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# ABL CASH FUND

## FUND'S INFORMATION

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<b>Management Company:</b>	ABL Asset Management Company Limited 11 – B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Farid Ahmed Khan	Chairman       CEO
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. M. Shakeb Murad	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Mubeen Ashraf Bhimani	
<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 - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited Standard Chartered Bank (Pakistan) Limited	
<b>Auditor:</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	

# ABL CASH FUND

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Cash Fund (ABL-CF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Cash Fund for the quarter ended September 30, 2014.

### ECONOMIC PERFORMANCE REVIEW

Economic performance in 1QFY15 remained dismal due to prolonged political stalemate between the government and protesting political parties in the country. The talking point for the quarter was failure of the country to complete fourth review of the IMF program due to which disbursement of USD550 million tranche was delayed. In addition the country had to delay its USD1 billion international Sukuk issue. Consequently, PKR depreciated by 3.9% during the quarter and CAD swelled to USD1.37 billion in 2MFY15, 1.37x higher than USD0.58 billion during the same period of last year, due to mounting trade deficit. Delay in foreign funds coupled with widening CAD took its toll on the FX reserve position, which dropped by 6% to USD13.21 billion during 1QFY15.

Inflation, as measured by CPI, remained soft as average inflation stood at 7.52% during the quarter due to high base effect and lower than expected food inflation (6.6%YoY in 1QFY15). Despite lower than expected inflation, SBP kept DR unchanged in Sept-14 MPS, emphasizing the need to remain vigilant and monitor movement in economic indicators as vulnerabilities in external sector and other macros indicators still remain unaddressed. The performance on fiscal front remained slightly below par during 1QFY15 as FBR collected PKR563 billion (up 12.6% YoY) and missed its quarterly target by PKR20. Government borrowing on the other hand, continued unabated as it raised PKR20 billion and PKR104 billion from SBP and commercial banks respectively.

Looking ahead, the outlook for FY15 remains hazy in the backdrop of continued political uncertainty and inertia in the economic reform process. The expected receipt of combined IMF tranches of USD1.1 billion in December 2014 and declining international oil prices (Brent crude down 24% FY15TD) as a result of weak global oil are potential economic positives that can give much needed boost to market sentiment. However, current political turmoil will make reform implementations an uphill task for the government and could be the key factor affecting capital markets in the short term.

### MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual funds increased by 2% in 1QFY15 (from PKR415 billion to PKR423 billion), mainly on account of substantial flows in conventional fixed income funds. Fixed Income category which improved by 7.89% during the quarter to PKR71 billion compared to PKR65 billion in June-14, primarily due to launch of new funds in this category. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered cumulative increase of 3.02% in 1QFY15 from PKR194 billion in June 2014 to PKR200 billion in September 2014. Islamic income funds however, lost their size by 13.21% during the quarter to PKR32 billion, as low returns from Islamic financial products compelled investors to shift to more rewarding categories. Despite political uncertainty and rather volatile movement of the equity market during the quarter, both conventional and Islamic equity categories posted a healthy growth of 2.68% and 5.88% respectively with AUMs clocking at PKR92 billion and PKR29 billion.

### FUND PERFORMANCE

During the quarter, ABL CF posted an annualized return of 8.49% against the benchmark yield of 6.84%, reflecting an outperformance of 165bps. Money market remained tight during the period due stringent liquidity conditions which resulted in T-bills trading above the discount rate most of the time. We carefully reshuffled our portfolio allocation during the quarter by deploying the proceeds from June end TDR maturities towards short term T-bills. However, September quarter end requirements from the banks again opened up TDR opportunities for the fund. During the period under review,

ABL Cash Fund's AUMs dropped by 27.99% to PKR11.086 billion due to institutional outflows.

