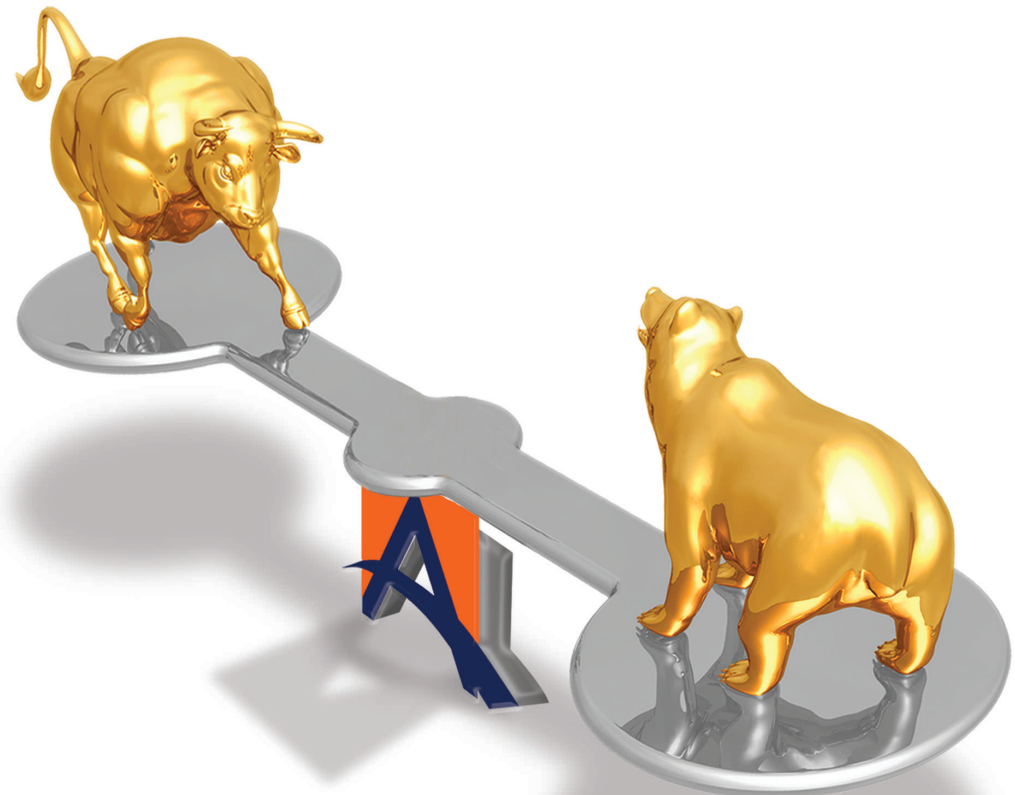




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CONDENSED INTERIM  
**FINANCIAL  
STATEMENTS**  
FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010



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## FUND INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited 11 – B, Lalazar, M. T. Khan Road, Karachi.	
<b>Board of Directors of the Management Company:</b>	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 Mr. Kamran Nishat	Chairman Director Director Director Director (Resigned w.e.f. October 20, 2009) CEO/Director (Resigned w.e.f. November 10, 2009) Director (Appointed w.e.f. October 20, 2009)
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Yaseen Mr. Mohammad Aftab Manzoor	Chairman Member Member
<b>Chief Executive Officer:</b>	Mr. Farid Ahmed Khan, CFA	(Appointed w.e.f. April 01, 2010)
<b>Chief Operating Officer &amp; Company Secretary:</b>	Mr. Sulaiman S. Mehdi	
<b>Chief Financial Officer:</b>	Mr. Saqib Matin	
<b>Head of Internal Audit:</b>	Mr. Faisal Nadeem Mangroria	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi.	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Alfalah Limited United Bank Limited	
<b>Distributors:</b>	Allied Bank Limited Flow (Pvt.) Limited IGI Investment Bank (FundSelect) BMA Financial Services Limited	
<b>Auditors:</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 – C1 – 10, Beaumont Road, Civil Lines, Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	
<b>Rating:</b>	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 of ABL Stock Fund (ABL-SF) is pleased to present the un-audited Condensed Interim Financial Statements of ABL-SF for the period from June 28, 2009 to March 31, 2010.

