum benefit from valuation gains in a declining interest rate scenario, a stance that catapulted return performance during the period. During 1HFY13, the unit price of ABL-IF increased by 5.95% to close at PKR 10.6162 (cum dividend) translating into an annualized compounded return of 12.15%.

The outperformance is attributable to valuation gains on higher duration assets, like PIBs, due to 250bps interest rate cut, as well as active management of the portfolio. In order to diversify asset allocation, the fund conservatively invested in corporate debt and other short term debt instruments. The fund's AUMs declined by 13.93% to PKR 3.257bn from PKR 3.784bn as at June 2012.

A major portion of ABL-IF's portfolio (73.4% of total assets) comprised of high yielding bank placements as at December 31, 2012 compared to 59.8% as at June 30, 2012. Remaining assets constituted of TFCs, PIBs and T-bills at 9.41%, 8.7% and 4.5%, respectively.



AUDITORS

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

FUND STABILITY RATING

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

MANAGEMENT QUALITY RATING

On January 10, 2013, JCR-VIS Credit Rating Company Limited maintained the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) at 'AM 2-' (AM Two Minus). Outlook on the assigned rating has been revised from 'Stable' to 'Positive'

FUTURE OUTLOOK

We feel interest rates have bottomed out for the mean time as further easing in midst of declining FX reserves and heavy Government borrowing could have negative implications for Pakistan's overall economic health. Inflationary pressures may re-emerge and the exchange rate could depreciate significantly. Recent resumption of dialogue with the IMF, aimed at rolling over the IMF principal repayments, will be crucial in stabilizing FX reserves and the exchange rate. However, any concession offered by IMF is expected to result in imposition of strict conditions for the SBP. These conditions will primarily aim to restrict Government borrowing and higher interest rates can be used as one of the deterrent.

As bank placements mature, proceeds shall be used to acquire fresh short to medium term government papers. However, ABL-IF will work towards enhancement of its TFC portfolio and maintain primary holdings in T-bills and PIBs in order to remain competitive.

ACKNOWLEDGEMENT

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

For and on behalf of the Board


FARID AHMED KHAN
Chief Executive Officer

Karachi, February 15, 2013

ABL INCOME FUND TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office

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



ISO 27001 Certified

TRUSTEE REPORT TO THE UNIT HOLDERS

ABL INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2012 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: February 25, 2013



ABL INCOME FUND
AUDITORS REPORT TO THE UNIT HOLDERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION



A. F. FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction


We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Income Fund** as at December 31, 2012 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (herein-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


 Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Date: February 15, 2013

Karachi

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 Kabul: House No. 1, Street No. 3, Darulaman Road, Ayoub Khan Meina, Opposite Ayoub Khan Mosque, Kabul, Afghanistan; Tel: +93 (799) 315320, +93 (799) 315320

ABL INCOME FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2012

		(Unaudited) December 31, 2012	(Audited) June 30, 2012
		----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	1,294,627	838,670
Investments	5	1,966,093	2,951,601
Profit receivable		29,795	18,108
Security deposits, prepayments and other receivables		13,571	13,441
Preliminary expenses and floatation costs		719	1,222
Total assets		3,304,805	3,823,042
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	6,118	6,742
Payable to the Central Depository Company of Pakistan Limited - Trustee		322	350
Payable to the Securities and Exchange Commission of Pakistan		1,144	4,035
Payable against redemption of units		8,624	-
Accrued expenses and other liabilities	7	31,227	27,652
Total liabilities		47,435	38,779
NET ASSETS		3,257,370	3,784,263
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,257,370	3,784,263
CONTINGENCIES AND COMMITMENTS	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		325,241,768	377,334,984
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		10.0152	10.0289
FACE VALUE PER UNIT		10.0000	10.0000