At end of the period, exposure to bank deposits was slightly reduced to 72.39% of the portfolio (39.04% in TDRs, 9.05% in money market placements & 24.30% in cash) compared to 73.13% in June 2014 (37.71% in TDRs, 6.38% in money market placements & 29.04% in cash). T-bill allocation was brought down in September to 27% of the fund compared to 70.85% in previous month. WAM of the fund slightly came down to 33.4 days compared to 39.64 days in June.

#### **AUDITORS**

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2015 for ABL Cash Fund (ABL-CF).

#### **FUND STABILITY RATING**

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on August 13, 2014 has reaffirmed the Fund Stability of ABL Cash Fund at 'AA (f)' (double A (f)).

#### **MANAGEMENT QUALITY RATING**

On June 21 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from to 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

#### **OUTLOOK**

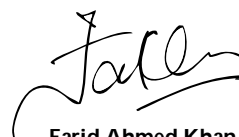
The government was dilly dallying on the reform process even in the best of times. With the on-going political noise, its willingness to address the key issues of governance, revenue generation and development spending are now even more doubtful. Hence financial markets will seek direction from economic data rather than policies and actions from Islamabad. We expect inflation to remain under control due to high base effect, subdued money supply growth and sharp decline in international commodity prices. On the other hand, rupee is expected to come under pressure owing to delay in OGDC privatization and IMF tranches. However, realization of USD1 billion Sukuk in international market will bring much needed support to foreign reserves. Successful disbursement of IMF tranche, improvements in external account position and controlled inflation will set the tone of monetary policy going forward.

In short term, we believe SBP will take a cautious stance on discount rate and maintain the status quo at least in 1HFY15. From the cash fund's prospective, current asset mix of TDRs and money market placements offers high baseline rates and should support fund returns in next quarter. Liquidity constraints will keep the market towards higher levels in the short term thus we will maintain short duration of the fund.

#### **ACKNOWLEDGEMENT**

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

For & on behalf of the Board



**Farid Ahmed Khan**  
Chief Executive Officer

Karachi, October 28, 2014

**ABL CASH FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2014**

		Un-Audited September 30, 2014	Audited June 30, 2014
<b>ASSETS</b>			
Balances with banks	4	2,738,066	5,005,766
Investments	5	8,459,938	12,168,511
Profit receivables		69,876	61,792
Prepayments		308	257
Preliminary expenses and floatation costs		771	1,006
<b>Total assets</b>		<b>11,268,959</b>	<b>17,237,332</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company		51,029	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee		764	977
Payable to the Securities and Exchange Commission of Pakistan		2,149	12,469
Payable against redemption of units		5,903	1,230
Payable against purchase of investments		-	1,658,001
Accrued expenses and other liabilities	7	122,894	118,032
<b>Total liabilities</b>		<b>182,739</b>	<b>1,841,609</b>
<b>NET ASSETS</b>		<b>11,086,220</b>	<b>15,395,723</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>11,086,220</b>	<b>15,395,723</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,082,717,616</b>	<b>1,535,785,122</b>
<b>NET ASSETS VALUE PER UNIT</b>		<b>10.2393</b>	<b>10.0247</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

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

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**SHAKIB MURAD**  
 DIRECTOR

# ABL CASH FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Cash Fund was established under a trust deed executed on September 25, 2009 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund commenced its operations on July 31, 2010.

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 the Securities and Exchange Commission of Pakistan (SECP) on December 07, 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 redeemable by surrendering them to the Fund.

The Fund has been categorized as an Open-End Money Market Scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to earn consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments. The Fund, in line with its investment objectives, invests primarily in Market Treasury Bills, other government securities and cash and near cash instruments.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2 (stable outlook) to the Management Company as at June 21, 2013 and fund stability rating of AA(f) to the Fund as at August 13, 2014.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, 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 International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements 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, 2014.

