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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 Faysal Bank Limited	Askari Bank Limited NIB Bank Limited MCB Bank Limited
Distributor:	Allied Bank Limited BMA Financial Services Limited Vector Consulting (Pvt.) Limited	IGI Investment Bank Elixir Securities Pakistan (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 Stock Fund (ABL-SF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Stock 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, and 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.

### MARKET OVERVIEW

Equity market performed exceptionally well with turnover picking up during the period under review. The benchmark KSE-100 index hit an all-time high of 16,943 points and eventually closed the year at 16,905 points, + 22% YTD (CY12 + 48%). Strong performance was primarily attributable to cement, oil, textiles and index heavy banking scrips. During the period, average daily volume traded was recorded at 149mn shares (up 150% YoY),

while value traded clocked in at USD 44mn (+ 37% YoY). Release of coalition support funds and extensive monetary easing by the central bank amid declining inflation provided added support to an already prevailing bullish sentiment. Foreign flows were also encouraging with FIPI recorded at USD 157.5mn as against an outflow during the corresponding period of last year. At year end, the market was trading at an attractive 2013 E P/E of 6.7x and dividend yield of 7.7% which stacks well when compared to regional peers.

#### **MUTUAL FUND INDUSTRY REVIEW**

Equity funds' AUMs increased by 1.2% during 1HFY13 to close at PKR 52.8bn against 22.5% increase in KSE-100 index in the same period. This translates into net reduction of AUMs, adjusting for strong market performance. The trend continues to reflect investors' aversion to risky asset classes amidst deteriorating political and local macro variables. We, however, expect this trend to reverse as investors seek high return generating asset classes in falling interest rates scenario.

#### **FUND PERFORMANCE**

During the period under review, ABL Stock Fund's AUM increased by 70.7% to PKR 436.5mn compared to PKR 255.8mn as at June 30, 2012. On the other hand, ABL-SF posted an absolute return of 18.2% against the benchmark return of 15.4%, an out-performance of 2.7% during the quarter. When measured from its inception date, ABL-SF posted a return of 155.4% as compared to its benchmark return of 81.0%, depicting a significant out-performance of 74.4%.

#### **AUDITORS**

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

#### **FUND STABILITY RATING**

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 01, 2012 assigned MFR 5-Star to ABL-SF (based on Three years average), which denotes 'very good performance'.

#### **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'

#### **OUTLOOK**

Looking ahead to January, investors will closely track developments on foreign flows. Results season, expected to kick off in late January, will too add to excitement as major counters announce their yearend results. Our strategy

is to maintain maximum exposure in equities as build up to 2013 general elections and strong results could keep stocks buoyant. We expect CY2013 to be another strong year for equity investments.

**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 STOCK FUND TRUSTEE REPORT TO THE UNIT HOLDERS

### CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

#### Head Office

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



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### TRUSTEE REPORT TO THE UNIT HOLDERS

#### ABL STOCK 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 Stock 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 STOCK 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 Stock 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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Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fiaz-ul-Haq Road, P.O.Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2270457-66; Fax: +92 (51) 2277924  
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## ABL STOCK FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2012

		(Unaudited) December 31, 2012	(Audited) June 30, 2012
	Note		
----- Rupees -----			
<b>ASSETS</b>			
Balances with banks	4	27,638,090	20,845,250
Investments	5	420,874,431	238,031,019
Preliminary expenses and floatation costs		1,070,464	1,431,656
Dividend and profit receivable		371,287	451,726
Security deposits and prepayments		2,615,000	2,600,000
Receivable against sale of investments		-	756,518
<b>Total assets</b>		452,569,272	264,116,169
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	6	3,389,307	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee		72,742	58,070
Payable to the Securities and Exchange Commission of Pakistan		163,943	373,976
Payable against redemption of units		15,432	-
Payable against purchase of investments		5,648,490	-
Accrued expenses and other liabilities	7	6,821,778	5,047,425
<b>Total liabilities</b>		16,111,692	8,366,982
<b>NET ASSETS</b>		436,457,580	255,749,187
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		436,457,580	255,749,187
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
----- Number of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>		36,036,592	24,953,264
----- Rupees -----			
<b>NET ASSET VALUE PER UNIT</b>		12.1115	10.2491
<b>FACE VALUE PER UNIT</b>		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 STOCK FUND CONDENSED INTERIM INCOME STATEMENT (UN AUDITED)

