

RATED AM2 - (JCR-VIS)

INFOCUS

FUND MANAGER'S REPORT AUGUST 2012

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ECONOMY AND CAPITAL MARKETS UPDATE

SBP in easing mode

Central Bank's decision to cut the policy rate by 150 basis points to 10.5% was the key economic highlight over the month of August 2012. Although a rate cut was widely anticipated, the magnitude was surprising as concerns related to the fiscal deficit and exchange rate stability remained high. Current account deficit was recorded at USD297mn for the month of July, +262% YoY while the Government missed its tax collection target (collected PKR126bn vs. target of 153bn in August). FX reserves also remained under pressure as the IMF debt repayment on August 24, 2102 pushed the reserves below the USD15bn mark despite the realization of the coalition support funds. SBP, however, took comfort from the encouraging CPI numbers (recorded at 9.05% for the month of August) while taking the rate cut decision - a stance which looks more like a leap of faith to us. High base effect due to floods last year coupled with static housing index were instrumental in bringing inflation close to the 9% mark. Over the next quarter, further rate cuts cannot be ruled out as the central bank has clearly adopted a pro-growth stance and inflation numbers close to 9% provide some room for further monetary easing.

Optimistic 1QFY13 borrowing target

Market whispers of an impending rate cut last month finally became a reality when the SBP lowered the discount rate by an unexpected 150bps to 10.50% on the 10th of August. Investors in fixed income markets cheered the decision which led to gains on their holdings in both T-bills and bonds. Despite poor liquidity, investors continued to gobble long term instruments to benefit from valuation gains. Adding to liquidity woes were Eid linked outflows from the banking system but continued SBP intervention in the form of Open Market Operations supported the market. Yields adjusted to the new discount rate; however liquidity constraints meant that yields remained at the top end of the range during the month. Out of an auction target of Rs.550 billion, Rs.487 billion worth of T-bills were sold. The auction before the MPS announcement attracted heavy participation and SBP accepted a higher than target amount. However, the second auction, which was conducted post DR cut, attracted minimal participation. A PIB auction having target of Rs.30 billion was also conducted post DR cut where Rs.29 billion worth of bonds were accepted.

Re-rating of KSE on the cards

Equity market enjoyed the ride of the steep cut in the policy rate, gaining 5.6% to close the month at 15,392 points. Apart from the discount rate cut, the results season added to the optimism as major index heavy weights, OGDC, PPL, and Lucky Cement posted solid results. There was also excitement in the telecom sector as the LDI operators agreed to the PTA's (Pakistan Telecom Authority) proposal of establishing an International Clearing House (ICH). Increase in termination charges for incoming calls is expected to significantly improve the profitability outlook for the sector. Banking sector lagged, as the rate cut is likely to keep spreads under pressure. With returns on the fixed income segment tapering off, equity markets are expected to attract more liquidity due to high dividend yield plays (Utilities, Oil & Gas) and leverage sectors (Cements) amongst the key beneficiaries. At current levels the market trades at an attractive FY13 P/E of 6.6x and offers dividend yield of 8.2%.

Economic Summary

	Last Reported Month	Current Month	Previous Month	YTD
CPI Inflation	Aug	9.05%	9.6%	9.32%
Trade Deficit (USD mn)	July	(1,322)	(1,470)	(1,322)
Remittances (USD mn)	July	1,205	1,117	1,205
Current A/C (USD mn)	July	(297)	(586)	(297)
FDI (USD mn)	July	42	56	42
Tax Collection** (PKR bn)	Aug	126	112	238
M2 Growth*	Aug	-	-	-0.93%
FX Reserves* (USD bn)	Aug	-	-	14.76

Source: SBP, FBS
* Latest monthly figures
** Provisional figures

Government Securities

PKRV Yields	6M	1yr	3yr	5yr	10yr
Aug 31, 2012	10.40	10.45	11.05	11.59	11.98
July 31, 2012	11.86	11.88	12.56	12.96	13.07
Change (bps)	-146	-143	-151	-137	-109

Source: FMA

Equity Market Performance

	Aug-12	Aug-12	M/M	1yr Low	1yr High
KSE-100 Index	15,392	14,577	5.6%	10,909	15,392
Avg. Daily Vol. (mn)	156	90	73.3%	18	577
Avg. Daily Val. (USD mn)	45	35	28.6%	7	126
2013E PE (x)	6.6				
2013E DY	8.2%				