# ABL CASH FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

### FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
	-----Rupees in '000-----	
<b>INCOME</b>		
Capital loss on sale of government securities - net	(656)	(3,820)
Income from government securities	171,261	223,171
Income from term deposit receipts	92,508	65,973
Income from letters of placements	11,172	26,550
Income from reverse repurchase transactions	155	1,515
Income from sukus	273	379
Profit on deposits with banks	15,521	34,545
	<b>290,234</b>	<b>348,313</b>
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(541)	551
Total income	<b>289,693</b>	<b>348,864</b>
<b>EXPENSES</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	29,594	39,469
Sindh Sales Tax on remuneration of Management Company	5,149	6,315
Federal Excise Duty on remuneration of Management Company	4,735	6,315
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,285	2,867
Annual fee - Securities and Exchange Commission of Pakistan	2,148	2,875
Brokerage and securities transaction costs	486	747
Bank charges	131	87
Auditors' remuneration	108	92
Legal & professional charges	-	8
Amortization of preliminary expenses and floatation costs	235	235
Printing charges	50	50
Listing fee	13	13
Annual rating fee	46	46
Other expenses	-	1,011
<b>Total operating expenses</b>	<b>44,980</b>	<b>60,130</b>
<b>Net income from operating activities</b>	<b>244,713</b>	<b>288,734</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(19,025)	2,562
Provision for Workers Welfare Fund	7 (4,513)	(5,826)
<b>Net income before taxation</b>	<b>221,175</b>	<b>285,470</b>
Taxation	-	-
<b>Net income after taxation</b>	<b>221,175</b>	<b>285,470</b>
Other comprehensive income for the period	-	-
<b>Total comprehensive income</b>	<b>221,175</b>	<b>285,470</b>
<b>Earnings per unit</b>	10	

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

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
SHAKIB MURAD  
DIRECTOR

# ABL CASH FUND

## CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

### FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
<b>Undistributed income brought forward comprising of:</b>		
- Realised income	37,709	6,436
- Unrealised income	237	4,336
	<b>37,946</b>	<b>10,772</b>
Interim distribution:		
- Nil (2013: Re 0.0688 per unit on July 30, 2013)		
Cash distribution	-	-
Issue of Nil bonus units (2013: 10,200,129 units)	-	(102,001)
- Nil (2013: Re 0.0589 per unit on August 28, 2013)		
Cash distribution	-	-
Issue of Nil bonus units (2013: 8,891,298 units)	-	(88,913)
Interim distribution:		
- Nil (2013: Re 0.0592 per unit on September 26, 2013)		
Cash distribution	-	(3)
Issue of Nil bonus units (2013: 9,386,134 units )	-	(93,861)
<b>Net income for the period</b>	<b>221,175</b>	<b>285,470</b>
Undistributed income carried forward	<b>259,121</b>	<b>11,464</b>
<b>Undistributed income comprising of:</b>		
- Realised income	259,662	10,913
- Unrealised (loss) / income	(541)	551
	<b>259,121</b>	<b>11,464</b>

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

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
SHAKIB MURAD  
DIRECTOR



# ABL CASH FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
<b>Net Assets at the beginning of the period</b>	<b>15,395,723</b>	13,952,631
Issue of 465,864,428 units ( 2013: 471,119,100 units)	<b>4,718,020</b>	4,722,929
Redemption of 918,931,934 units ( 2013: 269,546,418 units)	<b>(9,267,723)</b> <b>(4,549,703)</b>	(2,704,645) 2,018,284
Issue of bonus units		
- Interim distribution Nil units (2013: 28,477,561 units)	-	284,775
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed		
- amount representing loss / (income) and capital losses / (gains) - transferred to Income Statement	<b>19,025</b>	(2,562)
Other net income for the period	<b>222,372</b>	288,739
Capital loss on sale of investments	<b>(656)</b>	(3,820)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	<b>(541)</b>	551
	<b>221,175</b>	285,470
<b>Distribution during the period</b>		
- Nil (2013: Re 0.0688 per unit on July 30, 2013)		
Cash distribution	-	-
Issue of Nil bonus units (2013: 10,200,129 units)	-	(102,001)
- Nil (2013: Re 0.0589 per unit on August 28, 2013)		
Cash distribution	-	-
Issue of Nil bonus units (2013: 8,891,298 units)	-	(88,913)
- Nil (2013: Re 0.0592 per unit on September 26, 2013)		
Cash distribution	-	(3)
Issue of Nil bonus units (2013: 9,386,134 units)	-	(93,861)
	-	(284,778)
<b>Net assets as at the end of the period</b>	<b>11,086,220</b>	<b>16,253,820</b>