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL INCOME FUND CONDENSED INTERIM INCOME STATEMENT (UN AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Note	Half year ended		Quarter ended	
	December 31, 2012	2011	December 31, 2012	2011
(Rupees in '000)				
INCOME				
Net gain on sale of investments	29,617	20,449	11,191	9,235
Income from Government Securities	104,952	277,826	57,954	148,602
Income from Term Deposit Receipts	25,834	30,618	8,749	13,973
Income from Certificates of Deposit	-	2,531	-	-
Income from Letters of Placement	268	8,512	51	419
Income from Reverse Repurchase transactions	-	8,142	-	933
Income from Term Finance Certificates / Sukuk	21,283	26,279	11,028	14,254
Profit on bank accounts	12,360	25,212	4,438	19,197
Dividend income	5,285	14,267	4,302	14,267
	199,599	413,836	97,713	220,880
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading'	4,442	(2,236)	(7,332)	(5,984)
Unrealized gain / (loss) on revaluation of future contracts	-	-	988	(11)
	204,041	411,600	91,369	214,885
EXPENSES				
Remuneration of ABL Asset Management Company Limited - Management Company	22,875	43,772	12,192	23,679
Sindh sales tax on Management Company's Remuneration	3,660	7,004	1,951	3,789
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,725	2,845	905	1,506
Annual fee - Securities and Exchange Commission of Pakistan Limited	1,144	2,189	610	1,184
Brokerage and other transaction costs	754	1,635	525	1,037
Bank charges	252	171	206	87
Auditors' remuneration	215	217	101	109
Amortization of preliminary expenses and floatation costs	503	499	251	248
Legal and professional charges	-	50	-	50
Printing charges	75	51	38	1
Listing fee	20	20	10	10
Annual rating fee	108	96	58	48
Other expenses	97	178	39	131
Total operating expenses	31,428	58,727	16,886	31,879
Net income from operating activities	172,613	352,873	74,483	183,006
Element of income and capital gains included in prices of units issued less those in units redeemed - net	1,117	54,566	4,180	52,297
Provision for Workers' Welfare Fund	7.1	(3,477)	(1,595)	(4,078)
Net income for the period before taxation	170,253	399,918	77,068	231,225
Taxation	9	-	-	-
Net income for the period after taxation	170,253	399,918	77,068	231,225
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	170,253	399,918	77,068	231,225
Earnings per unit	10			

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

**For ABL Asset Management Company Limited
(Management Company)**


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL INCOME FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended	
	December 31,	
	2012	2011
	----- (Rupees in '000) -----	
Opening undistributed income comprising:		
- Realised income	9,587	10,584
- Unrealised income / (loss)	1,325	(1,089)
	<u>10,912</u>	<u>9,495</u>
Net income for the period	170,253	399,918
Interim distribution:		
- Re 0.3479 per unit on September 24, 2012 (2011: Re 0.3158 per unit on September 27, 2011)		
Cash distribution	(2)	(76,064)
Issue of bonus units	(93,506)	(150,875)
Interim distribution:		
- Re 0.2531 per unit on December 26, 2012 (2011: Re 0.3089 per unit on December 26, 2011)		
Cash distribution	(1)	(67,730)
Issue of bonus units	(85,824)	(101,541)
Element of income and capital gains included in prices of units issued less those in units redeemed	3,137	957
Undistributed income carried forward	<u>4,969</u>	<u>14,160</u>
Undistributed income / (loss) comprising:		
Realised income	527	16,396
Unrealised gain / (loss)	4,442	(2,236)
	<u>4,969</u>	<u>14,160</u>

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended	
	December 31,	
	2012	2011
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	3,784,263	4,878,536
Issue of 229,732,204 units (2011: 803,028,032 units)	2,334,632	8,122,644
Redemption of 299,758,390 units (2011: 546,724,675 units)	(3,030,658)	(5,504,088)
	(696,026)	2,618,556
Issue of 17,932,970 bonus units (2011: 25,241,635 units)	179,330	252,416
Net element of income and capital gains included in prices of units issued less those in units redeemed		
- amount representing income and capital gains - transferred to Income Statement	(1,117)	(54,566)
- amount representing income and capital gains - transferred to distribution statement	(3,137)	(957)
	(4,254)	(55,523)
Other net income for the period	136,194	381,705
Gain on sale of investments	29,617	20,449
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	4,442	(2,236)
Total comprehensive income for the period	170,253	399,918
Interim distribution:		
- Re 0.3479 per unit on September 24, 2012 (2011: Re 0.3158 per unit on September 27, 2011)		
Cash distribution	(2)	(76,064)
Issue of bonus units	(93,506)	(150,875)
Interim distribution:		
- Re 0.2531 per unit on December 26, 2012 (2011: Re 0.3089 per unit on December 26 2011)		
Cash distribution	(1)	(67,730)
Issue of bonus units	(85,824)	(101,541)
	(179,333)	(396,210)
Net element of income and capital gains included in prices of units issued less those in units redeemed	3,137	957
Net assets as at the end of the period	3,257,370	7,698,650