Source: KSE

FUND MANAGER'S COMMENTS

ABL-IF yielded an annualized compounded return of 19.81% during August 2012, a significant improvement against last month's performance of 10.86%. Returns outperformed the benchmark rate by 8.81% during the month - thanks to valuation gains after the rate cut on fixed income portfolio. In anticipation of the discount rate cut, the fund manager had kept the fund's duration high, a strategy that paid off well in terms of valuation gains. At month end T-bill's constituted 28.6% of assets followed by TDRs at 17.4% and TFCs at 10.7% of total assets. Cash holdings were 37.89% of assets. Fund size improved by 12% during the month to close at Rs. 2.823 billion.

Going ahead we would look to keep fund duration high as returns on long term instruments remain competitive. Moreover, any further dip in yields would benefit the fund in terms of valuation gains.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.28.24 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.1028 per unit.

INVESTMENT OBJECTIVE

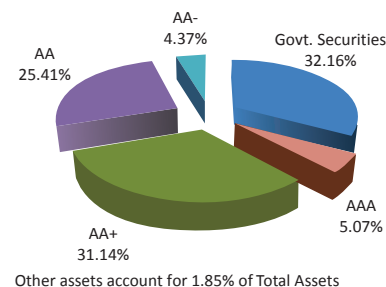
To earn superior risk adjusted rate of return by investing in a blend of short, medium and long term instruments, both within and outside Pakistan.

TOP TFC/SUKUK HOLDINGS (% OF TOTAL ASSETS)	August 31 st , 2012
SCB Ltd	5.05%
Askari Bank - I	2.84%
Askari Bank - IV	1.49%
UBL TFC - IV	1.33%

ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Cash	4.99%	37.89%
Placements with Banks (TDRs)	19.52%	17.39%
T-Bills	61.88%	28.64%
PIBs	0.00%	3.52%
TFCs	12.06%	10.71%
Others Including Receivables	1.55%	1.85%

TECHNICAL INFORMATION	
Leverage	NIL
Weighted average time to maturity of net assets	345 days

CREDIT QUALITY OF PORTFOLIO

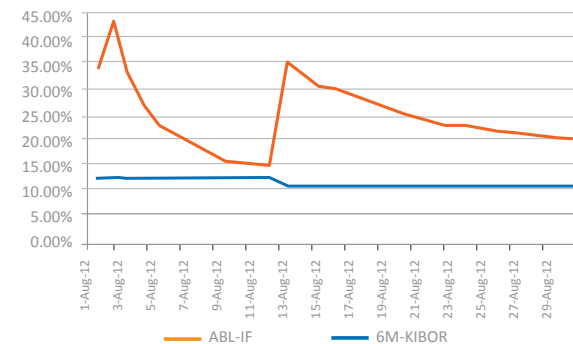


INVESTMENT COMMITTEE MEMBERS

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager
6. Faizan Saleem – Fund Manager

FUND RETURNS*	ABL-IF	6M-KIBOR
August	15.25%	11.51%
Year to Date (FYTD)	19.81%	11.00%

* Returns are net of management fee & all other expenses



BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	September 20 th , 2008
Net Assets	PKR 2,823 mn as at August 31 st , 2012
NAV	PKR 10.2736 as at August 31 st , 2012
Benchmark	6 Month Kibor Average
Dealing Days	As per Banking Days
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5% p. a.
Front-end load	Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2- (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager Listing	Hammad Ali Abbas Karachi Stock Exchange

FUND MANAGER'S COMMENTS

ABL-SF rose by 4.1% in August'12 against 4.9% increase in the benchmark KSE-30 index, an underperformance of 80 basis points. During the month, investment in Oil & Gas sector was increased from 21.4% to 27.4% of the portfolio, exposure in Chemicals sector was decreased from 17.0% to 15.2% and allocation to Banking sector was also decreased from 22.0% to 12.2%. ABL-SF as of August 31st, 2012 is 89.3% invested in equities and remaining in bank deposits.