FOR THE HALF YEAR & QUARTER ENDED DECEMBER 31, 2012

	Note	Half year ended		Quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<b>INCOME</b>					
Net capital gain / (loss) on sale of investments		24,436,660	(19,561,449)	15,467,010	(1,919,667)
Income from Government Securities		-	2,248,691	-	537,801
Dividend income		11,911,150	15,623,107	7,073,025	8,516,911
Profit on bank accounts		1,316,463	2,244,926	586,032	1,099,604
		37,664,273	555,275	23,126,067	8,234,649
Unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	5.1	26,184,711	(9,654,209)	7,927,938	(21,783,007)
		63,848,984	(9,098,934)	31,054,005	(13,548,358)
<b>EXPENSES</b>					
Remuneration of ABL Asset Management Company Limited - Management Company		5,177,144	7,859,871	2,870,720	3,081,321
Sindh sales tax on Management Company's Remuneration		828,256	1,257,580	459,274	493,012
Remuneration of Central Depository Company of Pakistan Limited - Trustee		369,395	524,300	192,956	205,731
Annual fee - Securities and Exchange Commission of Pakistan		163,943	248,896	90,906	97,576
Brokerage and other transaction costs		2,057,709	2,780,963	1,068,764	1,223,589
Auditors' remuneration		202,501	203,688	101,764	108,073
Amortisation of preliminary expenses and floatation costs		361,192	361,192	180,596	180,596
Printing charges		75,000	29,326	37,188	(21,090)
Annual rating fee		45,001	45,448	17,309	22,724
Listing fee		15,000	15,088	7,500	7,544
Legal and professional charges		-	17,436	-	17,436
Settlement and bank charges		168,310	226,928	96,654	124,229
<b>Total operating expenses</b>		9,463,451	13,570,716	5,123,631	5,540,741
<b>Net income / (loss) from operating activities</b>		54,385,533	(22,669,650)	25,930,374	(19,089,099)
Net element of income and capital gains included in prices of units issued less those in units redeemed - net		16,914,586	12,535,392	11,275,185	5,563,712
Provision for Workers' Welfare Fund	7.1	(1,426,012)	(129,519)	(744,079)	(61,697)
<b>Net income / (loss) for the period before taxation</b>		69,874,107	(10,263,777)	36,461,480	(13,587,084)
Taxation	8	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		69,874,107	(10,263,777)	36,461,480	(13,587,084)
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>		69,874,107	(10,263,777)	36,461,480	(13,587,084)
<b>Earnings per unit</b>	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

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	<u>Half year ended</u>	
	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
	----- Rupees -----	
Undistributed Income brought forward		
- realised income / (loss)	2,686,688	(6,372,928)
- unrealised income	<u>3,530,730</u>	<u>8,983,826</u>
	6,217,418	2,610,898
 Net income / (loss) for the period	 69,875,107	 (10,263,777)
 Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	 -	 (1,373,925)
 Undistributed income / (loss) carried forward	 <u>76,092,525</u>	 <u>(9,026,804)</u>
 <b>Undistributed income / (loss) comprising:</b>		
 Realised income	 49,907,814	 627,405
 Unrealised income / (loss)	 26,184,711	 (9,654,209)
	 <u>76,092,525</u>	 <u>(9,026,804)</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 STOCK 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 -----	
<b>Net assets at beginning of the period</b>	255,749,187	642,032,395
Issue of 18,036,752 units (2011: 6,920,391 units) for the period	208,179,298	71,000,065
Redemption of 6,953,423 units (2011: 40,595,012 units) for the peiord	(80,431,426)	(396,585,069)
	127,747,872	(325,585,004)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing income and capital gains		
- transferred to Income Statement	(16,914,586)	(12,535,392)
- amount representing loss and capital losses - transferred to Distribution Statement	-	1,373,925
	(16,914,586)	(11,161,467)
Other net income for the period	19,253,736	18,951,881
Net capital gain / (loss) on sale of investments	24,436,660	(19,561,449)
Unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	26,184,711	(9,654,209)
	69,875,107	(10,263,777)
Element of loss and capital losses included in prices of units issued less those in units redeemed - transferred to Distribution Statement	-	(1,373,925)
<b>Net assets at end of the period</b>	<u>436,457,580</u>	<u>293,648,222</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