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL INCOME FUND
CONDENSED INTERIM CASH FLOW
STATEMENT (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Note	<u>Half year ended</u>	
		December 31,	December 31,
		2012	2011
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		170,253	399,918
Adjustment:			
Amortisation of preliminary expenses and floatation costs		503	499
Unrealised (appreciation) / diminution on re-measurement of investments classified as "financial assets at fair value through profit or loss"		(4,442)	2,236
Net element of income and capital gains included in prices of units issued less those in units redeemed		(1,117)	(54,566)
		<u>165,197</u>	<u>348,087</u>
(Increase) / decrease in assets			
Profit receivable		(11,687)	(3,105)
Investments		669,950	(2,755,600)
Receivable against sale of investments		-	(25,379)
Security deposits, prepayments and other receivables		(130)	(18,926)
		<u>658,133</u>	<u>(2,803,010)</u>
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		(624)	4,727
Payable to Central Depository Company of Pakistan Limited - Trustee		(28)	157
Payable to Securities and Exchange Commission of Pakistan		(2,891)	-
Payable against redemption of units		8,624	-
Payable against purchase of investments		-	(2,728)
Accrued expenses and other liabilities		3,575	(10,009)
		<u>8,656</u>	<u>(7,853)</u>
Net cash generated from / (used in) operating activities		<u>831,986</u>	<u>(2,462,776)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3)	(128,811)
Net (payments) / receipts against (redemption) / issuance of units		(696,026)	2,620,147
Net cash (used in) / generated from financing activities		<u>(696,029)</u>	<u>2,491,336</u>
Net Increase in cash and cash equivalents		<u>135,957</u>	<u>28,560</u>
Cash and cash equivalents at the beginning of the period		2,288,670	2,205,203
Cash and cash equivalents at the end of the period	4.1	<u><u>2,424,627</u></u>	<u><u>2,233,763</u></u>

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

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 the public for subscription on a continuous basis. The units are transferable and are redeemable by surrendering them to the Fund.

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.

JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM2-' (Stable Outlook) to the Management Company and fund stability rating of "A+(f)" to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'.

This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published financial statements of the Fund for the year ended June 30, 2012

In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2012

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

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

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

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

2.3 Standards, interpretations and amendments to published approved accounting standards, as applied in Pakistan, that are not yet effective

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that 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 recognised 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 applied to the financial statements as at and for the year ended June 30, 2012.

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, 2012.

During the period, the SECP has made certain amendments in the criteria relating to the methodology for valuation of debt securities and determining minimum provisioning requirements in respect of non-performing debt securities. These revisions were made vide Circular No. 33 of 2012 dated October 24, 2012. The aforementioned Circular has had no impact on the net asset value of the Fund and the net income for the current period.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
4	BALANCES WITH BANKS		
		----- (Rupees in '000) -----	
	Saving accounts	4.2 <u>1,294,627</u>	<u>838,670</u>
		<u>1,294,627</u>	<u>838,670</u>
4.1	CASH AND CASH EQUIVALENTS		
	Balances with banks	1,294,627	838,670
	Term deposit receipts	5.7 <u>1,130,000</u>	<u>1,450,000</u>
		<u>2,424,627</u>	<u>2,288,670</u>
4.2	These saving accounts carry mark-up at rates ranging from 6.00 % to 10% (June 30, 2012: 6% to 12.28%) per annum. Deposits in saving accounts include Rs. 6,049,845 (June 30, 2012: Rs. 7,069,688) maintained with Allied Bank Limited, a related party.		
5	INVESTMENTS		
	Financial assets 'at fair value through profit or loss' - held for trading		
	- Government Treasury Bills	5.1 147,973	1,208,205
	- Pakistan Investment Bonds	5.2 286,507	-
	- Ijarah Sukuk	5.3 505	-
	- Term Finance Certificates / Sukuk	5.4 311,108	293,396
	- Advance against subscription of TFCs	5.6 90,000	-
	- Loans and receivables	5.7 <u>1,130,000</u>	<u>1,450,000</u>
		<u>1,966,093</u>	<u>2,951,601</u>