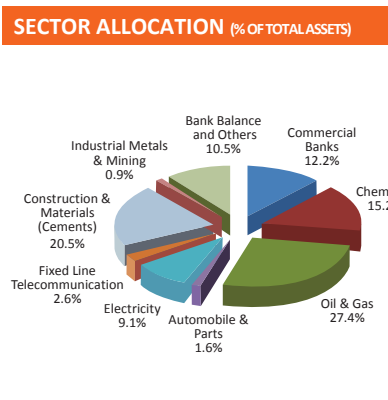
We enhanced our exposure to cement companies as the sector outlook continued to appear positive in the wake of declining coal prices and extended price agreement between large players. Discount rate cut will impact bank spreads negatively and we reduced our exposure to the sector accordingly. We also enhanced our exposure in dividend paying Oil and Gas stocks as these have become attractive amidst rising oil prices and low interest rates.

The Scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs.4.951 Million. If the same were not made the NAV per unit of the scheme would be higher by Rs.0.1716 per unit.

INVESTMENT OBJECTIVE

To provide higher risk-adjusted returns over the long term by investing in a diversified portfolio of equity instruments offering capital gains and dividends.

TOP TEN HOLDINGS (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Fauji Fertilizer Company	9.2%	9.7%
Hub Power Company	8.7%	9.1%
Pakistan Oilfields	7.5%	9.0%
Pakistan Petroleum	8.4%	8.8%
D.G.K.Cement	6.7%	8.8%
Lucky Cement	5.7%	8.1%
Oil & Gas Development Co.	2.5%	6.9%
United Bank Ltd.	6.4%	4.1%
Askari Bank Ltd.	0.0%	3.3%
Bank Al Habib Ltd.	5.3%	3.2%

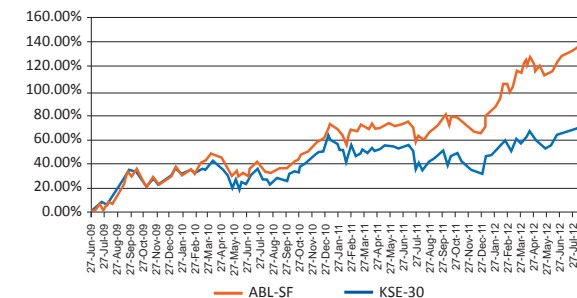


ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Stock/Equities	88.6%	89.3%
Bank Balances	5.7%	7.3%
Others	5.7%	3.4%
Leverage	NIL	NIL

- ### INVESTMENT COMMITTEE MEMBERS
1. Farid Ahmed Khan, CFA, CEO
 2. Muhammad Imran, CIO
 3. Kamran Aziz, Fund Manager
 4. Hammad Ali Abbas, Fund Manager
 6. Faizan Saleem, Fund Manager
 5. Abid Jamal, Head of Research

PERFORMANCE*	ABL-SF	KSE-30
Year to Date (YTD)	11.2%	11.0%
Trailing 12 months	47.4%	25.4%
Month to Date (MTD)	4.1%	4.9%

* Returns are net of management fee & all other expenses



BASIC FUND INFORMATION

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28th, 2009
Net Assets (PKR)	PKR 328.79 mn as at August 31 st , 2012
NAV	PKR 11.3969 as at August 31 st , 2012
Benchmark	KSE-30 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off Time	4:00 pm
Pricing Mechanism	Forward
Management Fee	3% p.a.
Front-end Load	3%
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	A.F Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2- (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	High
Performance Ranking	MFR 5-Star (JCR VIS) (Based on one, two and three year weighted average ranking for periods ended June 30, 2012)
Listing	Karachi Stock Exchange

FUND MANAGER'S COMMENTS

ABL-CF yielded an annualized compounded return of 13.51% for the month of August, an improvement of 2.84% over the previous month. Return performance remained upbeat due to significant declines in money market yields where the fund outperformed the benchmark by 6.52% during the month. T-bill constituted 83.6% of assets at month end whereas placements with banks and money market investments constituted 11.2% and 5.2%. Fund size leaped by a massive 119.5% to close at Rs.21.158 billion.

Going forward, T-bill duration will be kept high in order to benefit from any further dip in yields. As the market adjusts to new baseline interest rates, returns will normalize. Hence, a higher duration will partially mitigate such an impact.

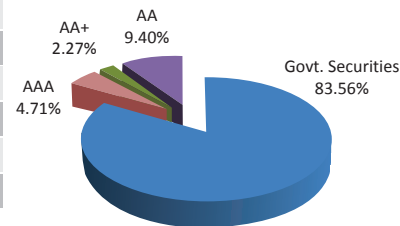
The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.74.36 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0352 per unit.

