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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. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. M. Shakeb Murad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member 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	
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 half year ended December 31, 2014.

ECONOMIC PERFORMANCE REVIEW

A stunning rout in global oil prices, with Brent Crude nose diving by about 48.9%, turned the global economic scenario on its head during 1HFY15. Pakistan, being an oil importing country, emerged as a main beneficiary of low oil prices with noticeable improvement in almost all major macroeconomic indicators. Current Account Deficit (CAD) during 2QFY15 improved substantially by 56.6%QoQ to USD 715mn Vs USD 1,647mn in the previous quarter, underpinned by reduction in import bill (USD 10.01bn in 2QFY15 against USD 11.98bn in 1QFY15) and shrinkage in trade deficit (-37.7%QoQ to USD 3.75bn in 2QFY15). Improving external sector combined with some major FX inflows (clubbed IMF tranches of USD 1.1bn and USD 1bn Sukuks issuance) resulted in PKR appreciating by 2.1% during the quarter. With these significant inflows, FX reserves of the country closed the year at above USD 15bn level (more than 4 months of import cover).

Falling oil prices also had a cascading impact on the inflation level in the country. Large reduction in POL prices coupled with consistently declining food prices during the quarter brought headline inflation to a multiyear low average of 4.7%YoY in 2QFY15. CPI inflation average during 1HFY15 now stands at 6.4% and is expected to stay in the range of 5.8%-6.2% during FY15 which is much lower than SBP's earlier expectations of 8%YoY in FY15. SBP in its Nov-15th MPS acknowledged these macroeconomic developments and decided to cut policy rate by 50bps citing softened inflation outlook and positive developments in the external sector as major triggers. On the fiscal front, some challenges remain as FBR, despite showing 14%YoY growth in revenue collection in 1HFY15, failed to meet its collection targets. In order to make up for the reduced tax collection on POL products, GoP increased the GST level on POL products from 17% to 22% which will help in curtailing the estimated revenue loss of approx. PKR 200bn. However, govt. seems committed to curtail fiscal deficit to 4.7% of GDP for FY15 and upcoming inflows from HBL's secondary offering (approximately USD 1.2bn) and the new taxes on POL products will prove critical in this regard. There is now renewed hope that circular debt, which has been plaguing Pakistan's energy sector for some time, may now stop accumulating and government may finally be able to resolve it.

Going forward, the outlook for the remainder of FY15 remains positive in the backdrop of improving macro indicators, comfortable external accounts and downward trajectory of interest rates. Smooth continuation of IMF program, HBL transaction and in-check CAD should keep FX reserves level above USD 15bn while providing support to PKR. Political noise, which was a major concern in 1H2015, has also subsided after PTI's decision to call off its protests and government's new found bonhomie with the army. Money markets are likely to remain upbeat in view of falling interest rates and a likely reduction in supply of sovereign paper.

