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ABL GOVERNMENT SECURITIES FUND

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. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar 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 Faysal Bank Limited Soneri Bank Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	



ABL GOVERNMENT SECURITIES FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Government Securities Fund for the quarter ended September 30, 2015.

ECONOMIC PERFORMANCE REVIEW

New fiscal year started on a positive note for the economy with crude oil prices dropping a further 22.7% during the quarter after a steep 45.2% drop in FY15. Plummeting oil prices also had a soothing effect on inflation as the CPI average during the quarter nosedived to 1.64% YoY with September 2015 reading clocking-in at multi-year low of 1.32% YoY. In addition to contributing towards falling inflation, low oil prices further strengthened current account position with CAD dropping by 93% in 1QFY16 to USD 109mn compared to USD 1,631mn during the same quarter last year. During the period under review, Government of Pakistan closed another successful Eurobond issue of USD 500mn in the international market to refinance upcoming maturity of previous issue.

IMF's EFF program also continued smoothly with IMF granting waivers on fiscal and privatization benchmarks. Thanks to this forbearance, the country successfully completed the 8th review of the IMF program which paved way for another tranche of USD 500mn. As a result, foreign exchange reserves touched the highest ever tally of USD 20bn, translating into a comfortable import cover of more than five months. SBP, acknowledging of macroeconomic developments, further cut the policy rate by 50bps to 6% during the quarter setting a record low interest rates in the country.

The Rupee fell by 2.5% in 1QFY16 in response to a region-wide capitulation by almost all currencies triggered by Chinese Yuan devaluation. However, improving external account position helped stem this slide and by and large, Pak Rupee did well compared with its regional counterparts.

Government's fiscal performance remains a sore point amongst an otherwise positive macro scenario. Fiscal authorities, yet again, failed to meet their revenue collection target and fell short by PKR 48bn (PKR 600bn collected against target of PKR 648bn). In order to meet the deficit, government had to borrow a hefty amount of PKR 401bn from commercial banks, crowding private sector credit off-take.

In the backdrop of positive macroeconomic developments and continued economic reforms process, the economic outlook in the near to medium term remains stable. Govt. has assured IMF to achieve tangible results towards fulfilling its Indicative Targets (ITs) on privatization along with monetary Performance Criteria (PCs). Nonetheless, the government will have to walk the talk amidst ongoing war against terrorism, regional turmoil, and tensions with the neighbors apart from dull global economy. With almost halfway through its tenure, the government does not have much time to lose in taking politically tough decisions and carrying out economic reforms.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual funds rebounded by 6% in 1QFY16 (from PKR425 billion to PKR450 billion), mainly on account of substantial flows in conventional fixed income funds. Fixed Income category improved by 29% during the quarter to PKR104 billion compared to PKR80 billion in June-15, as lucrative returns on PIBs gathered investors' attention towards government securities-oriented funds. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered cumulative increase of 14.5% in 1QFY16 to close at PKR177 billion in September 2015 compared to PKR154 billion in June 2015. In line with conventional fixed income, Islamic Income Category also posted a handsome growth of 10.4% in AUMs to end the quarter at PKR 23 billion.

FUND PERFORMANCE

During the period under review, ABL GSF posted a decent annualized return of 10.84% compared to peers average of 9.07%, thus outsmarting the average peer return by 177 bps. The Fund also comprehensively outperformed the benchmark return of 5.95% by 489 bps owing to trading and valuation gains on treasury bills and PIBs as SBP lowered the discount rate by

another 50 bps to multi decade low of 6.5%. Due to consistent performance, ABL GSF size increased by 10.45% to PKR 10.145 billion in September 2015 from PKR 9.185 billion as at June, 2015.

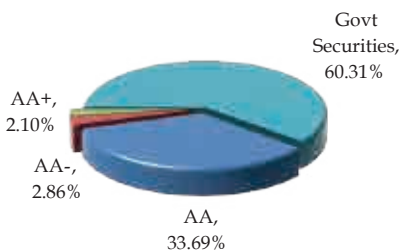
During the quarter, we reduced our duration to 598 days from 659 days in June 2015 by decreasing exposure in long maturity PIBs and T-Bills while booking capital gains in this re-shuffle. Quarter end allocations saw a higher weightage of TDRs and money market placements due to attractive rates offered by banks. As per strategy, we increased fund's exposure in 1 year bonds before monetary policy in order to reduce volatility in returns and to get maximum advantage in case of any downward adjustment in yield curve. Asset allocation of the fund (as at September 2015) comprised of 60.29% exposure in PIBs & 0.02% in Treasury bills whereas Term deposits, Money market placements and Cash constituted 8.69%, 5.79% and 24.16% of total assets respectively.