## ECONOMIC PERFORMANCE REVIEW

3QFY10 reflected resurgence in inflation due to rise in oil and commodity prices and consequently dampened market sentiments towards possible decline in interest rates. The SBP, in its bi-monthly MPS announcements, maintained its Discount Rate at 12.50% citing the above reasons. Exacerbating the situation, IMF's 5th Tranche disbursement was delayed due to complexities surrounding the implementation of VAT. Moreover conditions associated with the disbursement include a rise in electricity tariffs which has received strong opposition as well. Moreover the mounting Circular Debt Issue is impeding economic recovery.

Foreign currency reserves have remained strong; however trade deficit figures have risen again owing to heavy oil imports during the period. The fiscal deficit target of 4.9% has been revised to 5.0 – 5.5% of GDP to incorporate higher security related expenditure and mitigate shortfall in revenue collection. Considering untamed inflation coupled with uncertainties surrounding inflow of funds and heavy government budgetary borrowing, a status quo in interest rates is expected during the next quarter.

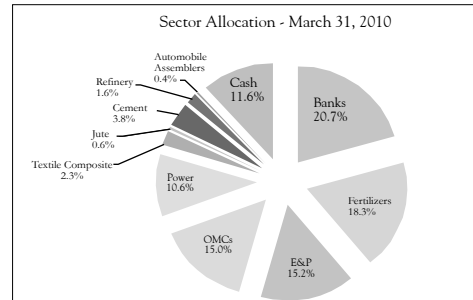
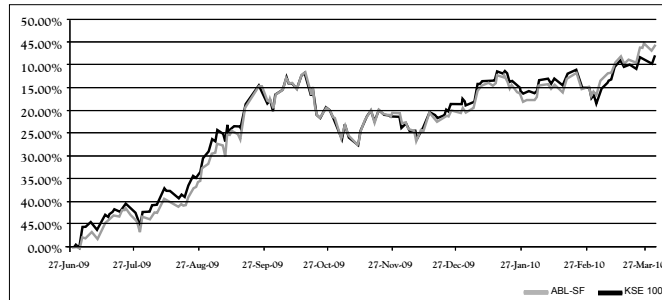
## MUTUAL FUND INDUSTRY REVIEW

During the period, investor confidence channeled its way into low risk fixed income funds which primarily invest in Government Securities. Due to limited investment avenues and competitive yields offered on Treasury Bills, asset allocation bias towards government securities increased during the period. Revaluation loss on certain TFCs on account of delayed coupon payments by their issuers led to a drop in NAVs of TFC centric income funds. This highlights the continued risks in such investments and the reason for inclination towards investments in Government Securities. As on February 28, 2010, Industry AUMs were recorded at Rs.222.95 billion compared to Rs.223.48 as on December 31, 2009. AUMs of income funds witnessed a decline due to revaluation losses on TFCs. Moreover equity funds also experienced outflows.

## FUND PERFORMANCE

3QFY10 fared well for equity market investors with KSE-100 rising by 8.43% during the period under review. Although first two months of the quarter were dull amidst low volumes, large foreign inflows in the month of March propelled the index to 18 month high at the quarter end. ABL-SF yielded a return of 11.52% during the quarter under review against 8.43% appreciation in KSE-100, which is an outperformance by 309 basis points. Our investors will be pleased to learn that ABL-SF, after third quarter's performance, has become the best performing stock fund in the open-end category on both year-to-date (July-March) and since-inception basis.

During the period from June 28, 2009 to March 31, 2010, ABL-SF earned total income of Rs.131.47 million, out of which Rs.81.18 million was gain on sale of investment, Rs.33.22 million was on account of unrealized gain on investments, Rs.14.32 million from dividend income and Rs.2.73 million from profit on bank deposits. After accounting for expenses of Rs.14.27 million, comprising mainly of the management fee of Rs.8.28 million and brokerage and other charges of Rs.3.78 million, net income from operating activities for the period ended March 31, 2010 stood at Rs.117.20 million. With the net element of income of Rs.17.67 million included in the prices of units issued less those in units redeemed, the net income for the period ended March 31, 2010 stood at Rs.134.87 million. The asset allocation and performance of ABL-SF as at March 31, 2010 was as follows:



PERFORMANCE			
	Since Launch	Quarter-to-date	March
ABL-SF*	44.35%	11.52%	6.81%
KSE-100*	42.11%	8.43%	5.39%
Profit on Rs.100,000 invested*	44,349.00	11,515.49	6,808.88

\*Returns are net of management fee & all other expenses  
\*\*Represents profit earned by investing Rs.100,000 in ABL-SF

#### FUTURE OUTLOOK

We remain upbeat on future outlook of Pakistani stock market. Asian markets have received overwhelming response from investors worldwide, who expect growth in the continent to surpass that in rest of the world for foreseeable future. During March 2010, foreign flows depicted these bullish sentiments with Indian market receiving \$4.1 billion, Taiwan \$3.5 billion, South Korea \$4.8 billion and Thailand \$1.4 billion. Large foreign flows received by our market were, hence, not something exceptional. Asian markets performed very well over the past month and most of these markets are now trading close to their all time highs. Frontier Markets such as Pakistan could be the next preferred destination of investors, who now find Emerging Markets a little over valued. Although fragile economic outlook demands caution, we feel that scripts backed by solid fundamentals still hold key for local investors seeking value in the longer-term.

#### MANAGEMENT QUALITY RATING

On December 31, 2009, JCR-VIS has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMCL) at 'AM3' (AM-Three), which denotes 'good management quality.'

#### ACKNOWLEDGEMENT

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

For and on behalf of the Board

FARID AHMED KHAN  
(CEO)

Karachi, April 26, 2010

## ABL STOCK FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT MARCH 31, 2010

	Note	March 31, 2010 (Rupees in '000')
<b>ASSETS</b>		
Bank balances	4	41,676
Investments	5	388,180
Dividend and profit receivable	6	6,703
Deposits and prepayments		2,620
Receivable against sale of investments		3,927
Preliminary expenses and floatation cost		3,045
<b>Total assets</b>		<b>446,150</b>
<b>LIABILITIES</b>		
Payable to ABL Asset Management Company Limited - Management Company	7	4,675
Payable to the Central Depository Company of Pakistan Limited - Trustee		74
Payable to the Securities and Exchange Commission of Pakistan		262
Payable against purchase of investments		1,663
Payable to unit holders against redemption of units		49
Accrued expenses and other liabilities		439
<b>Total liabilities</b>		<b>7,161</b>
<b>Net assets</b>		<b>438,989</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>438,989</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	<b>Number of units</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>30,412</b>
		<b>Rupees</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>14.4349</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

FARID AHMED KHAN  
CEO

MUHAMMAD YASEEN  
DIRECTOR

**ABL STOCK FUND  
CONDENSED INTERIM INCOME  
STATEMENT (UN-AUDITED)**


FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010  
AND QUARTER ENDED MARCH 31, 2010

Note	For the period from June 28, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	---- (Rupees in '000') ----	
<b>INCOME</b>		
Capital gain on sale of securities	81,181	14,977
Dividend income	14,321	8,405
Unrealised appreciation on remeasurement of financial assets at fair value through profit or loss - 'held for trading'	33,222	25,911
Profit on bank accounts	2,737	587
Other income	14	-
	<u>131,474</u>	<u>49,881</u>
<b>EXPENSES</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	8,276	3,082
Remuneration of Central Depository Company of Pakistan Limited - Trustee	592	205
Annual fee - Securities and Exchange Commission of Pakistan	262	98
Brokerage expense, federal excise duty and capital value tax	3,777	384
Auditors' remuneration	248	81
Amortisation of preliminary expenses and floatation costs	538	177
Printing charges	113	37
Annual rating fee	128	42
Listing fee	60	20
Settlement and bank charges	277	69
Other expenses	3	-
<b>Total operating expenses</b>	<u>14,272</u>	<u>4,195</u>
<b>Net income from operating activities</b>	117,202	45,686
Element of accrued income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - net	17,671	(1,077)
<b>Net income for the period before taxation</b>	134,873	44,609
Taxation	3.9	-
<b>Net income for the period after taxation</b>	<u>134,873</u>	<u>44,609</u>
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>134,873</u>	<u>44,609</u>
<b>Earnings per unit</b>	9	