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended	
	December 31,	
	2012	2011
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	69,875,107	(10,263,777)
<b>Adjustments:</b>		
Unrealised (appreciation) / diminution on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	(26,184,711)	9,654,209
Dividend income	(11,911,150)	(15,623,107)
Net element of income and capital gains included in prices of units issued less those in units redeemed	(16,914,586)	(12,535,392)
Amortisation of preliminary expenses and floatation costs	361,192	361,192
	15,225,852	(28,406,875)
<b>(Increase) / decrease in assets</b>		
Investments - net	(156,658,701)	252,270,894
Dividend and profit receivable	115,142	(27,712)
Security deposits and prepayment	(15,000)	(32,349)
Receivable against sale of investments	756,518	(72,075,781)
	(155,802,041)	180,135,052
<b>Increase / (decrease) in liabilities</b>		
Annual fees payable to Securities and Exchange Commission of Pakistan	(210,033)	(182,971)
Payable to ABL Asset Management Company Limited - Management Company	501,796	(1,162,600)
Payable to Central Depository Company of Pakistan Limited - Trustee	14,672	(29,328)
Payable against purchase of investments	5,648,490	-
Payable against redemption of units	15,432	-
Accrued expenses and other liabilities	1,774,353	46,291
	7,744,710	(1,328,608)
Dividend received	11,876,447	17,037,310
<b>Net cash (used in) / generated from operating activities</b>	(120,955,032)	150,399,569
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(58,564,623)
Receipts from issue of units	208,179,298	71,413,061
Payments on redemption of units	(80,431,426)	(299,564,069)
<b>Net cash generated from / (used in) financing activities</b>	127,747,872	(286,715,631)
<b>Net increase / (decrease) in cash and cash equivalents</b>	6,792,840	(136,316,062)
Cash and cash equivalents at the beginning of the period	20,845,250	172,492,798
<b>Cash and cash equivalents at the end of the period</b>	27,638,090	36,176,736

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 STOCK 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 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 objective of the Fund is to provide higher risk adjusted returns to investors by investing in a 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.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2- to the Management Company and Fund performance rating of 'MFR 5-Star' 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 as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the 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 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 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 annual 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 operations and are, therefore, not disclosed in this condensed interim financial information.

**2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted 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.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		----- Rupees -----	
<b>4</b>	<b>BALANCES WITH BANKS</b>		
	Saving accounts	4.1 27,638,090	20,845,250
		<u>27,638,090</u>	<u>20,845,250</u>
<b>4.1</b>	These saving accounts carry mark-up at rates ranging from 9.00% to 11.50% (June 30, 2012: 6.00% to 12.28%) per annum. Deposits in savings accounts include Rs. 26,807,127 (June 30, 2012: Rs. 10,836,148) maintained with Allied Bank Limited, a related party.		
<b>5</b>	<b>INVESTMENTS</b>		
	<b>At fair value through profit or loss</b>		
	- Held for trading - Listed equity securities	5.1 420,874,431	238,031,019
		<u>420,874,431</u>	<u>238,031,019</u>