MUTUAL FUND INDUSTRY REVIEW

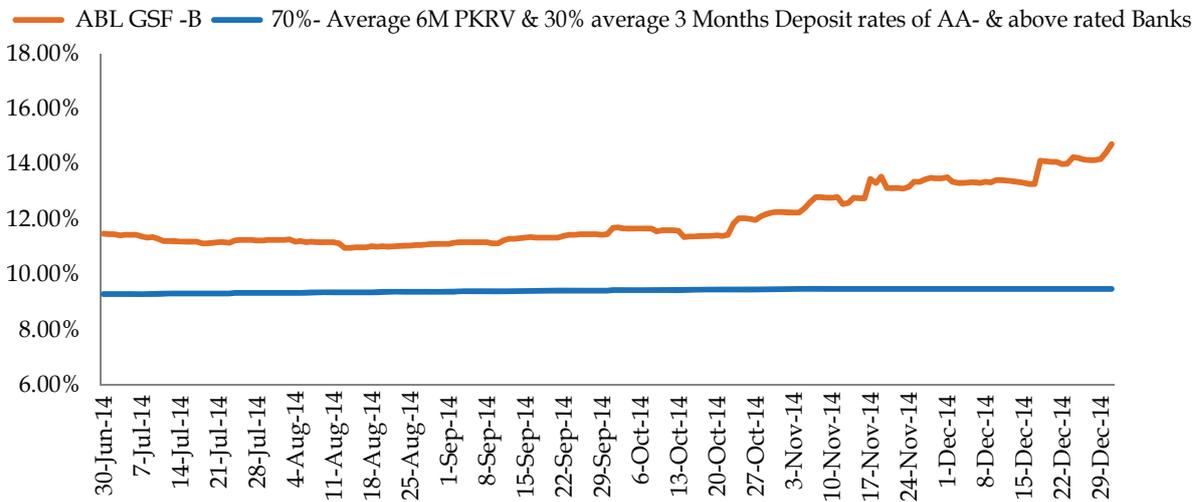
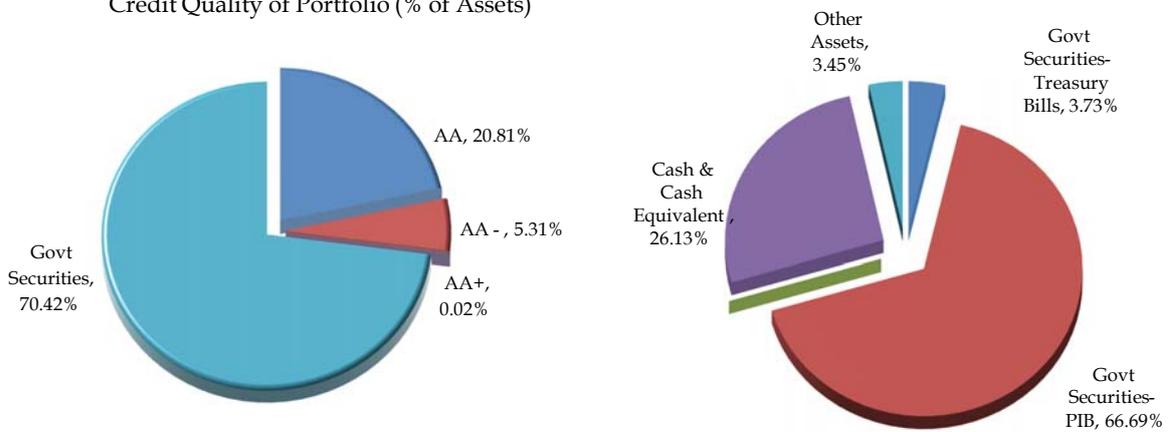
Total assets under management (AUMs) of Pakistan's open end mutual fund industry grew by 11% during 1HFY14 (from PKR 384 billion to PKR 424 billion), despite reduction of tax benefits to institutions in the previous budget. The period saw a sea-change in the market sentiment which culminated in a cut in discount rate by 50bps. The dramatic downward shift in the yield curve produced significant gains for fixed income funds, primarily the long duration Government Securities funds. As a result, fixed income funds AUM's rose up to PKR89 billion compared to PKR65 billion in June 2014, up by 37% FYTD. As smart money moved away from low duration money market funds, its assets dipped by 6% to PKR112 billion. Facing scarcity of investment avenues, Islamic Income funds saw slight dip in returns, which caused some shift away from this category and its AUMs dropped by 30% to PKR26 billion during the period.

FUND PERFORMANCE

During the period under review, ABL Government Securities Fund’s AUM increased by an impressive 117.7% to PKR 9,567 million from PKR 4,395 million in June 2014. During, 1HFY15, ABL GSF yielded an outstanding annualized return of 16.93% against the benchmark return of 9.03%, thus showing a massive outperformance of 790 bps. The improvement in returns was mainly attributed to valuation and trading gains on our long duration T-Bills and bond portfolios due to sharp reduction in market yields in the back drop of easing inflation, improving macro-economic numbers and sizeable foreign inflows.

In order to get the maximum benefit of monetary easing, we maintained the WAM of the fund at 948 days. At the end of the period, investment in Government Securities stood at 70.42% (PIBs – 66.69% and T-Bills – 3.73%) of assets compared to 69.17% (PIBs – 68.95% and T-Bills – 0.22%) in June 2014. Moreover, cash assets stood at 27.08% of the portfolio at period end due to higher rates offered by commercial banks at December closing.

Credit Quality of Portfolio (% of Assets)



FUTURE OUTLOOK

With low inflation outlook, strong FX reserves and improving macro indicators, we feel SBP will continue its monetary easing stance in FY15. We also believe that strong remittances, inflows related to IMF & CSF and lower oil prices will support Pak Rupee value against foreign currencies. Low oil prices will also keep pressure off the current account in coming months besides improving disposable incomes throughout energy deficient economies like Pakistan. Concerns however remain on the fiscal side due to shortage of tax collection and heavy defense spending due to war on terror.