5.1 Financial assets at fair value through profit or loss - held for trading - Government Treasury Bills

Issue date	Tenor	Face Value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchased during the period	Disposed / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----										
May 3, 2012	3 Months	6,000	-	6,000	-	-	-	-	-	-
May 17, 2012	3 Months	42,000	-	42,000	-	-	-	-	-	-
May 31, 2012	3 Months	50,000	-	50,000	-	-	-	-	-	-
June 14, 2012	3 Months	200,000	37,400	237,400	-	-	-	-	-	-
June 28, 2012	3 Months	595,000	-	595,000	-	-	-	-	-	-
July 12, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
July 26, 2012	3 Months	-	450,000	450,000	-	-	-	-	-	-
August 23, 2012	3 Months	-	436,000	436,000	-	-	-	-	-	-
August 9, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
September 20, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
September 6, 2012	3 Months	-	500,000	500,000	-	-	-	-	-	-
October 4, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
October 18, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
November 1, 2012	3 Months	-	250,000	250,000	-	-	-	-	-	-
November 15, 2012	3 Months	-	455,000	455,000	-	-	-	-	-	-
November 29, 2011	3 Months	-	250,000	250,000	-	-	-	-	-	-
December 13, 2012	3 Months	-	187,000	187,000	-	-	-	-	-	-
		893,000	3,815,400	4,708,400	-	-	-	-	-	-
February 9, 2012	6 Months	15,000	-	15,000	-	-	-	-	-	-
July 12, 2012	6 Months	-	462,000	462,000	-	-	-	-	-	-
July 26, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
August 9, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
September 20, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
September 6, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
October 4, 2012	6 Months	-	500,000	500,000	-	-	-	-	-	-
October 18, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
November 1, 2012	6 Months	-	250,000	250,000	-	-	-	-	-	-
November 29, 2012	6 Months	-	312,000	250,000	62,000	59,742	59,772	30	1.83%	3.04%
December 13, 2012	6 Months	-	187,000	187,000	-	-	-	-	-	-
		15,000	2,961,000	2,914,000	62,000	59,742	59,772	30	1.83%	3.04%
July 28, 2011	12 Months	-	650,000	650,000	-	-	-	-	-	-
August 11, 2011	12 Months	55,200	743,000	798,200	-	-	-	-	-	-
August 25, 2011	12 Months	169,800	-	169,800	-	-	-	-	-	-
September 8, 2011	12 Months	-	150,000	150,000	-	-	-	-	-	-
September 22, 2011	12 Months	43,000	218,000	261,000	-	-	-	-	-	-
October 6, 2011	12 Months	200	-	200	-	-	-	-	-	-
October 20, 2011	12 Months	60,000	-	60,000	-	-	-	-	-	-
November 3, 2011	12 Months	-	100,000	100,000	-	-	-	-	-	-
January 26, 2012	12 Months	-	241,000	241,000	-	-	-	-	-	-
June 28, 2012	12 Months	-	4,900	-	4,900	4,676	4,692	16	0.14%	0.24%
May 3, 2012	12 Months	-	200,000	200,000	-	-	-	-	-	-
July 12, 2012	12 Months	-	1,717,500	1,717,500	-	-	-	-	-	-
July 26, 2012	12 Months	-	1,363,335	1,363,335	-	-	-	-	-	-
August 23, 2012	12 Months	-	250,000	250,000	-	-	-	-	-	-
August 9, 2012	12 Months	-	350,100	350,100	-	-	-	-	-	-
September 20, 2012	12 Months	-	262,850	185,000	77,850	72,744	73,015	271	2.24%	3.71%
September 6, 2012	12 Months	-	261,150	250,000	11,150	10,499	10,494	(5)	0.32%	0.53%
October 4, 2012	12 Months	-	200,000	200,000	-	-	-	-	-	-
October 18, 2012	12 Months	-	250,000	250,000	-	-	-	-	-	-
November 1, 2012	12 Months	-	1,750,000	1,750,000	-	-	-	-	-	-
November 29, 2012	12 Months	-	250,000	250,000	-	-	-	-	-	-
December 13, 2012	12 Months	-	187,000	187,000	-	-	-	-	-	-
		328,200	9,148,835	9,383,135	93,900	87,919	88,201	282	2.71%	4.49%
Total - December 31, 2012		1,236,200	15,925,235	17,005,535	155,900	147,661	147,973	312	4.54%	7.53%