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR

**ABL STOCK FUND  
CONDENSED INTERIM DISTRIBUTION  
STATEMENT (UN-AUDITED)**

FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010  
AND QUARTER ENDED MARCH 31, 2010

	For the period from June 28, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	---- (Rupees in '000') ----	
Opening undistributed income - realised	-	82,953
- unrealised	-	7,311
	<u>-</u>	<u>90,264</u>
<b>Net income for the period</b>	134,873	44,609
<b>Undistributed income carried forward</b>	<u>134,873</u>	<u>134,873</u>
<b>Undistributed income comprising:</b>		
Realised income	101,651	101,651
Unrealised income	33,222	33,222
	<u>134,873</u>	<u>134,873</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR

**ABL STOCK FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT  
IN UNIT HOLDERS' FUND ( UN-AUDITED )**


FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010  
AND QUARTER ENDED MARCH 31, 2010

	For the period from June 28, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	---- (Rupees in '000') ----	
Net Assets at the beginning of the period	-	396,838
Issue of 55,185,537 units for the period from June 28,2009 to March 31, 2010	600,156	16,542
Redemption of 24,773,955 units for the period from June 28, 2009 to March 31, 2010	(278,369)	(20,077)
Element of (income)/ loss and (capital gains)/ losses included in prices of units issued less those in units redeemed-transferred to income statement-net	321,787	(3,535)
Other net income for the period	20,471	3,721
Capital gain on sale of securities	81,181	14,977
Unrealised appreciation on remeasurement of financial assets at fair value through profit or loss - 'held for trading'	33,222	25,911
	134,873	44,609
<b>Net assets as at the end of the period</b>	<b>438,989</b>	<b>438,989</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR

**ABL STOCK FUND  
CONDENSED INTERIM CASH FLOW  
STATEMENT (UN-AUDITED)**


FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010  
AND QUARTER ENDED MARCH 31, 2010

	For the period from June 28, 2009 to March 31, 2010	For the Quarter ended March 31, 2010
	---- (Rupees in '000') ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	134,873	44,609
<b>Adjustment for non-cash charges and other items;</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	8,276	3,082
Remuneration of Central Depository Company of Pakistan Limited - Trustee	592	205
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading'	(33,222)	(25,911)
Dividend income	(14,321)	(8,405)
Element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net	(17,671)	1,077
Amortisation of preliminary expenses and floatation cost	538	177
	79,065	14,834
<b>(Increase)/ decrease in assets</b>		
Investments - net	(354,958)	7,042
Profit receivable	(129)	(40)
Deposits and prepayments	(2,620)	20
Receivable against sale of investments	(3,927)	6,849
	(361,634)	13,871
<b>Increase / (decrease) in liabilities</b>		
Payable to Securities and Exchange Commission of Pakistan	262	98
Accrued expenses and other liabilities	439	(162)
Payable to unit holders against redemption of units	49	49
Payable against purchase of investments	1,663	(28,599)
	2,412	(28,615)
Dividend received	7,748	2,241
Remuneration paid to ABL Asset Management Company Limited - Management Company	(7,184)	(3,004)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(518)	(203)
Net cash used in operating activities	(280,112)	(876)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts/ (payments) against issuance/ (redemption) of units	321,787	(3,535)
<b>Net cash generated from/ (used in) financing activities</b>	<b>321,787</b>	<b>(3,535)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>41,676</b>	<b>(4,410)</b>
Cash and cash equivalents at the beginning of the period	-	46,086
Cash and cash equivalents at the end of the period	41,676	41,676

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR

## ABL STOCK FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JUNE 28, 2009 TO MARCH 31, 2010  
AND QUARTER ENDED MARCH 31, 2010

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Stock Fund (the Fund) was established under a trust deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed on April 10, 2009 and it was executed on April 23, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Fund is an open ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and redeemable by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from June 25, 2009 to June 27, 2009 and thereafter these units are offered for public subscription on a continuous basis.