Going forward, we intend to maintain a higher duration portfolio as we expect further monetary easing in FY15 by SBP due to falling CPI numbers and comfortable external accounts position. We aim to utilize the upcoming deposit maturities towards re-building long duration T-Bills and bonds. Moreover, our long term strategy will be to book gains on timely basis and position the fund to play the yield curve actively.

AUDITORS

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

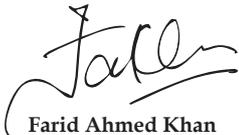
MANAGEMENT QUALITY RATING

On December 31 2014, JCR-VIS Credit Rating Company Limited has 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, February 6, 2015

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	For the half year ended December 31, 2014	For the half year ended December 31, 2013
	----- Rupees in '000 -----	
Undistributed income brought forward comprising of:		
- realised income	19,819	286
- unrealised (loss) / income	(1,880)	1,337
	17,939	1,623
Distribution during the period		
Interim distribution:		
- Nil (2013: Class -B Re 0.0580 per unit on July 30, 2013) Issue of Nil bonus units(2013:1,533,506)	-	(15,335)
- Nil (2013: Class -B Re 0.0454 per unit on August 29, 2013) Issue of Nil bonus units(2013: 857,417)	-	(8,574)
- Nil (2013: Class -B units Re 0.0286 per unit on September 27, 2013) Issue of Nil bonus units(2013: 457,525)	-	(4,575)
- Nil (2013: Class -B units Re 0.0556 per unit on October 25, 2013) Issue of Nil bonus units(2013: 760,070)	-	(7,601)
- Nil (2013: Class -B units Re 0.0713 per unit on November 28, 2013) Issue of Nil bonus units(2013:1,015,094)	-	(10,151)
- Nil (2013: Class -B units Re 0.0700 per unit on December 30, 2013) Issue of Nil bonus units(2013: 1,232,322)	-	(12,323)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	(58,559)
Net income for the period after taxation	752,462	57,076
Undistributed income carried forward	788,529	906
Undistributed income carried forward comprising of:		
- realised income	549,041	2,129
- unrealised income / (loss)	239,488	(1,223)
	788,529	906

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISHAT
 DIRECTOR



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**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL GOVERNMENT SECURITIES 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 Government Securities 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, 2014 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.

Aftab Ahmed Diwan
Officiating Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 20, 2015



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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 Government Securities Fund** as at December 31, 2014 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 (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2014. 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 for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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, 2014 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 23, 2015
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320



ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT DECEMBER 31, 2014

	(Un-audited)	(Audited)
Note	December 31, 2014	June 30, 2014
	----- Rupees in '000 -----	
ASSETS		
Balances with banks	4 2,573,070	1,227,836
Investments	5 6,932,963	3,135,885
Profit receivable	337,583	167,775
Prepayments	25	-
Preliminary expenses and floatation costs	1,910	2,414
Total assets	9,845,551	4,533,910
LIABILITIES		
Payable to ABL Asset Management Company Limited - Management Company	6 24,675	14,144
Payable to the Central Depository Company of Pakistan Limited - Trustee	608	340
Payable to the Securities and Exchange Commission of Pakistan	2,029	1,782
Accrued expenses and other liabilities	7 193,827	121,626
Payable against redemption of units	57,174	1,116
Total liabilities	278,313	139,008
NET ASSETS	9,567,238	4,394,902
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	9,567,238	4,394,902
CONTINGENCIES AND COMMITMENTS	8	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	877,861,756	437,687,599
	----- Rupees -----	
NET ASSET VALUE PER UNIT	10.8983	10.0412
FACE VALUE PER UNIT	10.0000	10.0000

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


 FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


 KAMRAN NISHAT
 DIRECTOR



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ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