## 5.1 Listed equity securities

Name of 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 investment	Market value as a percentage of paidup capital of investee company
	As at July 01, 2012	Purchases during the period	Bonus issue during the period	Sales during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)			
Rupees											
<b>Oil and gas</b>											
Attock Petroleum Limited	17,897	9,600	-	797	26,700	12,916,917	13,670,133	753,216	3.13%	3.25%	0.20%
Oil and Gas Development Company Limited	42,348	237,200	-	163,348	116,200	20,942,094	22,381,282	1,439,188	5.13%	5.32%	0.01%
Pakistan Oilfields Limited	54,961	49,839	-	10,800	94,000	36,753,397	41,128,760	4,375,363	9.42%	9.77%	0.17%
Pakistan Petroleum Limited	122,835	99,400	35,400	24,635	233,000	37,342,322	41,192,070	3,849,748	9.44%	9.79%	0.03%
Pakistan State Oil Company Limited	-	101,600	-	42,800	58,800	12,751,621	13,653,948	902,327	3.13%	3.24%	0.07%
	238,041	497,639	35,400	242,380	528,700	120,706,351	132,026,193	11,319,842	30.25%	31.37%	0.47%
<b>Chemicals</b>											
Engro Corporation Limited	-	437,500	-	283,300	154,200	15,442,960	14,192,568	(1,250,392)	3.25%	3.37%	0.03%
Fatima Fertilizer Company Limited	491,468	488,532	-	167,000	813,000	20,467,042	21,463,200	996,158	4.92%	5.10%	0.01%
Fauji Fertilizer Company Limited	225,189	443,911	-	435,100	234,000	26,876,984	27,410,760	533,776	6.28%	6.51%	0.02%
ICI Pakistan Limited	91,704	32,081	-	123,785	-	-	-	-	-	-	-
	808,361	1,402,024	-	1,009,185	1,201,200	62,786,986	63,066,528	279,542	14.45%	14.98%	0.06%
<b>Construction and materials</b>											
Akzo Nobel Pakistan Limited	-	54,284	-	54,284	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	412,476	760,524	-	457,500	715,500	34,603,813	39,051,990	4,448,177	8.95%	9.28%	0.10%
Fauji Cement Company Limited	-	2,110,000	-	1,491,500	618,500	4,211,477	4,044,990	(166,487)	0.93%	0.96%	-
Fecto Cement Limited	-	594,000	-	396,500	197,500	5,080,265	6,839,425	1,759,160	1.57%	1.63%	0.14%
Kohat Cement Company Limited	-	400,584	-	252,084	148,500	8,149,377	10,488,555	2,339,178	2.40%	2.49%	0.08%
Maple Leaf Cement Limited	-	910,000	-	910,000	-	-	-	-	-	-	-
Lucky Cement Limited	156,996	217,604	-	275,600	99,000	12,888,331	15,002,460	2,114,129	3.44%	3.56%	0.05%
	569,472	5,046,996	-	3,837,468	1,779,000	64,933,263	75,427,420	10,494,157	17.28%	17.92%	0.37%
<b>General industries</b>											
Packages Limited	-	124,000	-	29,500	94,500	14,834,809	14,284,620	(550,189)	3.27%	3.39%	0.17%
	-	124,000	-	29,500	94,500	14,834,809	14,284,620	(550,189)	3.27%	3.39%	0.17%
<b>Automobile and parts</b>											
Pak Suzuki Motors Company Limited	50,000	50,100	-	100,100	-	-	-	-	-	-	-
	50,000	50,100	-	100,100	-	-	-	-	-	-	-
<b>Food Producers</b>											
Engro Foods Limited	-	156,000	-	156,000	-	-	-	-	-	-	-
Unilever Pakistan Limited	-	1,680	-	1,680	16,735,280	16,968,000	232,720	3.89%	4.03%	2.76%	
	-	157,680	-	156,000	1,680	16,735,280	16,968,000	232,720	3.89%	4.03%	2.76%
<b>Personal goods</b>											
Nishat Mills Limited	-	522,500	-	105,000	417,500	26,129,321	26,657,375	528,054	6.11%	6.33%	0.08%
Nishat (Chunian) Limited	-	541,400	-	541,400	-	-	-	-	-	-	-
Saif Textile Mills Limited	-	170,000	-	3,000	167,000	3,924,283	3,857,700	(66,583)	0.88%	0.92%	0.15%
Gadoon Textile Mills Limited	-	82,000	-	6,500	75,500	8,187,307	8,835,765	648,458	2.02%	2.10%	0.38%
	-	1,315,900	-	655,900	660,000	38,240,911	39,350,840	1,109,929	9.02%	9.35%	0.60%
<b>Fixed line Telecommunications</b>											
Pakistan Telecommunication Company Limited	-	2,629,000	-	2,629,000	-	-	-	-	-	-	-
	-	2,629,000	-	2,629,000	-	-	-	-	-	-	-
<b>Industrial Metals and Mining</b>											
Aisha Steel Mills Limited	300,000	-	-	-	300,000	3,000,000	3,195,000	195,000	0.73%	0.76%	-
	300,000	-	-	-	300,000	3,000,000	3,195,000	195,000	0.73%	0.76%	-
<b>Electricity</b>											
Pakgen Power Limited	-	140,000	-	140,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	755,500	-	755,500	-	-	-	-	-	-	-
Nishat Power Limited	-	685,000	-	685,000	13,460,250	13,357,500	(102,750)	3.06%	3.17%	0.04%	
The Hub Power Company Limited	572,375	476,125	-	134,000	914,500	39,840,284	41,371,980	1,531,696	9.48%	9.83%	0.04%
	572,375	2,056,625	-	1,029,500	1,599,500	53,300,534	54,729,480	1,428,946	12.54%	13.00%	0.07%
<b>Banks</b>											
Bank Al Habib Limited	500,000	28,500	-	528,500	-	-	-	-	-	-	-
MCB Bank Limited	60,360	40	-	60,400	-	-	-	-	-	-	-
Askari Bank Limited	-	1,267,500	-	1,267,500	20,151,586	21,826,350	1,674,764	5.00%	5.19%	0.03%	
United Bank Limited	245,198	263,500	-	508,698	-	-	-	-	-	-	-
Bank Alfalah Limited	1,209,900	181,100	-	1,391,000	-	-	-	-	-	-	-
	2,015,458	1,740,640	-	2,488,598	1,267,500	20,151,586	21,826,350	1,674,764	5.00%	5.19%	0.03%
	4,553,707	15,020,604	35,400	12,177,631	7,432,080	394,689,720	420,874,431	26,184,711	96.43%	100.00%	4.52%