FUTURE OUTLOOK

In the near term, we expect SBP to continue with its pro-growth stance and maintain the easing bias in monetary policy due to soft inflation numbers and improved macro indicators. However, possibility of further rate cuts will need to be weighed against the prospects of rising inflation numbers in 2HFY16 due to elimination of low-base effect. As per our estimates, inflation will remain close to SBP's estimate of 4.5-5% if international oil prices remain within \$50/barrel range and there is limited impact of floods on food inflation. Similarly we see rupee to remain stable owing to improved external account position along with all time high FX reserves due to inflows linked to CSF, IMF tranches and proceeds from Eurobond. However, any sharp upsurge in international commodity prices, further hike in gas tariff or any changes in the tax measures to increase revenue could have an inflationary impact on the economy.

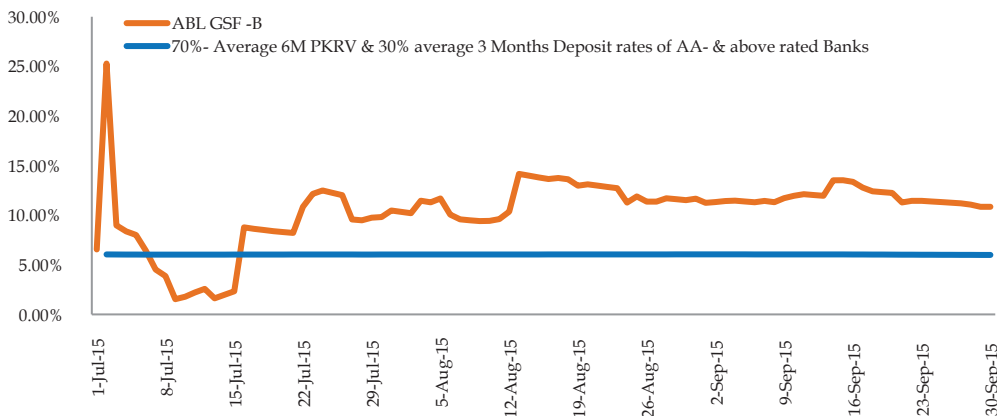
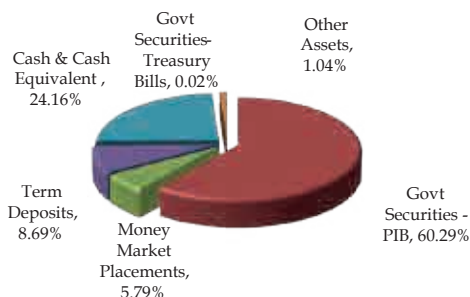
With these assumptions in our bag, we will maintain the current duration of the fund and look to add value through trading and movements in the yield curve. Moreover, deposits and placement with Banks & DFIs are likely to support returns in short term.

Credit Quality of Portfolio (% of Assets)



Other assets account for 1.04% of Total Assets

Asset Allocation (% of Assets)



AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Government Securities Fund (ABL-GSF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 13, 2014, reaffirmed the Fund Stability Rating of 'A+ (f)' (Single A plus (f)) to ABL Government Securities Fund (ABL-GSF).

MANAGEMENT QUALITY RATING

On December 31, 2014, JCR-VIS Credit Rating Company Limited reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, October 30, 2015

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2015

	Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
ASSETS			
Balances with banks	4	2,502,462	3,791,467
Investments	5	7,745,688	5,518,037
Profit receivable		106,872	134,837
Prepayments		37	-
Preliminary expenses and floatation costs		1,162	1,414
Total assets		10,356,221	9,445,755
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	43,890	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee		776	643
Payable to the Securities and Exchange Commission of Pakistan		1,645	6,586
Dividend payable		-	30,266
Accrued expenses and other liabilities	7	160,192	180,120
Payable against redemption of units		4,198	3,154
Total liabilities		210,701	260,395
NET ASSETS		10,145,520	9,185,360
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		10,145,520	9,185,360
CONTINGENCIES AND COMMITMENTS			
	8	----- Total number of units -----	
NUMBER OF UNITS IN ISSUE		984,369,693	915,570,610
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT		10.3066	10.0324
FACE VALUE PER UNIT		10.0000	10.0000