		For the half year ended December 31, 2014	For the half year ended December 31, 2013	For the quarter ended December 31, 2014	For the quarter ended December 31, 2013
----- Rupees in '000 -----					
INCOME					
Capital gain / (loss) on sale of government securities - net		16,652	(14,654)	29,303	(4,422)
Income from government securities		273,802	64,315	162,315	24,647
Income from term deposit receipts		-	11,046	-	3,831
Income from letters of placement		3,459	2,799	2,326	1,786
Income from sukuku		-	224	-	224
Profit on deposits with bank		29,052	14,567	18,575	7,650
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	322,965	78,297	212,519	33,716
		239,488	(1,223)	215,487	3,281
Total income		562,453	77,074	428,006	36,997
EXPENSES					
Remuneration of ABL Asset Management Company Limited - Management Company	6.1	33,815	11,558	20,740	4,626
Sindh sales tax on remuneration of the Management Company	6.2	5,884	2,145	3,607	859
Federal excise duty on remuneration of the Management Company	6.3	5,411	1,849	3,319	739
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,407	1,072	1,433	467
Annual fee - Securities and Exchange Commission of Pakistan		2,029	693	1,244	277
Brokerage and securities transaction costs		1,239	214	1,052	41
Bank charges		207	200	116	102
Auditors' remuneration		221	217	132	132
Amortisation of preliminary expenses and floatation costs		504	504	252	252
Printing charges		116	46	78	8
Listing fee		26	26	12	13
Rating fee		93	93	46	46
Total operating expenses		51,952	18,617	32,031	7,562
Net income for the period from operating activities		510,501	58,457	395,975	29,435
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		257,317	(216)	248,277	924
Provision for Workers' Welfare Fund	7.1	(15,356)	(1,165)	(12,885)	(607)
Net income for the period before taxation		752,462	57,076	631,367	29,752
Taxation	9	-	-	-	-
Net income for the period after taxation		752,462	57,076	631,367	29,752
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		752,462	57,076	631,367	29,752
Earnings per unit	10				

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISHAT
 DIRECTOR

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ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	For the half year ended December 31, 2014	For the half year ended December 31, 2013
	----- Rupees in '000 -----	
Net assets at the beginning of the period	4,394,902	1,839,432
Issue of 879,535,702 units (2013:299,158,719 units)	9,269,619	3,003,429
Redemption of 439,361,545 units (2013:310,915,251 units)	(4,592,428)	(3,120,443)
Issue of bonus units	4,677,191	(117,014)
Interim Nil distribution units(2013: 5,855,934)	-	58,559
Net element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	(257,317)	216
- amount representing (income) / loss and capital (gains) / losses transferred to distribution statement	(18,128)	(766)
	(275,445)	(550)
Capital gain / (loss) on sale of government securities - net	16,652	(14,654)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	239,488	(1,223)
Other net income for the period	496,322	72,953
	752,462	57,076
Distribution during the period		
Interim distribution:		
- Nil (2013:Class -B Re 0.0580 per unit on July 30, 2013) Issue of Nil bonus units(2013:1,533,506)	-	(15,335)
- Nil (2013: Class -B Re 0.0454 per unit on August 29, 2013) Issue of Nil bonus units(2013: 857,417)	-	(8,574)
- Nil(2013: Class -B units Re 0.0286 per unit on September 27, 2013) Issue of Nil bonus units(2013: 457,525)	-	(4,575)
- Nil (2013: Class -B units Re 0.0556 per unit on October 25, 2013) Issue of Nil bonus units(2013: 760,070)	-	(7,601)
- Nil (2013: Class -B units Re 0.0713 per unit on November 28, 2013) Issue of Nil bonus units(2013:1,015,094)	-	(10,151)
- Nil (2013: Class -B units Re 0.0700 per unit on December 30, 2013) Issue of Nil bonus units(2013: 1,232,322)	-	(12,323)
	-	(58,559)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed transferred to distribution statement	18,128	766
Net assets as at the end of the period	9,567,238	1,779,710