INVESTMENT OBJECTIVE

To provide investors, consistent returns with a high level of liquidity, through a blend of money market and sovereign debt instruments.

ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Cash	0.60%	6.04%
Placements with Banks (TDRs)	11.28%	5.17%
Placement with Banks (MM)	0.00%	1.88%
Placements with DFIs	0.00%	3.29%
T-bills	87.81%	83.56%
Others Including Receivables	0.32%	0.06%

CREDIT QUALITY OF PORTFOLIO



Other assets account for 0.06% of Total Assets

TECHNICAL INFORMATION

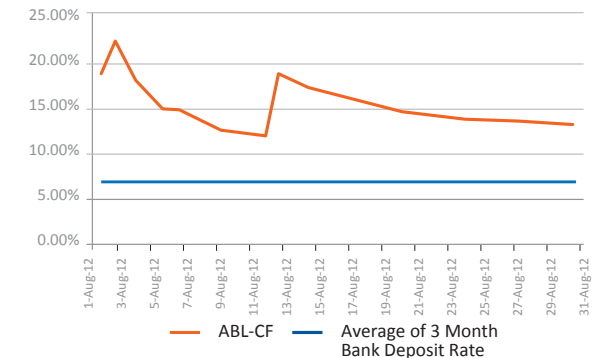
Leverage	NIL
Weighted average time to maturity of net assets	77 days

INVESTMENT COMMITTEE MEMBERS

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager
6. Faizan Saleem – Fund Manager

FUND RETURNS*	ABL-CF	Average of 3 Month Bank Deposit Rate
August	13.51%	6.99%
Year to Date (FYTD)	12.08%	7.29%

* Returns are net of management fee & all other expenses



BASIC FUND INFORMATION

Fund Type	Open-end
Category	Money Market Scheme
Launch Date	July 30 th , 2010
Net Assets	PKR 21,158 mn as at August 31 st , 2012
NAV	PKR 10.0101 as at August 31 st , 2012
Benchmark	Average 3 Month Deposit rates of AA and above rated Banks
Dealing Days	As Per Banking Days
Cut-off time	4:00 pm
Pricing mechanism	Backward
Management Fee	1.25% p. a.
Front-end load	Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2- (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	AA+(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas
Listing	Karachi Stock Exchange



FUND MANAGER'S COMMENTS

ABL-GSF generated an impressive annualized return of 16.84% in August 2012 compared to the benchmark return of 9.75%. The performance was boosted by the 150 bps cut in discount rate which resulted in decent gains on the bond portfolio. Fund size increased significantly by 34.70% to close at PKR 74.35 billion.

At the end of the period, investment in government securities stood at 86.21% (treasury bills 81.17% and Ijarah Sukuk 5.04%) of the portfolio compared to 97.63% (treasury bills 88.35% and Ijarah Sukuk 9.28%) in previous month. Fund Manager strategically reduced allocation in GOP Ijarah Sukuk to book capital gains on longer duration assets. The Weighted average maturity of the fund stood at 172 days.

Going forward, we intend to increase fund's duration further to position it for any further decline in the yield curve.

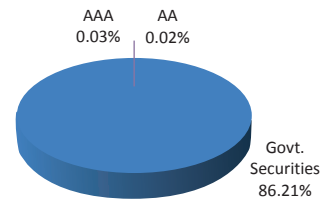
The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.1.5 million for B units, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0172 per unit.

INVESTMENT OBJECTIVE

The objective of the scheme is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments.

ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Cash	1.51%	0.05%
Placements with DFIs	0.54%	0.00%
T-bills	88.35%	81.17%
GoP Ijarah Sukuk	9.28%	5.04%
Others Including Receivables	0.31%	13.74%

CREDIT QUALITY OF PORTFOLIO



Other assets account for 13.74% of Total Assets

TECHNICAL INFORMATION

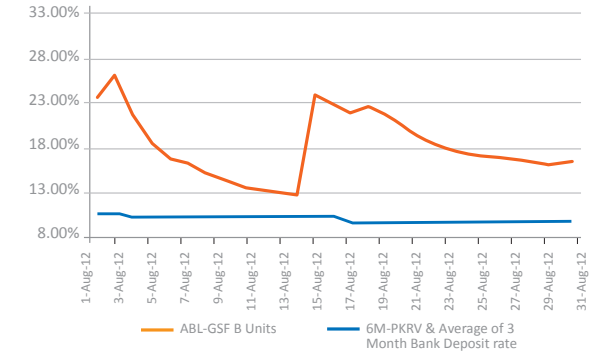
Leverage	NIL
Weighted average time to maturity of net assets	172 days