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director



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ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
----- Rupees in '000 -----			
INCOME			
Capital gain / (loss) on sale of government securities - net		32,069	(12,651)
Income from government securities		138,441	111,487
Income from term deposit receipts		1,256	-
Income from letters of placements		1,378	1,133
Profit on deposits with banks		24,807	10,477
		197,951	110,446
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		68,201	24,001
Total Income		266,152	134,447
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company		27,421	13,075
Sindh sales tax on remuneration of the Management Company	6.1	4,457	2,277
Federal excise duty on remuneration of the Management Company	6.2	4,387	2,092
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,830	974
Sindh sales tax on remuneration of the Trustee		256	-
Annual fee - Securities and Exchange Commission of Pakistan		1,645	785
Brokerage and securities transaction costs		1,599	187
Bank charges		127	91
Auditors' remuneration		101	89
Amortization of preliminary expenses and floatation costs		252	252
Printing charges		38	38
Listing fee		13	13
Legal and professional charges		177	-
Rating fee		54	47
Total operating expenses		42,357	19,920
Net income from operating activities		223,795	114,527
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		48,378	9,040
Provision for Workers' Welfare Fund	7.1	-	(2,471)
Net income for the period before taxation		272,173	121,096
Taxation	9	-	-
Net income for the period after taxation		272,173	121,096
Other comprehensive income for the period		-	-
Total comprehensive income for the period		272,173	121,096
EARNINGS PER UNIT (EPU)	10		

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
	----- Rupees in '000 -----	
Undistributed Income / (loss) brought forward comprising of:		
- realised income	48,886	19,819
- unrealised (loss)	(19,318)	(1,880)
	29,568	17,939
 Net income for the period	 272,173	 121,096
 Undistributed income carried forward	 301,741	 139,035
Undistributed income carried forward comprising of:		
- realised income	233,540	115,034
- unrealised income	68,201	24,001
	301,741	139,035

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director



ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
----- Rupees in '000 -----		
Net Assets at the beginning of the period	9,185,360	4,394,902
Issue of 596,338,340 units (2014: 138,837,890 units)	6,065,528	1,420,160
Redemption of 527,539,257 units (2014: 134,913,730units)	(5,329,163)	(1,371,873)
	736,365	48,287
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed		
- amount representing income and capital gains transferred to Income Statement	(48,378)	(9,040)
Other net income for the period	171,903	109,746
Capital loss on sale of government securities - net	32,069	(12,651)
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	68,201	24,001
	272,173	121,096
Net assets as at the end of the period	10,145,520	4,555,245

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
----- Rupees in '000 -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	272,173	121,096
Adjustment for non-cash charges and other items;		
Unrealised (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(68,201)	(24,001)
Federal excise duty on remuneration of Management Company	4,387	2,092
Amortisation of preliminary expenses and floatation costs	252	252
Provision for Workers' Welfare Fund	-	2,471
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	(48,378)	(9,040)
	160,233	92,870
(Increase) / decrease in assets		
Profit receivable	27,965	90,550
Prepayments	(37)	(37)
	27,928	90,513
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited -Management Company	4,264	1,086
Payable to Central Depository Company of Pakistan Limited - Trustee	133	(19)
Payable to Securities and Exchange Commission of Pakistan	(4,941)	(998)
Accrued expenses and other liabilities	(24,315)	4,120
	(24,859)	4,189
Net amount paid on purchase and sale of investments	(659,450)	(166,085)
Net cash (used) / generated from operating activities	(496,148)	21,487
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividend	(30,266)	-
Receipt from issue of units	6,065,528	1,420,160
Payment against redemption of units	(5,328,119)	(1,372,435)
Net cash generated in financing activities	707,143	47,725
Net increase in cash and cash equivalents	210,995	69,212
Cash and cash equivalents at the beginning of the period	3,791,467	1,227,836
Cash and cash equivalents at the end of the period	4,002,462	1,297,048

4.2

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director



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ABL GOVERNMENT SECURITIES FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 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 Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 7, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund is an open-ended mutual fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. The units of the Fund are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-ended income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term government securities and other debt instruments.

The JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2 (stable outlook) to the Management Company as at December 31, 2014 and a fund stability rating of A+(f) to the Fund as at August 13, 2014.

The assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (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 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 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, 2015.

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, 2015.

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, 2015.

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, 2015.

	Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
4 BALANCES WITH BANK			
Saving accounts	4.1	2,502,462	3,791,467

4.1 These saving accounts carry mark-up at rates ranging from 5.00% to 7.00% per annum (2015: 5% to 7.25%). Deposits in saving accounts include Rs. 16,463 thousand (2015: Rs. 31,798 thousand) maintained with Allied Bank Limited, a related party and carry mark up at rate of 6.00% (2015: 6.25%).

	Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
4.2 CASH AND CASH EQUIVALENTS			
Balances with banks		2,502,462	3,791,467
Term deposit receipts		900,000	-
letters of placements		600,000	-
		4,002,462	3,791,467

5 INVESTMENTS

Financial assets at fair value through profit or loss-net

Government Securities

-Market Treasury Bills	5.1	2,244	909,113
-Pakistan Investment Bonds	5.2	6,243,444	4,608,924
-Term deposit receipts	5.3	900,000	-
-letters of placements		600,000	-
		7,745,688	5,518,037



5.1 Government Securities-Market Treasury Bills

Issue date	Tenor	Face Value				Balance as at September 30, 2015			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at September 30, 2015	Cost	Market value	Appreciation/ (diminution)		
-----Rupees in '000-----										
June 29, 2015	OMO Issue	-	191,000	191,000	-	-	-	-	-	-
May 28, 2015	3 Months	-	500,000	500,000	-	-	-	-	-	-
June 25, 2015	3 Months	-	388,500	388,500	-	-	-	-	-	-
July 9, 2015	3 Months	-	600,000	600,000	-	-	-	-	-	-
July 23, 2015	3 Months	-	377,000	377,000	-	-	-	-	-	-
February 19, 2015	6 Months	50,000	-	50,000	-	-	-	-	-	-
March 5, 2015	6 Months	50,000	-	50,000	-	-	-	-	-	-
March 19, 2015	6 Months	350,000	-	350,000	-	-	-	-	-	-
April 16, 2015	6 Months	500	-	-	500	498	499	1	-	0.01%
July 23, 2015	6 Months	-	336,000	336,000	-	-	-	-	-	-
November 13, 2014	12 Months	200	-	-	200	199	199	-	-	-
November 27, 2014	12 Months	790	-	-	790	781	782	1	0.01%	0.01%
December 26, 2014	12 Months	200	-	-	200	197	197	-	-	-
January 8, 2015	12 Months	100,095	-	100,000	95	94	93	(1)	-	-
February 6, 2015	12 Months	185,000	1,400,000	1,585,000	-	-	-	-	-	-
March 5, 2015	12 Months	50,000	-	50,000	-	-	-	-	-	-
March 19, 2015	12 Months	89,000	-	89,000	-	-	-	-	-	-
April 16, 2015	12 Months	60,000	-	60,000	-	-	-	-	-	-
August 6, 2015	12 Months	-	4,512,500	4,512,000	500	473	474	1	-	0.01%
September 3, 2015	12 Months	-	1,100,000	1,100,000	-	-	-	-	-	-
Total - September 30, 2015		935,785	9,405,000	10,338,500	2,285	2,242	2,244	2	0.01%	0.03%

Market treasury bills carry effective interest rates ranging from 6.47% to 6.54% per annum (2015: 6.72% to 8.35% per annum).

5.2 Government Securities-Pakistan Investment Bonds

Issue date	Coupon rate in % / Tenor	Face Value				Balance as at September 30, 2015			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at September 30, 2015	Cost	Market value	Appreciation/ (diminution)		
-----Rupees in '000-----										
July 18, 2013	11.25 / 3 Years	137,500	5,060,000	2,337,500	2,860,000	2,957,957	2,962,549	4,591	29.20%	38.25%
July 17, 2014	11.25 / 3 Years	100,000	-	100,000	-	-	-	-	-	-
March 26, 2015	8.75 / 3 Years	2,374,000	238,500	2,612,500	-	-	-	-	-	-
July 19, 2012	11.50 / 5 Years	-	10,300	-	10,300	11,024	11,109	85	0.11%	0.14%
July 17, 2014	11.50 / 5 Years	253,200	1,850,000	1,053,200	1,050,000	1,176,320	1,178,474	2,154	11.62%	15.21%
March 26, 2015	9.25 / 5 Years	1,496,000	2,695,000	2,300,000	1,891,000	1,934,468	1,976,483	42,015	19.48%	25.52%
July 19, 2012	12.00 / 10 Years	117,000	450,000	467,000	100,000	115,146	114,829	(317)	1.13%	1.48%
July 17, 2014	12.00 / 10 Years	-	100,000	100,000	-	-	-	-	-	-
March 26, 2015	9.50 / 10 Years	-	37,500	37,500	-	-	-	-	-	-
Total - September 30, 2015		4,477,700	10,441,300	9,007,700	5,911,300	6,194,916	6,243,444	48,528	61.54%	80.60%

Pakistan investment bonds carry effective interest rates ranging from 6.54% to 9.03% per annum (2015: 7.75% to 9.65% per annum).