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

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
SHAKIB MURAD  
DIRECTOR

**ABL**  
Cash Fund

**ABL** Asset Management  
Discover the potential

# ABL CASH FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

### FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
<b>Note -----Rupees in '000-----</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	221,175	285,470
<b>Adjustment for non-cash charges and other items;</b>		
Amortisation of preliminary expenses and floatation costs	235	235
Unrealised diminution / (appreciation) on re-measurement of investments classified as "financial assets at fair value through profit or loss"	541	(551)
Provision for Workers' Welfare Fund	4,513	5,826
Federal Excise duty on remuneration of Management Company	4,735	6,315
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	19,025	(2,562)
	250,224	294,733
<b>Decrease / (Increase) in assets</b>		
Investments	1,023,210	(1,946,111)
Profit receivables	(8,084)	(36,103)
Prepayment	(51)	(129)
	1,015,075	(1,982,343)
<b>Decrease in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(4,606)	6,816
Payable to Central Depository Company of Pakistan Limited - Trustee	(213)	61
Payable to Securities and Exchange Commission of Pakistan	(10,320)	(5,805)
Payable against purchase of investments	(1,658,001)	-
Accrued expenses and other liabilities	349	(5,641)
	(1,672,791)	(4,569)
<b>Net cash used in operating activities</b>	(407,492)	(1,692,179)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash distribution	-	-
Receipts from issuance of units	4,718,020	4,722,929
Payments against redemption of units	(9,263,050)	(2,824,741)
<b>Net cash (used in) / generated from financing activities</b>	(4,545,030)	1,898,188
<b>Net (decrease) / increase in cash and cash equivalents</b>	(4,952,522)	206,009
Cash and cash equivalents at the beginning of the period	12,110,588	7,108,063
<b>Cash and cash equivalents at the end of the period</b>	7,158,066	7,314,072

4.2

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

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
SHAKIB MURAD  
DIRECTOR

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2014.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are 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 that applied to the financial statements as at and for the year ended June 30, 2014.

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, 2014.

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>June 30,</b>
	<b>2014</b>	<b>2014</b>
<b>Note</b>	-----Rupees in '000-----	
<b>4 BANK BALANCES</b>		
Current accounts	<b>4</b>	<b>4</b>
Saving accounts	<b>2,738,062</b>	<b>5,005,762</b>
4.1	<b>2,738,066</b>	<b>5,005,766</b>

4.1 These saving accounts carrying mark-up at rates ranging from 7.00% to 10.35% (June 30, 2014: 7.00% to 10.35%) per annum . Deposits in savings accounts include Rs. 31,225,589 (June 30, 2014: Rs. 483,559) maintained with Allied Bank Limited, a related party and carry markup reate of 9.30% (June 2014: 9.30%).

### 4.2 CASH AND CASH EQUIVALENTS

Balances with banks	<b>2,738,066</b>	5,005,766
Term deposit receipts	<b>3,400,000</b>	5,250,000
Letter of Placements	<b>1,020,000</b>	1,100,000
Reverse repo - treasury bills	<b>-</b>	754,822
	<b>7,158,066</b>	<b>12,110,588</b>

5 INVESTMENTS

Note -----Rupees in '000-----

**Financial assets 'at fair value through profit or loss'**

Government Securities

- Market treasury bills
- Pakistan investment bonds
- GoP Ijara sukuks

5.1	<b>3,039,938</b>	1,773,650
	-	2,040,039
	-	-
	<b>3,039,938</b>	3,813,689
	<b>5,420,000</b>	8,354,822
	<b>8,459,938</b>	12,168,511