The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/AMLAMC/681 dated June 30, 2009 had granted exemption to ABL Asset Management Company Limited from preparation and publishing of the financial statements of ABL Stock Fund for the period from June 28, 2009 to June 30, 2009. Accordingly, the current condensed interim financial statements have been prepared for the period from June 28, 2009 to March 31, 2010.

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of equity instruments offering capital gains and dividends. The investment objectives and policies are more fully explained in the Fund's Offering documents.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim 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 as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where ever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

These condensed interim financial statements are unaudited.

#### 2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' category which are carried at fair value.

#### 2.3 Functional and Presentation Currency

These condensed interim financial statements have been prepared in Pak Rupees, which is the Fund's functional and presentation currency.

#### 2.4 Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the 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 recognised 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 involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.1 and 5)
- ii. Amortisation of preliminary expenses and floatation costs (note 3.6)

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below:

#### 3.1 Financial assets

##### 3.1.1 Classification

The Fund classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

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 held for trading in the 'Financial assets at fair value through profit or loss' category.

b) **Loans and receivables**

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

c) **Available for sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

**3.1.2 Regular way contracts**

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

**3.1.3 Initial recognition and measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Loans and receivables are carried at amortised cost.

**3.1.4 Subsequent measurement**

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale that comprise of equity securities are valued on the basis of quoted market prices available at the stock exchange.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the Income Statement.

Net gains and losses arising on changes in fair value of available for sale financial assets are taken to equity until these are derecognised. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the income statement.

**3.1.5 Impairment**

The Fund assesses at each balance sheet date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement - is reclassified from equity to income statement. Impairment losses recognised on equity instruments are not reversed through income statement.

**3.1.6 Derecognition**

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

**3.1.7 Offsetting of financial assets and liabilities**

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

**3.2 Financial liabilities**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

**3.3 Derivatives**

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

**3.4 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 allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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



The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the Unit Holder's Fund 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 other comprehensive income in the condensed interim income statement. 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 recognised in the Income Statement.

### 3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years commencing from September 30, 2009, as per the requirement of the Trust Deed of the Fund.

### 3.7 Provisions

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

### 3.8 Net asset value per unit

The net asset value (NAV) per unit, as disclosed in the condensed interim Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

### 3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no tax liability has been recorded for the current period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

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

### 3.10 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

### 3.11 Revenue recognition

- Unrealised gains or losses arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income on equity securities is recognised when the right to receive dividend is established.
- Profit on bank deposits is recognised on an accrual basis.

### 3.12 Cash and cash equivalents

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

## 4 BANK BALANCES

Saving accounts

(Unaudited)  
March 31, 2010  
(Rupees in '000)

41,676
<u>41,676</u>

## 5 INVESTMENTS

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

## 5.1 Listed equities securities

Name of investee company	Number of Share					(Un-audited) Market Value as at March 31, 2010	Market value as a percentage of net assets	Market value as a percentage of investments	Market value as a percentage of paid up capital of investee company
	Opening balance	Purchased during the period	Bonus/ Right	Sales during the period	As at March 31, 2010				

(Rupees in '000)

Shares of Listed companies - fully paid ordinary shares of Rs 10 each unless stated otherwise

## Investment Banks/Companies/Securities

Arif Habib Securities Limited	-	725,000	-	725,000	-	-	-	-	-
Jahangir Siddiqui & Company Limited	-	1,515,000	-	1,515,000	-	-	-	-	-
JS Investments Limited	-	25,500	-	25,500	-	-	-	-	-

## Commercial Banks

Allied Bank Limited	-	510,800	51,080	-	561,880	33,718	7.68%	8.69%	0.43%
Bank Alfalah Limited	-	1,182,958	-	1,182,958	-	-	-	-	-
Faysal Bank Limited	-	50,000	-	50,000	-	-	-	-	-
Habib Bank Limited	-	55,000	-	55,000	-	-	-	-	-
Habib Metropolitan Bank Limited	-	75,000	12,000	-	87,000	2,153	0.49%	0.55%	0.02%
JS Bank Limited	-	500,000	-	500,000	-	-	-	-	-
MCB Bank Limited	-	679,500	11,600	563,500	127,600	26,674	6.08%	6.87%	0.35%
Meezan Bank Limited	-	968,097	44,032	87,449	924,680	16,025	3.65%	4.13%	0.23%
National Bank of Pakistan	-	891,000	-	891,000	-	-	-	-	-
NIB Bank Limited	-	300,000	-	300,000	-	-	-	-	-
The Bank of Punjab	-	26,055	-	26,055	-	-	-	-	-
United Bank Limited	-	1,532,855	20,000	1,347,855	205,000	12,228	2.79%	3.15%	0.10%