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISHAT
 DIRECTOR

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ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	For the half year ended December 31, 2014	For the half year ended December 31, 2013
Note		
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	752,462	57,076
Adjustment for non-cash and other items:		
Unrealised diminution / (appreciation) on remeasurement of investments classified as financial assets at fair value through profit or loss - net	(239,488)	1,223
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(257,317)	216
Amortisation of preliminary expenses and floatation costs	504	504
Provision for Workers' Welfare Fund	15,356	1,165
Federal excise duty on remuneration of the Management Company	5,411	1,849
	276,928	62,033
(Increase) / decrease in assets		
Profit receivable	(169,808)	4,373
Prepayments	(25)	(23)
Investments	(3,557,590)	(606,398)
	(3,727,423)	(602,048)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	5,120	2,092
Payable to Central Depository Company of Pakistan Limited - Trustee	268	(3)
Payable to Securities and Exchange Commission of Pakistan	247	(22,516)
Accrued expenses and other liabilities	56,845	(1,942)
	62,480	(22,369)
Net cash used in operating activities	(3,388,015)	(562,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	9,269,619	3,003,429
Payments against redemption of units	(4,536,370)	(3,120,691)
Net cash generated from / (used in) financing activities	4,733,249	(117,262)
Net increase / (decrease) in cash and cash equivalents	1,345,234	(679,646)
Cash and cash equivalents at the beginning of the period	1,227,836	1,222,333
Cash and cash equivalents at the end of the period	2,573,070	542,687

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISHAT
 DIRECTOR



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ABL GOVERNMENT SECURITIES FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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

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

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 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 Central Depository Company of Pakistan Limited as trustee of 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 for interim financial reporting. 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 the 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 audited financial statements of the Fund for the year ended June 30, 2014.

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, 2014.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

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 audited financial statements of the Fund for the year ended June 30, 2014.

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumption made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual 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 audited annual financial statements of the Fund for the year ended June 30, 2014.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2014. None of these amendments have a significant effect on this condensed interim financial information.

	Note	(Un-audited)	(Audited)
		December 31, 2014	June 30, 2014
----- Rupees in '000 -----			
4 BALANCES WITH BANKS			
Saving accounts	4.1	2,573,070	1,227,836

4.1 These saving accounts carry profit at rates ranging from 6.5% to 9.85% (June 30, 2014: 6.50% to 8.50%) per annum. Deposits in savings accounts include Rs 625.983 thousand (June 30, 2014: Rs 1,705 thousand) maintained with Allied Bank Limited, a related party and carry profit at the rate of 9% (June 30, 2014: 9.3%) per annum.



(Un-audited) (Audited)
Note December June
31, 2014 30, 2014
 ----- Rupees in '000 -----

5 INVESTMENTS

Financial assets at fair value through profit or loss

Government securities

Market treasury bills	5.1	367,164	9,901
Pakistan investment bonds	5.1	6,565,799	3,125,984
		6,932,963	3,135,885

5.1 Government securities

a) Market treasury bills:

Issue date	Tenor	Face Value				Balance as at December 31, 2014			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
		As at July 1, 2014	Purchased during the period	Disposed of/ matured during the period	As at December 31, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
May 15, 2014	3 Months	10,000	-	10,000	-	-	-	-	-	-
July 10, 2014	3 Months	-	1,050,000	1,050,000	-	-	-	-	-	-
July 24, 2014	3 Months	-	1,545,000	1,545,000	-	-	-	-	-	-
August 7, 2014	3 Months	-	590,000	590,000	-	-	-	-	-	-
September 4, 2014	3 Months	-	1,229,500	1,229,500	-	-	-	-	-	-
October 16, 2014	3 Months	-	192,000	192,000	-	-	-	-	-	-
October 30, 2014	3 Months	-	1,765,000	1,719,000	46,000	45,747	45,744	(3)	0.48%	0.66%
November 13, 2014	3 Months	-	250,000	250,000	-	-	-	-	-	-
November 27, 2014	3 Months	-	100,000	-	100,000	98,758	98,721	(37)	1.03%	1.42%
November 28, 2014	6 Months	-	225,000	-	225,000	222,736	222,699	(37)	2.33%	3.21%
May 15, 2014	6 Months	-	351,000	351,000	-	-	-	-	-	-
April 17, 2014	6 Months	-	225,000	225,000	-	-	-	-	-	-
May 2, 2015	6 Months	-	1,000,000	1,000,000	-	-	-	-	-	-
November 13, 2014	6 Months	-	250,000	250,000	-	-	-	-	-	-
March 20, 2014	12 Months	-	300,000	300,000	-	-	-	-	-	-
April 17, 2014	12 Months	-	301,000	301,000	-	-	-	-	-	-
May 2, 2014	12 Months	-	21,000	21,000	-	-	-	-	-	-
October 30, 2014	12 Months	-	110,000	110,000	-	-	-	-	-	-
November 13, 2014	12 Months	-	2,650,000	2,650,000	-	-	-	-	-	-
December 26, 2014	12 Months	-	187,500	187,500	-	-	-	-	-	-
Sub - total		10,000	12,342,000	11,981,000	371,000	367,241	367,164	(77)	3.84%	5.30%