**Loans and receivables**

5.1 Market Treasury Bills

Issue date	Tenor	Face Value			Balance as at September 30, 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2014	Purchased during the period	Disposed / matured during the period	As at September 30, 2014	Carrying value	Market value		
July 10, 2014	3 Months	-	5,824,000	5,824,000	-	-	-	-	-
July 24, 2014	3 Months	-	7,256,000	6,010,500	1,245,500	1,240,493	1,240,323	(170)	11.19%
August 7, 2014	3 Months	-	910,000	850,000	60,000	59,536	59,521	(15)	0.54%
August 21, 2014	3 Months	-	550,000	20,375	529,625	523,540	523,409	(131)	4.72%
September 4, 2014	3 Months	-	2,508,800	2,060,000	448,800	441,975	441,886	(89)	3.99%
		-	<b>17,048,800</b>	<b>14,764,875</b>	<b>2,283,925</b>	<b>2,265,544</b>	<b>2,265,139</b>	<b>(405)</b>	
March 20, 2014	6 Months	750,000	-	750,000	-	-	-	-	-
April 17, 2014	6 Months	1,068,900	1,879,400	2,948,300	-	-	-	-	-
May 15, 2014	6 Months	-	984,000	200,000	784,000	774,935	774,799	(136)	6.99%
		<b>1,818,900</b>	<b>2,863,400</b>	<b>3,898,300</b>	<b>784,000</b>	<b>774,935</b>	<b>774,799</b>	<b>(136)</b>	
March 20, 2014	12 Months	-	500,000	500,000	-	-	-	-	-
		-	<b>500,000</b>	<b>500,000</b>	-	-	-	-	-
<b>Total - September 30, 2014</b>		<b>1,818,900</b>	<b>20,412,200</b>	<b>19,163,175</b>	<b>3,067,925</b>	<b>3,040,479</b>	<b>3,039,938</b>	<b>(541)</b>	

5.2 Government securities - Pakistan investment bonds:

Issue date	Tenor	Face Value			Balance as at September 30, 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2014	Purchased during the period	Disposed / matured during the period	As at September 30, 2014	Carrying value	Market value		
August 18, 2011	3 Years	2,066,599	3,430,000	5,496,599	-	-	-	-	-
		<b>2,066,599</b>	<b>3,430,000</b>	<b>5,496,599</b>	-	-	-	-	-

5.3 GoP Ijarah sukuks:

Issue date	Coupon rate in % / tenor	Face Value			Balance as at September 30, 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2014	Purchased during the period	Disposed / matured during the period	As at September 30, 2014	Carrying value	Market value		
December 26, 2011	9.98% / 3 years	-	500,000	500,000	-	-	-	-	-
March 2, 2012	9.98% / 3 years	-	1,000,000	1,000,000	-	-	-	-	-
		-	<b>1,500,000</b>	<b>1,500,000</b>	-	-	-	-	-

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
	Note	-----Rupees in '000-----	
<b>5.4</b>	<b>Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'</b>		
	Market value of securities	3,039,938	3,813,689
	Less: carrying value of securities	<u>(3,040,479)</u>	<u>(3,813,452)</u>
		<u>(541)</u>	<u>237</u>
<b>5.5</b>	<b>Loans and receivables</b>		
	Term Deposit Receipts	5.5.1 4,400,000	6,500,000
	Letter of Placement	5.5.2 1,020,000	1,100,000
	Reverse repo - treasury bills	-	754,822
		<u>5,420,000</u>	<u>8,354,822</u>

**5.5.1** Term Deposit Receipts carry mark-up at rate ranging from 10.25% to 10.55% per annum (June 30, 2014: 10.25% to 10.60% per annum) and maturities ranging from October 16, 2014 to February 16, 2015 (June 30, 2014: July 10, 2014 to November 17, 2014).