INVESTMENT COMMITTEE MEMBERS

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager
6. Faizan Saleem – Fund Manager

FUND RETURNS*	ABL-GSF B Units	6M-PKRIV & Average of 3 Month Bank Deposit rate
August	16.84%	9.75%
Year to Date (FYTD)	13.64%	10.17%

* Returns are net of management fee & all other expenses



BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	November 30 th , 2011
Net Assets	PKR 74,347 mn as at August 31 st , 2012
NAV	Class - A units 10.0114 as at August 31 st , 2012 Class - B units 10.0104 as at August 31 st , 2012
Benchmark	70% average 6m-PKRIV & 30% average 3 Months deposit rates of AA- & above rated banks
Dealing Days	As per Banking Days
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	Class-A unit 0.25%, Class-B unit 1.25%
Front-end load	Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2- (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(F) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

FUND MANAGER'S COMMENTS

ABL-IIF yielded a compounded annual return of 12.56% for the month of August, an improvement of 2.18% against its previous return and an outperformance of 5.71 bps over the benchmark. Returns were boosted by valuations gains on Ijarah Sukuks as the decline in interest rates boosted bond prices. The fund had maintained a healthy allocation of 73.4% of assets in GoP Ijara Sukuks in anticipation of the rate cut. Remaining assets primarily comprised of cash balances at 24.4% of assets. Fund size improved by 6.55%, to close at Rs.1.048 billion at month end.

The fund will keep an overweight position in Ijara Sukuks as this asset class continues to offer high returns with possibilities of booking trading gains. As yields adjust to the new discount rate, we will see slight correction in returns going ahead. We will seek placements with banks and acquisition of fresh GoP Ijara Sukuks to mitigate this impact.

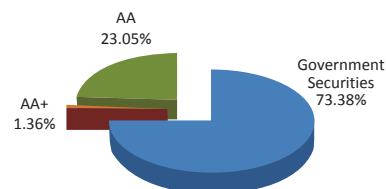
The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.3.03 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0295 per unit.

INVESTMENT OBJECTIVE

To provide investors with an opportunity to earn higher income over the medium to long-term by investing in a diversified portfolio consisting of different money market and debt instruments permissible under the Shariah principles.

ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Cash	33.01%	24.41%
GoP Ijara Sukuk	65.13%	73.38%
Others Including Receivables	1.86%	2.21%

CREDIT QUALITY OF PORTFOLIO



Other assets account for 2.20% of Total Assets

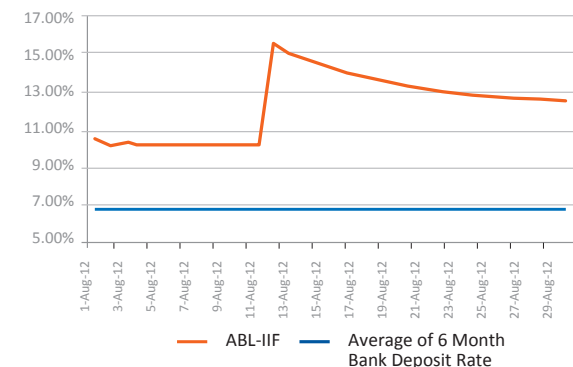
TECHNICAL INFORMATION	
Leverage	NIL
Weighted average time to maturity of net assets	650 days

INVESTMENT COMMITTEE MEMBERS

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager
6. Faizan Saleem – Fund Manager

FUND RETURNS*	ABL-IIF	Average of 6 Month Bank Deposit Rate
August	12.56%	6.85%
Year to Date (FYTD)	11.46%	10.80%

* Returns are net of management fee & all other expenses



BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Income Scheme
Launch Date	July 30 th , 2010
Net Assets	PKR 1,048.087 mn as at August 31 st , 2012
NAV	PKR 10.2110 as at August 31 st , 2012
Benchmark	Average of 6 Month Deposit rates of 3 Islamic Banks
Dealing Days	As Per Banking Days
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.0% p. a.
Front-end load	Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2- (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(F) (JCR-VIS)
Fund Manager	Hammad Ali Abbas
Listing	Karachi Stock Exchange