## Closed End-Mutual Funds

PICIC Growth Fund	-	250,000	-	250,000	-	-	-	-	-
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## Insurance

Adamjee Insurance Company Limited	-	535,000	-	535,000	-	-	-	-	-
Pakistan Reinsurance Company Limited	-	125,000	-	125,000	-	-	-	-	-

## Textile composite

Azgard Nine Limited	-	750,000	-	750,000	-	-	-	-	-
Nishat Chunian Limited	-	50,000	-	50,000	-	-	-	-	-
Nishat Mills Limited	-	965,000	-	815,000	150,000	8,448	1.92%	2.18%	0.35%
Nishat Mills Limited-Rights	-	89,000	78,750	64,000	103,750	1,603	0.37%	0.41%	0.15%

## Jute

Thal Limited (Face value.Rs.5 each)	-	30,000	-	-	30,000	2,430	0.55%	0.63%	0.95%
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## Cement

DG Khan Cement Company Limited	-	1,304,500	-	1,304,500	-	-	-	-	-
Lucky Cement Limited	-	1,123,600	-	918,817	204,783	16,647	3.79%	4.29%	0.51%
Meapleaf Cement Factory Limited	-	200,000	-	200,000	-	-	-	-	-

## Refinery

Attock Refinery Limited	-	80,205	-	80,205	-	-	-	-	-
National Refinery Limited	-	40,000	-	-	40,000	7,219	1.64%	1.86%	0.90%

## Power Generation &amp; Distribution

Kot Addu Power Company Limited	-	325,500	-	164,364	161,136	7,246	1.65%	1.87%	0.08%
The Hub Power Company Limited	-	1,255,000	-	114,000	1,141,000	39,102	8.91%	10.07%	0.34%

## Oil &amp; Gas Marketing Companies

Attock Petroleum Limited	-	53,000	-	3,000	50,000	17,754	4.04%	4.57%	3.08%
Pakistan State Oil Company Limited	-	286,500	-	160,000	126,500	39,188	8.93%	10.10%	2.28%
Shell Pakistan Limited	-	41,000	-	11,966	29,034	8,742	1.99%	2.25%	1.28%

## Oil &amp; Gas Exploration Companies

Oil & Gas Development Company Limited	-	987,760	-	987,760	-	-	-	-	-
Pakistan Oilfields Limited	-	951,000	-	790,286	160,714	37,581	8.56%	9.68%	1.59%
Pakistan Petroleum Limited	-	518,792	27,900	397,000	149,692	29,253	6.66%	7.54%	0.29%

Name of investee company	Number of Share					(Un-audited) Market Value as at March 31, 2010	Market value as a percentage of net assets	Market value as a percentage of investments	Market value as a percentage of paid up capital of investee company
	Opening balance	Purchased during the period	Bonus/ Right	Sales during the period	As at March 31, 2010				

(Rupees in '000)

## Automobile Assembler

Indus Motor Company Limited	-	15,000	-	15,000	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	50,000	-	29,200	20,800	1,655	0.38%	0.43%	0.20%

## Technology &amp; Communication

Netsol Technologies Limited	-	475,000	-	475,000	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	1,767,510	-	1,767,510	-	-	-	-	-

## Fertilizer

Dawood Hercules Chemicals Limited	-	125,000	4,000	85,000	44,000	10,317	2.35%	2.66%	0.86%
Engro Corporation Limited	-	723,000	17,009	547,905	192,104	38,386	8.74%	9.89%	1.17%
Fauji Fertilizer Company Limited	-	535,200	-	245,200	290,000	31,810	7.25%	8.19%	0.16%
Fauji Fertilizer Bin Qasim Limited	-	1,369,968	-	1,369,968	-	-	-	-	-