**5.5.2** Letter of Placement carry mark- up at rate 10.50% per annum (June 30, 2014: 10.40% to 10.50% per annum) and maturity ranging from October 9, 2014 to October 23, 2014 (June 30, 2014: July 2, 2014 to August 26, 2014).

## **6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY**

Remuneration of Management Company		9,965	13,659
Preliminary expenses and floatation costs		931	1,863
Sindh sales tax on remuneration of Management Company	6.1	6,783	6,764
Federal excise duty on remuneration of Management Company	6.2	33,350	28,614
		<u>51,029</u>	<u>50,900</u>

**6.1** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2013: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

**6.2** As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 6.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 33.35 million (including Rs 4.735 million for the period ended September 30, 2014). Had the provision not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Re 0.0308 per unit.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			September 30, 2014	June 30, 2014
			-----Rupees in '000-----	
	Auditors' remuneration		418	310
	Brokerage payable		144	249
	Printing charges		151	100
	Rating Fee		46	-
	Withholding taxes		459	210
	Provision for Workers' Welfare Fund	7.1	121,676	117,163
			<b>122,894</b>	<b>118,032</b>

### 7.1 Provision for Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgement, Peshawar High Court (PHC) has also held these amendment to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. 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 121.676 million (including Rs 4.513 million for the current period) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at september 30, 2014 would have been higher by Re 0.1124 per unit.

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 Matter relating to taxation

In March 2014, the taxation officers, amended the return of income filed by the Fund for the tax years 2011, 2012 and 2013 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer raised demands of Rs 324.277 million, Rs 942.692 million and Rs 341.565 million for these years (including aggregate demand of Workers' Welfare Fund of Rs 88.624 million). These orders have, in form, denied the exemption to the income of the Fund under Clause 99 of Part I of the Second Schedule to the Ordinance. However, the context and the discussion with the Federal Board of Revenue revealed that a different viewpoint, not supported by law, was being adopted for the tax effect and incidence of the 'distribution' made by the Fund by way of bonus units. There seems to be an apparent contradiction as tax effect and incidence on bonus units, if any, being an issue related to income of the recipient of distribution does not affect the validity of exemption to the Fund.

This industry issue has been examined by legal experts and tax advisors and there is a unanimity of view that under the present regulations, including the provisions of Clause 99, the tax department's contentions are primarily erroneous and not tenable under the law. This view is further supported by the fact that subsequently, through the Finance Act, 2014, an amendment has been made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Introduction of this amendment, applicable on distribution to be made from July 1, 2014, essentially strengthens the stand of the mutual fund industry as it establishes the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies are being adopted to resolve the matter.

Subsequent to the year end, the Commissioner Inland Revenue (Appeals) has given decisions in favour of several funds. The management is confident that these decisions will further facilitate in ultimate resolution of this matter in favour of the industry.

8.2 There were no other contingencies and commitments outstanding as at September 30, 2014.

## 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 capital gains to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

## 10 EARNINGS PER UNIT

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

**11 TRANSACTIONS WITH CONNECTED PERSONS**

**11.1 Details of transactions with connected persons are as follows:**

**ABL Asset Management Company Limited - Management Company**

Issue of 1,465,288 units (2013: 4,476,510 units)	15,000	44,828
Bonus of Nil units (2013: 464,995 units)	-	4,650
Redemption of 2,465,824 units (2013: 300,000 units)	25,000	3,000
Remuneration for the period	29,594	39,469
Sindh sales tax on remuneration of Management Company	5,149	6,315
Federal Excise Duty on remuneration of Management Company	4,735	6,315

**Allied Bank Limited - Holding company of Management Company**

Redemption of 516,565,155 units (2013: Nil units)	5,181,607	-
Bonus of Nil units (2013: 9,591,835 units)	-	95,918
Markup income	2,346	15,718
Bank charges	29	23