FUND MANAGER'S COMMENTS

ABL-CPF delivered 1.45% return in August'12 against 0.94% increase in its benchmark, which reflects an outperformance of 51 basis points. The fund benefited from strong equity performance as well as high rate on Term Deposit placed before Discount Rate (DR) cut. Equity portion of the portfolio was mainly invested in Telecom (1.5% of the fund) and Cement (5%) sectors. Increase in termination charges for incoming calls post implementation of International Clearing House (ICH) is expected to significantly improve the profitability outlook for telecom sector and we took heavy positions in the same towards end of the month. Second and third tier cement stocks continued to outperform the market as declining coal prices and improving utilization levels led to triple digit growth in profitability numbers thus benefiting the portfolio. At the end of the month ABL CPF is 6.7% invested in equities and remaining in bank deposits.

Going forward, corporate earnings are expected to maintain their robust growth rates, which will keep interest of value hunters alive. Anticipation of another DR cut also bodes well for equity as well as bond markets. Currently we have maximized equity exposure in the active portion of the portfolio and will maintain our strategy of placing concentrated bets on key stocks.

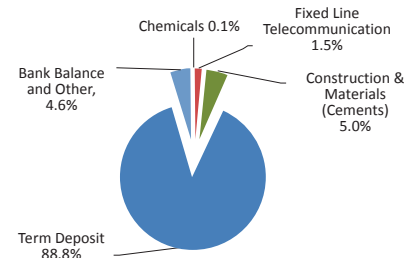
The Scheme has not made provision amounting to Rs. 0.023 Million against Workers' Welfare Fund's liability. If the same were made the NAV per unit of the scheme would be lower by Rs. 0.0070 per unit.

INVESTMENT OBJECTIVE

To protect Initial Investment Value and deliver some return with the prospect of growth in Initial Investment Value over the stipulated time period.

Top Holdings (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Fecto Cement	0.5%	2.1%
D.G.K.Cement	2.7%	1.7%
Pakistan telecommunication Company Ltd.	0.0%	1.5%
Kohat Cement	1.2%	1.2%
Akzo Nobel Pakistan	0.2%	0.1%

SECTOR ALLOCATION (% OF TOTAL ASSETS)



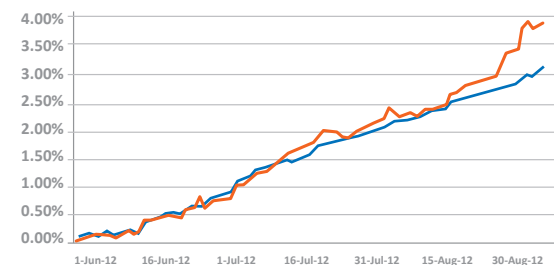
ASSET ALLOCATION (% OF TOTAL ASSETS)	July 31 st , 2012	August 31 st , 2012
Stock/Equities	4.5%	6.7%
Bank Balance	2.8%	2.6%
T-Bills	1.3%	0.0%
Term Deposit	91.2%	88.8%
Others	0.2%	1.9%
Leverage	NIL	NIL

INVESTMENT COMMITTEE MEMBERS

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager
6. Faizan Saleem – Fund Manager

PERFORMANCE	ABL-CPF	Benchmark
Year to Date (YTD)	2.73%	2.02%
Month to Date (MTD)	1.45%	0.94%

* Returns are net of management fee & all other expenses



— ABL-CPF — Benchmark

BASIC FUND INFORMATION

Fund Type	Open-end
Category	Capital Protected Scheme
Launch Date	June 1 st , 2012
Net Assets (PKR)	PKR 344.22 mn as at August 31 st , 2012
NAV	PKR 10.3048 as at August 31 st , 2012
Benchmark	Weightage of Capital Protected segment in fund with 2 Year Term Deposite Rate of AA- & above rated banks and weightage of Investment segment with KSE 30 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5% p. a.
Front-end load	1.75%
Trustee	MCB Financial Services Limited
Auditor	M. Yousuf Adil Saleem & Co.
Asset Manager Rating	AM2- (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	Low
Performance Ranking	N/A
Listing	Islamabad Stock Exchange