- 5.2 The above investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan:

	Number of shares		Market value	
	December 31, 2012	June 30, 2012	December 31, 2012	June 30, 2012
Rupees in '000				
Attock Petroleum Limited	15,000	15,000	7,679,850	10,826,047
Fauji Fertilizer Company Limited	8,000	8,000	937,120	954,824
Lucky Cement Limited	5,000	5,000	757,700	410,467
Oil and Gas Development Company Limited	15,000	15,000	2,889,150	7,417,857
Pakistan Oilfields Limited	33,000	33,000	14,438,820	22,067,686
Pakistan Petroleum Limited	60,000	60,000	10,607,400	18,240,235
The Hub Power Company Limited	70,000	70,000	3,166,800	4,872,365
United Bank Limited	-	60,000	-	4,702,800
		Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
<b>6</b>	<b>PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY</b>		----- Rupees -----	
			1,039,124	621,856
			33,873	16,022
			2,150,137	2,150,137
			166,173	99,496
			<u>3,389,307</u>	<u>2,887,511</u>
<b>7</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
			215,344	295,000
			45,001	100,000
			734,909	234,847
		7.1	5,692,473	4,266,461
			134,051	151,117
			<u>6,821,778</u>	<u>5,047,425</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 Honorable 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. 5.692 million (including Rs. 1.426 million for the current period) in this condensed interim financial information.

## 8 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 capital gains to the unit holders. The management intends to distribute at least 90% of the Fund net accounting 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.

## 9 CONTINGENCIES AND COMMITMENTS

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

## 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 PARTIES

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.

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

### 11.1 Detail of transactions with connected persons during the period are as follows:

	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
	<b>----- Rupees -----</b>	
<b>ABL Asset Management Company Limited -</b>		
<b>Management Company</b>		
Remuneration for the period	5,177,144	7,859,871
Sales tax on Management Company's remuneration	828,256	-
<b>Allied Bank Limited</b>		
Markup income for the period	1,042,998	956,603
Bank charges	13,208	18,486
<b>Central Depository Company of Pakistan Limited</b>		
<b>Trustee</b>		
Remuneration for the period	369,395	524,300
Settlement charges and connection fee	34,588	53,904
<b>Key Management personnel - Executives</b>		
Issuance of 69,942 units ( 2011: Nil)	781,445	-
Redemption of 25,352 units ( 2011: 30,626)	299,520	300,000

11.2	Amounts outstanding as at period end	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		----- Rupees -----	
<b>ABL Asset Management Company Limited - Management Company</b>			
	Remuneration payable	1,039,124	621,856
	Preliminary expenses and floatation costs payable	2,150,137	2,150,137
	Sales load payable	33,873	16,022
	Sindh sales tax on Management Company's remuneration	166,173	99,496
	Outstanding 3,135,682 (June 30, 2012: 3,135,682) units	37,977,811	32,137,918
<b>Allied Bank Limited</b>			
	Markup accrued	148,784	91,584
	Bank balance	26,807,127	10,836,148
	Outstanding 10,000,000 (June 30, 2012: 10,000,000) units	121,115,000	102,491,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Trustee fee payable	69,276	57,377
	Settlement charges payable	3,466	693
	Security deposit	100,000	100,000
<b>Key Management personnel - Executives</b>			
	Outstanding 94,356 (June 30, 2012: 49,738) units	1,142,796	1,245,906

## 12 DATE FOR 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 rupee.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications 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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