Market treasury bills carry effective interest rates ranging from 9.65% to 9.71% (June 30, 2014: 9.99%) per annum.

b) Pakistan investment bonds:

Issue date	Coupon rate in % / Tenor	Face Value				Balance as at December 31, 2014			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
		As at July 1, 2014	Purchased during the period	Disposed of/ matured during the period	As at December 31, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
August 18, 2011	11.25 / 3 Years	-	70,000	70,000	-	-	-	-	-	-
July 18, 2013	11.25 / 3 Years	2,322,500	3,630,800	2,060,000	3,893,300	3,876,296	3,992,292	115,996	41.73%	57.58%
July 17, 2014	11.25 / 3 Years	-	2,227,000	2,003,000	224,000	227,822	232,342	4,520	2.43%	3.35%
July 18, 2013	11.50 / 5 Years	-	200,000	200,000	-	-	-	-	-	-
July 17, 2014	11.50 / 5 Years	-	550,000	200,000	350,000	354,965	371,558	16,593	3.88%	5.36%
May 19, 2006	12.00 / 10 Years	-	200,000	200,000	-	-	-	-	-	-
May 19, 2006	12.00 / 10 Years	-	250,000	250,000	-	-	-	-	-	-
July 19, 2012	12.00 / 10 Years	-	1,551,500	400,000	1,151,500	1,185,674	1,241,890	56,216	12.98%	17.91%
July 17, 2014	12.00 / 10 Years	-	1,323,000	650,000	673,000	681,477	727,717	46,240	7.61%	10.50%
July 19, 2012	12.00 / 10 Years	875,000	-	875,000	-	-	-	-	-	-
Sub - total		<u>3,197,500</u>	<u>10,002,300</u>	<u>6,908,000</u>	<u>6,291,800</u>	<u>6,326,234</u>	<u>6,565,799</u>	<u>239,565</u>	<u>68.63%</u>	<u>94.70%</u>

Pakistan investment bonds carry effective interest rates ranging from 9.44% to 10.62% (June 2014: 11.55% to 12.9%) per annum.

5.2	Net Unrealised appreciation/ (diminution) in value of investments classified as 'at fair value through profit or loss' - net	Note	(Un-audited)	(Audited)
			December 31, 2014	June 30, 2014
----- Rupees in '000 -----				
	Market value of investments		6,932,963	3,135,885
	Cost of investments		(6,693,475)	(3,137,765)
	Net unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss'		<u>239,488</u>	<u>(1,880)</u>
6	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
	Remuneration of the Management Company	6.1	9,069	4,637
	Sindh sales tax on remuneration of the Management Company	6.2	2,960	1,528
	Federal excise duty on remuneration of the Management Company	6.3	10,336	4,925
	Preliminary expenses and floatation costs		2,000	3,000
	Sales load		310	54
			<u>24,675</u>	<u>14,144</u>

6.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 1.25 percent (2013: 1.25 percent) of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.



6.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (June 30, 2014: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.3 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 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 10.34 million (including 5.41 million for the current period). Had the provision not been made the net asset value per unit of the Fund as at December 31, 2014 would have been higher by Re 0.0118 per unit.

	Note	(Un-audited)	(Audited)
		December 31, 2014	June 30, 2014
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
----- Rupees in '000 -----			
Auditors' remuneration		179	265
Brokerage		767	134
Rating Fee		93	-
Printing charges		59	59
Withholding tax		579	24
Provision for Workers' Welfare Fund	7.1	136,500	121,144
Payable against purchase of investment		55,650	-
		193,827	121,626

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 had been filed by certain CISs through their trustees in the Honorable 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 Labor 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 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 Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honorable 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 Honorable 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 judgment, the Peshawar High Court (PHC) has 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. 136.50 million (including Rs 15.356 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at December 31, 2014 would have been higher by Re 0.1555 per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2014 and as at June 30, 2014.

9 TAXATION

The income of the Fund 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The management intends to distribute at least 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 this condensed interim financial information.

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

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes Central Depository Company being the Trustee of the Fund and the directors and officers of the Management Company.

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

Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.