(Un-Audited)
September
30, 2015
Note

(Audited)
June 30,
2015

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

5.3 Loans and receivables

- Term deposit receipts
- Letters of placements

900,000	-
600,000	-
1,500,000	-

5.3.1 Term deposit receipts carry mark-up at rates ranging from 7.10% to 7.35% per annum and will mature on dated from October 22, 2015 to November 06, 2015

5.3.2 Letters of placements carry mark-up at rate of 6.45% per annum and will mature on October 19, 2015.

	Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company		10,387	9,955
Sindh sales tax on remuneration of the Management Company	6.1	5,493	4,914
Federal excise duty on remuneration of the Management Company	6.2	26,876	22,488
Preliminary expenses and floatation costs		1,000	2,000
Sales load		134	269
		<u>43,890</u>	<u>39,626</u>

6.1 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 14% (June 30, 2015: 15%) 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 6.1, 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 Honorable 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 26.876 million (including 4.387 million for the current period). Had the provision not been made the net asset value per unit of the Fund as at September 30, 2015 would have been higher by Re 0.0273 per unit (2015: Re 0.0246).

	Note	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----			
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		381	280
Brokerage		1,261	466
Rating Fee		54	-
Printing charges		127	89
Withholding tax		2,520	16,135
Advance against issuance of units		24,516	31,742
Legal and professional charges		-	100
Provision for Workers' Welfare Fund	7.1	131,308	131,308
Other Payable		25	-
		<u>160,192</u>	<u>180,120</u>



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 the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgement, Peshawar High Court (PHC) had also held these amendments 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 131.308 million in these financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2015 would have been higher by Re 0.1334 per unit (2015: Re 0.1434).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. The provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC. This amendment is however applicable prospectively i.e. from tax year 2016.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015 and June 30, 2015.

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.

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

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS

	(Un-Audited) For the quarter ended September 30, 2015	(Un-Audited) For the quarter ended September 30, 2014
----- Rupees in '000 -----		
11.1 Details of transactions with connected persons are as follows;		
ABL Asset Management Company Limited - Management Company		
Redemption of Nil units(2014: 7,168,383 units)	-	72,852
Preliminary expenses and floatation costs	252	252
Remuneration for the period	27,421	13,075
Sindh Sales Tax on Management Company's Remuneration	4,457	2,277
Federal Excise Duty on remuneration of Management Company	4,387	2,092
Central Depository Company of Pakistan Limited-Trustee		
Remuneration for the period	1,830	974
Sindh sales tax on remuneration of the Trustee	256	-
Allied Bank Limited		
Mark up accrued on bank deposits	593	1,311
Amount placed in term deposits receipt	200,000	-
Mark up on Term Deposits Receipt	350	-
Bank charges	54	52
Pioneer Cement Limited		
Issue of 8,891,874 units (2014: Nil units)	90,000	-
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 1,013,640units (2014: 2,192,319 units)	10,247	22,500
Redemption of 1,694,685 units(2014: Nil units)	17,414	-



11.2 Amounts outstanding as at period end / year end

ABL Asset Management Company Limited - Management Company

Preliminary expenses and floatation costs payable	1,000	2,000
Remuneration payable	10,387	9,955
Sindh sales tax on remuneration of the Management Company	5,493	4,914
Federal excise duty on remuneration of the Management Company	26,876	22,488
Sales load payable	135	269

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	681	643
Sindh sales tax on remuneration of the Trustee	95	-

Allied Bank Limited

Balances held in saving accounts	16,463	31,798
Mark-up accrued on deposits with banks	98	1,051
Term deposits receipt	200,000	-
Mark up receivable on Term Deposits	350	-

Pioneer Cement Limited

Outstanding 109,184,485 units (2014: 100,292,611 units)	1,125,321	1,006,176
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KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY

Chief Executive Officer

Outstanding 2,903,515 units (2015: 3,584,560 units)	29,925	35,962
Dividend Payable	-	247

12 GENERAL

12.1 Figures have been rounded to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 30, 2015 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director