5.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchased during the period	Disposed / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----										
August 18, 2011	3 Years	-	150,000	150,000	-	-	-	-	-	-
July 19, 2012	3 Years	-	955,000	850,000	105,000	105,798	107,451	1,653	3.30%	5.47%
July 19, 2012	5 Years	-	325,000	250,000	75,000	76,385	76,362	(23)	2.34%	3.88%
July 19, 2012	10 Years	-	275,000	175,000	100,000	103,410	102,694	(716)	3.15%	5.22%
Total - December 31, 2012		-	1,705,000	1,425,000	280,000	285,593	286,507	914	8.80%	14.57%

5.3 Ijarah sukuk

Issue date	Tenor	Face Value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchased during the period	Disposed / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----										
November 15, 2010	3 Years	-	25,000	25,000	-	-	-	-	-	-
May 16, 2011	3 Years	-	500	-	500	500	505	5	0.02%	0.03%
September 18, 2012	3 Years	-	300,000	300,000	-	-	-	-	-	-
March 2, 2012	3 Years	-	200,000	200,000	-	-	-	-	-	-
Total - December 31, 2012		-	525,500	525,000	500	500	505	5	0.02%	0.03%

5.4 Term Finance Certificates / sukuk

Name of the investee company	Profit / Markup Rate %	Number of Certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2012	Purchased during the period	Disposed / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----										
Askari Bank Limited - I	6 months KIBOR plus 1.50%	13,400	3,000	-	16,400	81,801	81,722	(79)	2.51%	4.16%
Askari Bank Limited - IV	6 months KIBOR plus 1.75%	8,400	-	-	8,400	43,669	45,180	1,511	1.39%	2.30%
Standard Chartered Bank Pakistan Ltd. PPTFC	6 months KIBOR plus 0.75%	29,000	-	6,800	22,200	111,000	112,221	1,221	3.45%	5.71%
United Bank Limited - II	6 months KIBOR plus 0.20%	-	6,670	-	6,670	38,254	38,767	513	1.19%	1.97%
United Bank Limited - IV	6 months KIBOR plus 0.85%	7,600	-	-	7,600	33,173	33,218	45	1.02%	1.69%
Total - December 31, 2012		58,400	9,670	6,800	61,270	307,897	311,108	3,211	9.55%	15.82%

5.5 Shares of listed companies

Name of the investee company	Number of shares				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 1, 2012	Purchased during the period	Sales during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)			
-----Rupees in '000-----										
Shares of listed companies - Fully Paid ordinary shares of Rs. 10 each unless stated otherwise.										
Personal Goods										
Nishat Mills Limited	-	473,000	473,000	-	-	-	-	-	-	-
	-	473,000	473,000	-	-	-	-	-	-	-
Construction & Materials										
D.G.Khan Cement Company Ltd.	-	619,500	619,500	-	-	-	-	-	-	-
Lucky Cement Ltd.	-	49,000	49,000	-	-	-	-	-	-	-
	-	668,500	668,500	-	-	-	-	-	-	-
Chemicals										
Fauji Fertilizer Company Limited	-	245,500	245,500	-	-	-	-	-	-	-
	-	245,500	245,500	-	-	-	-	-	-	-
Oil and Gas										
Attock Refinery Pakistan Limited	-	52,000	52,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	114,500	114,500	-	-	-	-	-	-	-
	-	166,500	166,500	-	-	-	-	-	-	-
Total - December 31, 2012	-	1,553,500	1,553,500	-	-	-	-	-	-	-

5.6 Advance against subscription of TFCs

This represents amount paid for subscription of Term Finance Certificate (TFCs) of Bank Alfalah Limited Issue - V. As per the terms of the agreement, markup at the rate of kibar + 1.25% is being accrued on subscription amount.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
5.7 Loans and Receivables			
		--(Rupees in '000)--	
Term Deposit Receipts	5.7.1	1,130,000	1,450,000
		<u>1,130,000</u>	<u>1,450,000</u>

5.7.1 Term Deposit Receipts carry mark-up at rates ranging from 9.80% to 10.25% (June 30, 2012: 12.25% to 12.45%) per annum and maturities ranging from January 18, 2013 to October 4, 2013 (June 30, 2012: July 18, 2012 to August 27, 2012). These include Rs. 100 million maintained with Allied Bank Limited, a related party.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
		--(Rupees in '000)--	
Remuneration		4,412	4,950
Preliminary expenses and flotation costs		1,000	1,000
Sindh sales tax on Management Company's remuneration		706	792
		<u>6,118</u>	<u>6,742</u>

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		199	325
Brokerage		222	52
Printing and other charges		99	260
Provision for Workers' Welfare Fund	7.1	30,465	26,988
Tax deducted at source		127	27
Payable to NCCPL		15	-
Other payable		100	-
		<u>31,227</u>	<u>27,652</u>

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

Subsequent to the year ended June 30, 2011, 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, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC.