**Cyan Limited - Connected Person**

Issue of 13,945,751 units (2013: 27,268,046 units)	140,000	273,000
Bonus of Nil units (2013: 174,885 units)	-	1,749
Redemption of 13,945,751 units (2013: 26,951,301 units)	142,178	70,000

**Cyan Limited - Employees provident Fund - Connected Person**

Issue of 57,652 units (2013: 170,645 units)	580	1,713
Bonus of Nil units (2013: 11,006 units)	-	110
Redemption of 841,602 units (2013: Nil units)	8,550	-

**CFA Association of Pakistan - Connected Person**

Issue of Nil units (2013: 149,335 units)	-	1,500
Bonus of Nil units (2013: 1,898 units)	-	19

**Pakistan Petroleum Limited - Connected Person \***

Redemption of 48,886,846 units (2013: Nil units)	500,000	-
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**DIRECTORS OF THE MANAGEMENT COMPANY**

**Muhammad Waseem Mukhtar**

Issuance of Nil units (2013: 59,666 units)	-	600
Bonus of Nil units (2013: 16,155 units)	-	162

**Muhammad Javaid Iqbal**

Bonus of Nil units (2013: 1,328 units)	-	13
Redemption of 76,255 units (2013: Nil units)	766	-



(Un-audited) (Un-audited)

September 30, 2014 September 30, 2013

-----Rupees in '000-----

**KEY MANAGEMENT PERSONNEL**

**Chief Executive Officer**

Issuance of 49,438 units (2013: Nil units)

500 -

Bonus of Nil units (2013: 10,718 units)

- 107

Redemption of 490,450 units (2013: 229,317 units)

5,000 2,300

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration

2,285 2,867

(Un-audited) (Audited)

September 30, 2014 June 30, 2014

-----Rupees in '000-----

**11.2 Amounts outstanding as at quarter / year end**

**ABL Asset Management Company Limited - Management Company**

Outstanding 35,368,425 units (2014: 36,368,961 units)

362,148 364,588

Preliminary expenses and floatation costs payable

931 1,863

Remuneration

9,965 13,659

Sindh sales tax on Management Company's remuneration

6,783 6,764

Federal excise duty on remuneration of Management Company

33,350 28,614

**Allied Bank Limited - Holding company of Management Company**

Outstanding 34,262,309 units (2014: 550,827,464)

350,822 5,521,880

Balances with banks

31,226 484

Profit accrued on bank deposits

1,562 3,713

Profit accrued on term deposit receipts

3,932 -

Term deposit receipts

2,000,000 -

**Cyan Limited - Employees Provident Fund - Connected Person**

Outstanding 582,102 units (2014: 1,366,052 units)

5,960 13,694

**CFA Association of Pakistan - Connected Person**

Outstanding 402,800 units (2014: 402,800 units)

4,124 4,038

**Pakistan Petroleum Limited - Connected Person**

Outstanding 120,169,210 units (2014: 169,056,056 units)

1,230,449 1,694,736

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration

764 977

(Un-audited)	(Audited)
September 30, 2014	June 30, 2014
-----Rupees in '000-----	

**DIRECTORS OF THE MANAGEMENT COMPANY**

**Muhammad Waseem Mukhtar**

Outstanding 976,548 units (2014: 976,548 units)

9,999

9,790

**Mr. Muhammad Javaid Iqbal**

Outstanding Nil units (2014: 76,255 units)

-

764

**KEY MANAGEMENT PERSONNEL**

**Chief Executive Officer**

Outstanding 301,075 units (2014: 742,087 units)

3,083

7,439

\* Prior period comparatives have not been presented as the entity was not classified as related party / connected person as at September 30, 2013.

**12 GENERAL**

Figures have been rounded to the nearest thousand rupees.

**13 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements was authorised for issue on October 28, 2014 by the Board of Directors of the Management Company.

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**SHAKEB MURAD**  
 DIRECTOR

**ABL**  
 Cash Fund

**ABL Asset Management**  
 Discover the potential