11.1 Details of transactions with connected persons / related parties during the period are as follows:

	----- (Un-audited) -----	
	For the half year ended December 31, 2014	For the half year ended December 31, 2013
	----- Rupees in '000 -----	
ABL Asset Management Company Limited - Management Company		
Bonus of Nil units(2013: 219,593 units)	-	2,196
Redemption of 7,168,383 units(2013: Nil units)	72,852	-
Preliminary expenses and floatation costs paid during the period	1,000	-
Remuneration for the period	33,815	11,558
Sindh Sales Tax on Management Company's Remuneration	5,884	2,145
Federal Excise Duty on remuneration of the Management Company	5,411	1,849
Central Depository Company of Pakistan Limited-Trustee		
Remuneration for the period	2,407	1,072
Allied Bank Limited-Holding Company of the Management Company		
Issue of Nil Class B units (2013: 99,352,224 Class B units)	-	1,000,000
Redemption of Nil Class B units(2013: 59,611,334 Class B units)	-	600,119
Bonus of Nil Class B units(2013: 278,186 Class B units)	-	2,782
Mark up accrued on bank deposits	3,743	1,839
Mark up on Term Deposit Receipts	-	4,789
Bank charges	132	155
Pioneer Cement Ltd*		
2013: 49,848,390 units	-	500,000
2013: 843,620 units	-	8,436
Getz Pharma (private) Limited		
Issue of Nil units(2013: 118,282 units)	-	1,183
Bonus of Nil units (2013: 20,511,728 units)	-	205,491
D.G. Khan Cement Company Limited		
Issue of 238,207,202 units(2013: Nil units)	2,506,000	-
Fauji Fertilizer Bin Qasim Limited		
Issue of 94,693,411 units(2013: Nil units)	1,009,997	-
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas**		
Issue of 105,186 units (2013: 99,971 units)	1,069	1,000
Bonus of Nil units (2013: 3,494 units)	-	35
Redemption of 105,356 units (2013: 3,101,202 units)	1,071	31,153
M. Jawaid Iqbal		
Issue of 99,364 units (2013: 49,864 units)	1,000	500
Bonus of Nil units (2013: 349 units)	-	3
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 3,163,759 units (2013: Nil units)	32,789	-
Redemption of 2,278,554 units (2013: Nil units)	24,000	-
Bonus of Nil units(2013: 14,733 units)	-	147

	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	----- Rupees in '000 -----	
11.2 Amounts outstanding with connected persons/ related parties as at period end/ year end:		
ABL Asset Management Company Limited - Management Company		
Outstanding Nil units (2014: 7,168,383 units)	-	71,979
Preliminary expenses and floatation costs payable	2,000	3,000
Remuneration payable	9,069	4,637
Sindh sales tax payable on remuneration of the Management Company	2,960	1,528
Federal excise duty payable on remuneration of the Management Company	10,336	4,925
Sales load payable	310	54
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	608	340
Allied Bank Limited-Holding Company of the Management Company		
Bank Balances held	626	1,705
Mark-up accrued on deposits with banks	504	90
CFA Association of Pakistan-Connected Person		
Outstanding 287,112 units (2014: 287,112 units)	3,129	2,883
Ibrahim Agencies (Private) Limited-Connected Person		
Outstanding 16,678,977 units (2014: 16,678,977 units)	181,772	167,477
D.G. Khan Cement Company Limited		
Outstanding 238,207,202 units (2014: Nil units)	2,596,054	-
Fauji Fertilizer Bin Qasim Limited		
Outstanding 94,693,411 units (2014: Nil units)	1,031,997	-
Pioneer Cement Limited*		
2014: 53,386,694 units	-	536,066
Kohinoor Textile Mills Limited (Raiwand Division)*		
2014: 97,000,486 units	-	974,001
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas**		
Outstanding 105,682 units (2014: 105,852 units)	1,152	1,063
M. Jawaid Iqbal		
Outstanding 255,995 units (2014: 156,631 units)	2,790	1,573
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Chief Executive Officer		
Outstanding 1,106,133 units (2014: 220,928 units)	12,055	2,218

* Current period figures has not been presented as the entity is not classified as a related party / connected person of the fund as at December 31, 2014.

** Mr. Khawaja Muhammad Almas has resigned as director of the Management Company in the current period.



12 GENERAL

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

12.2 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.

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 6, 2015.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


KAMRAN NISHAT
DIRECTOR

 ABL Asset Management
Discover the potential