However, 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. 30.465 million (including Rs. 3.477 million for the current period) in this condensed interim financial information.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2012.

9 TAXATION

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

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, Ibrahim Fibres Limited and Cyan Limited being entities under common management and / or directorship, Central Depository Company of Pakistan Limited being the trustee of the Fund and directors and officers of the Management Company.

11.1 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 with connected persons during the period are as follows:

	Half year ended	
	December 31,	
	2012	2011
	----- (Rupees in '000) -----	
ABL Asset Management Company Limited - Management Company		
Issue of Nil units (2011: 3,447,711 units)	-	34,500
Bonus of 319,998 units (2011: 186,047 units)	3,200	1,860
Redemption of Nil units (2011: 2,910,644 units)	-	30,000
Remuneration for the period	22,875	43,772
Sindh sales tax on Management Company's Remuneration	3,660	7,004
Allied Bank Limited		
Issue of Nil units (2011: 299,529,738 units)	-	3,000,000
Redemption of 75,000,000 units (2011: nil units)	754,733	-
Cash dividend	-	46,853
Markup income	5,668	1,695
Bank charges	12	48

	Half year ended	
	December 31,	
	2012	2011
	----- (Rupees in '000) -----	
CHAIRMAN OF THE MANAGEMENT COMPANY		
Sheikh Mukhtar Ahmad		
Bonus of 908 units (2011: 847 units)	9	8
DIRECTORS OF THE MANAGEMENT COMPANY		
Mr. Muhammad Javaid Iqbal		
Bonus of 5,331 units (2011: 2,124 units)	53	11
Mr. Shakeb Murad		
Issue of Nil units (2011: 575,665 units)	-	5,900
Bonus of Nil units (2011: 20,879 units)	-	209
Redemption of Nil units (2011: 3,229)	-	32
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of Nil units (2011: 14,664 units)	-	150
Bonus of 71,529 units (2011: 66,708 units)	715	667
Redemption of Nil units (2011: 227,514)	-	2,300
Executives		
Bonus of 1,163 units (2011: 1,901 units)	12	19
Redemption of 34,603 units (2011: 6,776 units)	346	68
TRUSTEE		
Central Depository Company of Pakistan Limited		
Remuneration for the period	1,725	2,845
CDS connection fee	7	12
	(Unaudited)	(Audited)
	December 31,	June 30,
	2012	2012
	----- (Rupees in '000) -----	
11.2 Amounts outstanding as at period / year ended		
ABL Asset Management Company Limited - Management Company		
Outstanding 5,567,533 units (June 30 2012: 5,247,537 units)	55,760	52,627
Preliminary expenses and floatation costs payable	1,000	1,000
Remuneration payable to Management Company	4,412	4,950
Sindh sales tax payable on Management Company's remuneration	706	792
Allied Bank Limited		
Outstanding Nil units (June 30 2012: 75,000,000 units)	-	752,168
Bank balance	6,050	7,070
Mark up accrued	2,931	126
Term Deposit Receipts	100,000	-

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
	----- (Rupees in '000) -----	

CHAIRMAN OF THE MANAGEMENT COMPANY

Sheikh Mukhtar Ahmad

Outstanding 15,797 units (June 30, 2012: 14,889 units)

158

149

DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Muhammad Javaid Iqbal

Outstanding 92,744 units (June 30, 2012: 87,414 units)

929

877

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 1,244,511 units (June 30, 2012: 1,172,982 units)

12,464

11,764

Executives

Outstanding Nil units (June 30, 2012: 33,440 units)

-

335

TRUSTEE

Central Depository Company of Pakistan Limited - Trustee

Remuneration and CDC connection fee payable

322

350

Security deposit receivable

100

100

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 15, 2013 by the Board of Directors of the Management Company.

13 GENERAL

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

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

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ABL Asset Management

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