## Chemicals

Engro Polymer & Chemicals Limited	-	450,000	-	450,000	-	-	-	-	-
ICI Pakistan Limited	-	35,000	-	35,000	-	-	-	-	-
Pakistan PTA Limited	-	100,000	-	100,000	-	-	-	-	-

## Miscellaneous

Pace (Pakistan) Limited	-	1,775,000	-	1,775,000	-	-	-	-	-
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388,180

(Un-audited)  
March 31,  
2010

Note (Rupees in '000)

## 5.2 Net unrealised appreciation on re-measurement of investments classified as fair value through profit or loss - 'held for trading'

Market value of securities	5.1	388,180
Less: carrying value of securities		(354,958)
		<u>33,222</u>

5.3 The above investment includes shares of Engro Corporation Limited : 100,000, Fauji Fertilizer Company Limited: 8,000, The Hub Power Company Limited: 300,000, Kot Addu Power Company Limited: 27,000, Lucky Cement Limited: 25,000, MCB Bank Limited: 20,000, Nishat Mills Limited: 50,000, Pakistan Oilfields Limited : 23,000, Pakistan Petroleum Limited : 20,000, Pakistan State Oil Company Limited : 38,000 and United Bank Limited: 120,000, pledge with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs. 69,600,500/- which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan.

	Note	(Un-audited) March 31, 2010 (Rupees in '000)
<b>6 DIVIDEND AND PROFIT RECEIVABLE</b>		
Dividend receivable		6,573
Profit accrued on savings accounts		<u>129</u>
		<u>6,703</u>
<b>7 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY</b>		
Management fee	7.1	1,084
Sales load		8
Preliminary expenses and floatation costs		<u>3,583</u>
		<u>4,675</u>
<b>7.1</b>	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 3 percent of the average annual net assets of the Fund.	
<b>8 CONTINGENCIES AND COMMITMENTS</b>		
	The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs. 2.697 million. However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.	
	To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.	
	The Management Company, based on the advice of the MUFAP's legal counsel is confident of favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.	
	There were no other contingencies and commitments outstanding as at March 31, 2010.	
<b>9 EARNINGS PER UNIT</b>		
	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 EPU is not practicable.	
<b>10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES</b>		
	Connected persons/ Related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited- Employees Superannuation (Pension) Fund 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.	

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

	(Unaudited) For the period from June 28, 2009 to March 31, 2010	(Unaudited) For the quarter ended March 31, 2010
	(Rupees in '000)	
<b>ABL Asset Management Company Limited - Management Company</b>		
Issue of 24,200,596 units	278,000	-
Redemption of 15,380,272 units	174,072	-
Remuneration for the period	8,276	3,082
<b>Allied Bank Limited</b>		
Issue of 10,000,000 units	100,000	-
Markup income for the period	2,650	874
Bank charges	11	3
<b>ABL AMC Staff Provident Fund</b>		
Issue of 85,000 units	850	-
Redemption of 85,000 units	912	-
<b>ABL Employees Superannuation (Pension) Fund</b>		
Issue of 10,000,000 units (Investment in seed capital of the Fund)	100,000	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	592	205
Settlement charges & connection fee	94	12
<b>Key Management personnel</b>		
<b>Executives</b>		
Issue of 24,496 units	245	-
Redemption of 13,500 units	167	-
<b>Detail of balances outstanding as at March 31, 2010 with connected persons are as follows:</b>		
	(Unaudited) March 31, 2010 (Rupees in '000)	
<b>ABL Asset Management Company Limited - Management Company</b>		
Management fee payable		1,084
Preliminary expenses and floatation costs		3,583
Sales Load payable		8
Units held 8,820,324		127,320
<b>Allied Bank Limited</b>		
Markup accrued		129
Bank balance		41,423
Units held 10,000,000		144,349

Detail of transactions and balances with connected persons are as follows: (Continued...)

	(Unaudited) March 31, 2010 (Rupees in '000)
ABL Employees Superannuation (Pension) Fund Units held 10,000,000	144,349
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	72
Settlement charges payable	2
Security deposit with CDC	100
Key Management personnel	
Executives	
Units held 10,996	159

#### 11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 26, 2010.


#### 12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR