ABL Asset Management
Discover the potential
RATED AM2 - (JCR-VIS)

# IN FOCUS

## FUND MANAGER'S REPORT
## FEBRUARY 2013

# INFOCUS
FUND MANAGER'S REPORT, JANUARY 2013

## ECONOMY AND CAPITAL MARKETS UPDATE

### MPS a non-event

February 2013 saw more of the same in the Pakistan's economic landscape as the external account situation remained frail while the February 2013 monetary policy statement (MPS)Ê turned out to be largely a non- event. As per expectations, the Central Bank aborted its recent monetary easing stance, keeping the discount rate unchanged at 9.5%. Weak external account situation and possible resurgence of inflationary pressures (emanating from high fiscal deficit and heavy government borrowing) were highlighted as key concerns in the MPS which signaled an end in the monetary easing cycle. External account situation continued to be worrisome with January 2013 current account deficit recorded at USD156mnÊ(7MFY13 surplus at USD62mn).ÊFurthermore, IMF debt repayments to the tune of USD538mn implied that FX reserved remained under pressure, closing the month at USD13.19bn (SBP reserves USD8.23bn). Inflation, however, remained at manageable levels, clocking in at an impressive 7.38% for February 2013 (Average 8MFY13 inflation at 8.18%). As we move ahead, it is fairly clear from the MPS that the Central Bank has changed its tone considerably and there is a prospect of a hawkish stance being adopted if economic indicators deteriorate further. However, with inflation numbers remaining low and minimal possibility of reentry in IMF program in the near term, we anticipate policy rate to be maintained at current levels until elections.

### Extreme volatility

With the discount rate unchanged at 9.50% in the MPS announcement, heavy selling was witnessed in long term government securities where investment in PIBs bore the brunt as market sentiments towards a loose monetary stance faded. Yields on T-bills also spiked due to frantic selling in longer tenure (6 and 12 month) instruments. Short dated instruments also suffered as money market struggled against liquidity shortages during the month despite regular SBP interventions in the form of weekly Open Market Operations. As KIBOR and PKRV rates rose considerably, the impact of valuation losses on bonds and T-bills forced many players' hands. Resultantly, a scheduled PIB auction for the month was rejected due to weak participation. A similar trend was witnessed in T-bills where against a pre-defined cumulative auction target of PKR425 billion, the SBP managed to accept PKR314 billion only, despite increasing the cut offs levels. Consequently, the weekly OMO injection amount declined towards month end as auction acceptance amounts remained low against maturing T-bills. In order to curtail money market volatility the SBP reduced the spread between the floor and discount rate by 50bps to 250bps in its MPS Announcement.

### Bull run to continue

Equity market witnessed an extended rally with the benchmark KSE100 index gaining 5.4% MoM to close the month at an all time record level of 18,174 points.ÊSeemingly smooth political transition towards a caretaker set up and buoyant corporate earnings boosted investor sentiment. Telecom (PTC earnings back in green), textile (NML EPS +50% YoY) and cement companies posted robust earnings growthwhile IPPs declared handsome payouts. Moreover, decision of the Supreme Court to overturn the ban imposed by Lahore high court on charging higher rates on incoming traffic through the International Clearing House (ICH) triggered a bull run in the telecom sector. Investor optimism coupled with strong foreign flows (net inflow recorded at USD29mn for February taking cumulative FIPI for 8MFY13 to USD202mn) implied significant increase in trading volume (286mn shares traded on average during Feb). Looking ahead to March, we anticipate the rally to continue unless there are hiccups in appointing the caretaker set up or there is any sort of delay in the planned general elections

### Economic Summary

| | Last Reported Month | Current Month | Previous Month | YTD |
|---|---|---|---|---|
| CPI Inflation | Feb | 7.38% | 8.07% | 8.18% |
| Trade Deficit (USD mn) | Jan | (1,122) | (1,227) | (8,774) |
| Remittances (USD mn) | Jan | 1,090 | 1,135 | 8,207 |
| Current A/C (USD mn) | Jan | (156) | 665 | 62 |
| FDI (USD mn) | Jan | (38) | 254 | 525 |
| Tax Collection** (PKR bn) | Feb | 139 | 114 | 1143 |
| M2 Growth* | Feb | - | - | 8.0% |
| FX Reserves* (USD bn) | Feb | - | - | 13.19 |

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

### Government Securities

| PKRV Yields | 6M | 1yr | 3yr | 5yr | 10yr |
|---|---|---|---|---|---|
| Feb28, 2013 | 9.46 | 9.53 | 11.33 | 11.58 | 12.12 |
| Jan 31, 2013 | 9.10 | 9.18 | 10.34 | 10.97 | 11.59 |
| Change (bps) | 36 | 35 | 99 | 61 | 53 |

Source: FMA

### Equity Market Performance

| | Dec-12 | Nov-12 | M/M | 1yr Low | 1yr High |
|---|---|---|---|---|---|
| KSE-100 Index | 18,174 | 17,243 | 5.40% | 12,878 | 18,174 |
| Avg. Daily Vol. (mn) | 286 | 160 | 78.75% | 28 | 577 |
| Avg. Daily Val. (USD mn) | 74 | 42 | 76.19% | 10 | 126 |
| 2013E PE (x) | 7.1 | | | | |
| 2013E DY | 6.9% | | | | |

Source: KSE

# INFOCUS
FUND MANAGER'S REPORT, FEBRUARY 2013

# ABL Income Fund

ABL-IF ABL-INCOME FUND

## FUND MANAGER'S COMMENTS

February turned out to be a difficult month for income funds as long bond prices fell and money markets showed extreme volatility. ABL-IF yielded an annualized compounded return of 4.02%, a decline of 440 bps over the previous month and an underperformance of 540bps against its benchmark. The drop in returns was due to valuation adjustments on its government security holdings as PKRVs spiked post MPS decision of maintaining interest rates at current levels. The market was quick to respond to the SBP's decision where distressed selling was witnessed in both PIBs and T-bills. At month end, bank placements stood reduced at 19.8% of total assets (3.4% in TDR &16.4% as cash) compared to 22.8% in the previous month. Other investments included TFCs at 16.33%, PIBs at 9.67% and T-bills at 52.7% of total assets. Fund size declined by 7% during the month to close at PKR2.864 bn.

As distressed selling subsides and CPI for the month (Feb 7.38% YoY) is far better than general expectation, we foresee markets recovering in coming days which should support fund returns. Moreover, as baseline yields stand adjusted at higher levels, we anticipate an improvement in returns. We will continue to explore opportunities for improving returns whilst gradually reducing fund duration in order to curtail return volatility.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.31.04 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.1096 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)

| | February 28th, 2013 |
|---|---|
| SCB Ltd | 3.84% |
| HUBCO Short TermSukuk III | 3.42% |
| UBL TFC - IV | 3.16% |
| BAFL - V | 3.08% |
| Askari Bank - IV | 1.54% |
| UBL TFC - II | 1.14% |
| BAFL - IV | 0.15% |

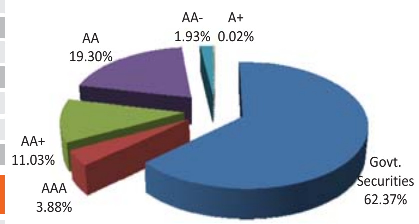
## ASSET ALLOCATION (% OF TOTAL ASSETS)

| | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Cash | 3.62% | 16.41% |
| Placements with Banks (TDRs) | 19.16% | 3.42% |
| T-Bills | 48.92% | 52.68% |
| PIBs | 12.42% | 9.67% |
| GoP Ijara Sukuk | 0.02% | 0.02% |
| TFCs | 11.64% | 16.33% |
| Others Including Receivables | 4.22% | 1.47% |

## TECHNICAL INFORMATION

| | |
|---|---|
| Leverage | NIL |
| Weighted average time to maturity of net assets | 535 days |

## CREDIT QUALITY OF PORTFOLIO




Other assets account for 1.47% of Total Assets

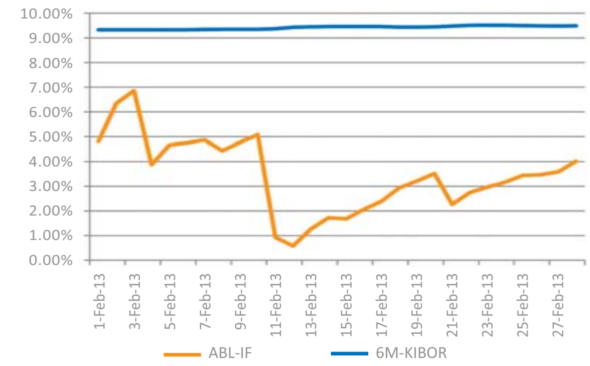
## INVESTMENT COMMITTEE MEMBERS

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, CFA – Fund Manager
6. Faizan Saleem – Fund Manager

## FUND RETURNS*

| FUND RETURNS* | ABL-IF | 6M-KIBOR |
|---|---|---|
| February 2013 | 4.02% | 9.42% |
| Year to Date (FYTD) | 10.71% | 10.12% |

* Returns are net of management fee & all other expenses




## BASIC FUND INFORMATION

| | |
|---|---|
| Fund Type | Open-end |
| Category | Income Scheme |
| Launch Date | September 20th, 2008 |
| Net Assets | PKR 2,864 mn as at February 28th, 2013 |
| NAV | PKR 10.1147 as at February 28th, 2013 |
| 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- (Positive 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 |

# INFOCUS

FUND MANAGER'S REPORT, FEBRUARY 2013

# ABL Stock Fund

## FUND MANAGER'S COMMENTS

ABL-SF increased by 7.3% in February'13 against 5.6% increase in the benchmark KSE-30 index, which reflects an outperformance of 170 basis points. During the month, investment in Oil & Gas sector was decreased from 28.1% to26.7%of the portfolio, allocation to Construction sector was also decreased from 16.1% to 11.9% and exposure in Chemicals sector was increased from11.6% to 12.4%. Exposure in construction sector was reduced significantly as we preferred booking gains in some of the illiquid cement stocks after stellar performance posted last year. ABL-SF as of February 28th 2013 is 88.6% invested in equities and remaining in bank deposits.

Looking ahead to March, investors will closely track developments on foreign flows. Result season, which is now coming to an end, has left investors with further reason to rejoice on account of hefty cash payouts and robust earnings growth in major counters. Our strategy is to maintain maximum exposure in equities, especially in stocks that have underperformed in recent rally and are offering maximum upside at current levels. Low interest rates, attractive valuations, consistent foreign flows and healthy corporate results warrant promising returns for equity investors.

The Scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of PKR 6.27mn. If the same were not made the NAV per unit of the scheme would be higher by PKR 0.1958 per unit.

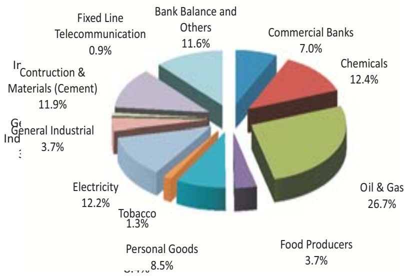
## INVESTMENT OBJECTIVE

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)

| TOP TEN HOLDINGS | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Hub Power Company | 9.3% | 8.9% |
| Pakistan Petroleum | 8.7% | 8.8% |
| Pakistan Oilfields | 8.9% | 8.7% |
| Engro Corporation | 3.0% | 7.6% |
| D.G.K.Cement | 8.2% | 6.8% |
| Nishat Mills | 5.6% | 6.5% |
| Fauji Cement | 1.0% | 5.1% |
| Askari Bank Ltd. | 5.3% | 4.9% |
| Fauji Fertilizer Company | 7.4% | 4.8% |
| Oil & Gas Development Co. | 4.9% | 4.8% |

## SECTOR ALLOCATION (% OF TOTAL ASSETS)




## ASSET ALLOCATION (% OF TOTAL ASSETS)

| ASSET ALLOCATION | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Stock/Equities | 94.9% | 88.6% |
| Bank Balances | 3.3% | 5.1% |
| Others | 1.9% | 6.3% |
| Leverage | NIL | NIL |

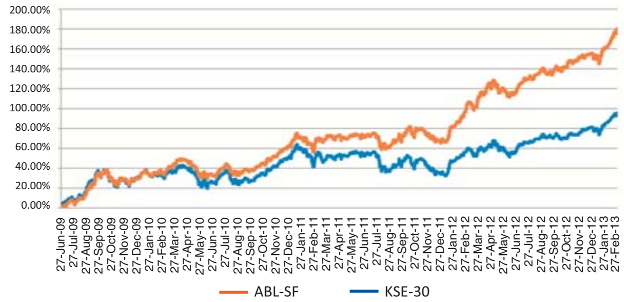
## INVESTMENT COMMITTEE MEMBERS

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

## PERFORMANCE*

| PERFORMANCE* | ABL-SF | KSE-30 |
|---|---|---|
| Year to Date (YTD)* | 29.7% | 24.8% |
| Trailing 12 months* | 41.2% | 24.9% |
| Month to Date (MTD)* | 7.3% | 5.6% |

*Returns are net of management fee & all other expenses




## BASIC FUND INFORMATION

| | |
|---|---|
| Fund Type | Open-end |
| Category | Equity Scheme |
| Launch Date | June 28, 2009 |
| Net Assets | Rs 425.87 million as at February 28th, 2013 |
| NAV | Rs 13.2974 as at February 28th, 2013 |
| 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 Depositary Company of Pakistan Limited |
| Auditor | A.F. Ferguson & Co, Chartered Accountants |
| Asset Manager Rating | AM2- (JCR-VIS) (Positive outlook) |
| Risk Profile of the Fund | High |
| Performance Ranking | MFR 3-Star (JCR VIS) (Based on one Year weighted average ranking), MFR 4-Star (JCR VIS) (Based on Two Year weighted average ranking), MFR 4-Star (JCR VIS) (Based on Three Year weighted average ranking) for periods ended December 31, 2012. June 30, 2012) |
| Fund Manager | Kamran Aziz, CFA |
| Listing | Karachi Stock Exchange |

MUFAP Recommended Format



ABL Asset Management

Discover the potential

# ABL Cash Fund

ABL Cash Fund

## FUND MANAGER'S COMMENTS

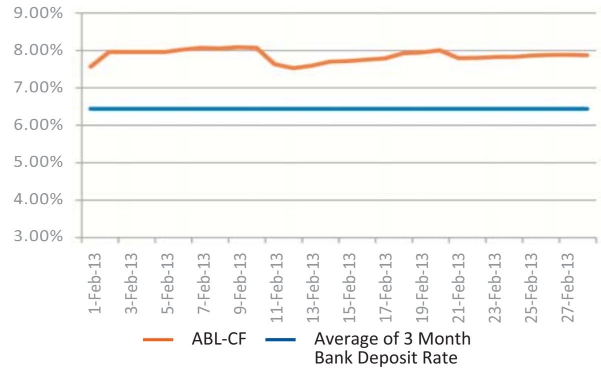
ABL-CF yielded an annualized compounded return of 7.87% for the month of February, a decline of 31bps against the preceding month. Returns, however, continued to outperform the benchmark (outperformance for the month was recorded at 143bps over the benchmark rate of 6.44%). Yields on government securities increased during the month as market sentiments faltered after the announcement of latest monetary policy statement. At month end, bank placements stood reduced to 23.1% of total assets (19.4% in TDR &3.7% as cash) compared to 40.5% in the previous month as TDRs matured. Accordingly, T-bill allocation was enhanced to 74% from 53.8% in the previous month. Fund size declined by 9% to close at PKR9.7 billion.

As baseline yields improve, we anticipate returns to edge up. New allocations to T-bills will continue via both primary and secondary sources against upcoming TDR maturities.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.83.03 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0858 per unit.

| FUND RETURNS* | ABL-CF | Average of 3 Month Bank Deposit Rate |
|---|---|---|
| February 2013 | 7.87% | 6.44% |
| Year to Date (FYTD) | 9.54% | 6.70% |

* Returns are net of management fee & all other expenses

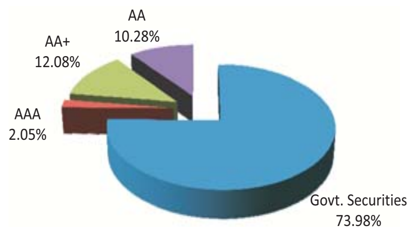



## INVESTMENT OBJECTIVE

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) | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Cash | 4.20% | 3.65% |
| Placements with Banks (TDRs) | 36.30% | 19.39% |
| Placements with DFIs | 1.21% | 1.38% |
| T-bills | 53.84% | 73.98% |
| Others Including Receivables | 4.45% | 1.60% |

## CREDIT QUALITY OF PORTFOLIO




Other assets account for 1.60% of Total Assets

## TECHNICAL INFORMATION

| | |
|---|---|
| Leverage | NIL |
| Weighted average time to maturity of net assets | 65 |

## 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, CFA – Fund Manager
6. Faizan Saleem – Fund Manager

## BASIC FUND INFORMATION

| | |
|---|---|
| Fund Type | Open-end |
| Category | Money Market Scheme |
| Launch Date | July 30th, 2010 |
| Net Assets | PKR 9,681mn as at February 28th, 2013 |
| NAV | PKR 10.0041 as at February 28th, 2013 (Ex-dividend) |
| 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 | 10% of annualized Gross Return (subject to Upper Cap of 1.25% & Lower Cap of 1%). The fee shall be calculated on daily basis. |
| Front-end load | Nil |
| Trustee | Central Depository Company of Pakistan Ltd. (CDC) |
| Auditor | A.F. Ferguson & Co. Chartered Accountants |
| Asset Manager Rating | AM2- (Positive 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 |

# INFOCUS
FUND MANAGER'S REPORT, FEBRUARY 2013

# ABL Government Securities Fund

## FUND MANAGER'S COMMENTS

ABL GSF generated a MTD return of 7.60% in Feb 2013 versus the benchmark return of 8.42%, an underperformance of 82 bps. On YTD basis ABL GSF performance stood at an impressive 12.95%, surpassing the benchmark yield by 396 bps. The low return last month was due to volatile interest rate environment during the month as bond and T-bill prices fell across all tenors due to increased selling in long term securities, owing to cautious approach adopted by SBP in its last monetary policy statement.

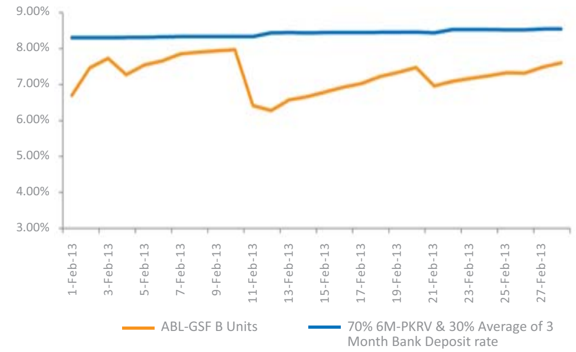
Share of Treasury bills in the fund rose to 84.33% compared to 76.39% in previous month as term deposit maturities were ploughed back in T-bills whereas cash holdings and TDRs stood at 4.68% and 10.12% of total assets respectively. Weighted average maturity of the fund increased slightly from 162 days to 165 days. ABL GSF fund size decreased by 15.77% to close at PKR 843million.

As selling pressure subsides and CPI for the month of February is far better than general expectation(up 7.38% YoY), we foresee good probability of gains on new investments and current holdings.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.115.85 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.1.3749 per unit.

| FUND RETURNS* | ABL-GSF B Units | 6M-PKRV & Average of 3 Month Bank Deposit rate |
|---|---|---|
| Febuary 2013 | 7.60% | 8.42% |
| Year to Date (FYTD) | 12.95% | 8.99% |

* Returns are net of management fee & all other expenses

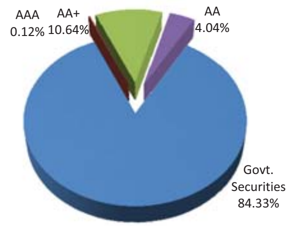



## INVESTMENT OBJECTIVE

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) | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Cash | 14.18% | 4.68% |
| Placements with Banks (TDRs) | 8.73% | 10.12% |
| Money Market Placements | 0.00% | 0.00% |
| T-bills | 76.39% | 84.33% |
| GoP Ijarah Sukuk | 0.00% | 0.00% |
| Others Including Receivables | 0.70% | 0.87% |

## CREDIT QUALITY OF PORTFOLIO




Other assets account for 0.87% of Total Assets

## TECHNICAL INFORMATION

| | |
|---|---|
| Leverage | Nil |
| Weighted average time to maturity of net assets | 165 |

## 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, CFA – Fund Manager
6. Faizan Saleem – Fund Manager

## BASIC FUND INFORMATION

| | |
|---|---|
| Fund Type | Open-end |
| Category | Income Scheme |
| Launch Date | November 30th, 2011 |
| Net Assets | PKR 843 million as at February 28th, 2013 |
| NAV | Class - B units 10.0059 as at February 28th, 2013 (Ex-dividend) |
| Benchmark | 70% average 6m-PKRV & 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- (Positive Outlook) (JCR-VIS) |
| Risk Profile of the Fund | Low |
| Fund Stability Rating | A+(F) (JCR-VIS) |
| Fund Manager | Faizan Saleem |
| Listing | Karachi Stock Exchange |

# INFOCUS
FUND MANAGER'S REPORT, FEBRUARY 2013

# ABL Islamic Income Fund

ABL-IIF
ABL Islamic Income Fund

## 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.

## FUND MANAGER'S COMMENTS

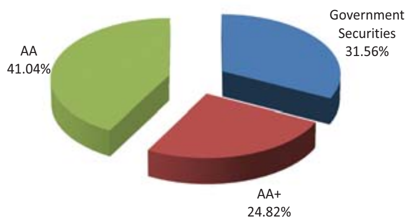
February blues affected ABL-IIF as well and the fund yielded an annualized compounded return of 5.97%, a decline of 128bps over the previous month. The fund underperformed its benchmark by 42bps during last month although the year-to-date return is a good 300bps over the benchmark. The recent underperformance is due to valuation adjustments on the fund's GoP Ijara Sukuk holdings as market sentiments towards further rate cuts diminished. We gradually reduced ABL-IIF's allocation in GoPIjaraSukuk against investments in a short term Sukuk and placements with Islamic banks at high rates to curtail return volatility. At month end, the fund comprised of GoP Ijara Sukuk at 31.6% of assets compared to 53.4% from the previous month and bank placements at 55.6% of the fund (21.1% in Deposits & 34.5% as cash). Fund size edged down by 1.7% to close at PKR1.413bn at month end.

Due to dearth of good quality Islamic instruments, our investments continue their bias towards GoPIjaraSukuk and bank placements. However, we will continue to toggle asset allocation between these two avenues in order to maximize return performance whilst curtailing volatility to the utmost extent.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.4.33 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0310 per unit.

| ASSET ALLOCATION (% OF TOTAL ASSETS) | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Cash | 23.28% | 34.49% |
| Term Deposit | 20.54% | 21.07% |
| GoP Ijara Sukuk | 53.36% | 31.56% |
| HUBCO Short Term Sukuk III | 0.00% | 10.53% |
| Others Including Receivables | 2.82% | 2.34% |

## CREDIT QUALITY OF PORTFOLIO




Other assets account for 2.34% of Total Assets

## TECHNICAL INFORMATION

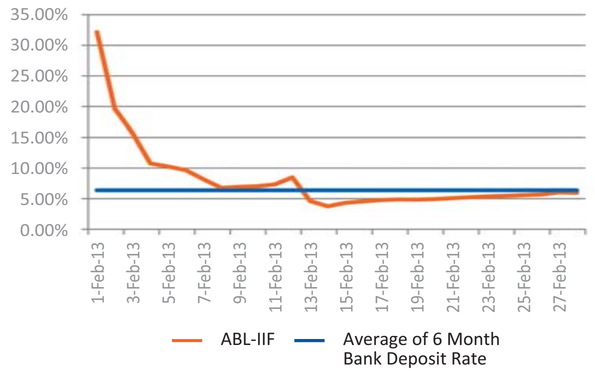
| | |
|---|---|
| Leverage | NIL |
| Weighted average time to maturity of net assets | 257 |

## 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, CFA – Fund Manager
6. Faizan Saleem – Fund Manager

| FUND RETURNS* | ABL-IIF | Average of 6 Month Bank Deposit Rate |
|---|---|---|
| February 2013 | 5.97% | 6.39% |
| Year to Date (FYTD) | 10.01% | 6.62% |

* Returns are net of management fee & all other expenses




## BASIC FUND INFORMATION

| | |
|---|---|
| Fund Type | Open-end |
| Category | Islamic Income Scheme |
| Launch Date | July 30th, 2010 |
| Net Assets | PKR 1,413.043 mn as at February 28, 2013 |
| NAV | PKR 10.1204 as at February 28, 2013 |
| 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- (Positive 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 |

# ABL Capital Protected Fund

ABL CPF
ABL AMC CAPITAL PROTECTED FUND

## FUND MANAGER'S COMMENTS

ABL-CPF increased by 1.1% inFebruary'13against 0.9% increase in its benchmark, which reflects an outperformance of 20 basis points. Strong equity performance as well as high Term Deposit Rates continued to benefit the fund. Equity portion of the portfolio was mainly invested in E&P (1.1%), Textile (1.4%) and Cement (0.5%) sectors.

Looking ahead to March, investors will closely track developments on foreign flows. Result season, which is now coming to an end, has left investors with further reason to rejoice on account of hefty cash payouts and robust earnings growth in select sectors. Our strategy is to maintain maximum exposure in stocks that have underperformed in recent rally and are offering maximum upside at current levels. On an overall basis, we have reduced our exposure in equities as it is prudent to book cash at an all-time-high index levels. However, the move is tactical in nature and we will rebuild the exposure as and when the opportunity is ripe.

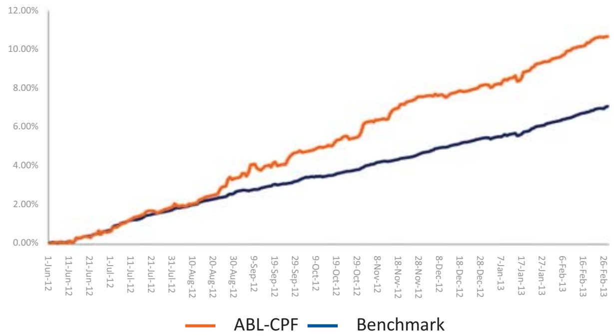
The Scheme has not made provision amounting to Rs. 0.7019 Million against Workers' Welfare Fund's liability. If the same were made the NAV per unit of the scheme would be lower by Rs. 0.0213 per unit.

## 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.

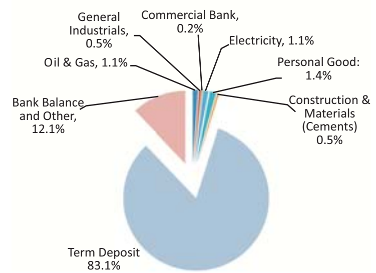
| PERFORMANCE | ABL-CPF | Benchmark |
|---|---|---|
| Year to Date (YTD)* | 10.0% | 6.5% |
| Month to Date (MTD)* | 1.1% | 0.9% |

* Returns are net of management fee & all other expenses




| Top Holdings (% OF TOTAL ASSETS) | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Pakistan Oilfields | 1.4% | 1.1% |
| Hub Power Company | 0.0% | 1.1% |
| Nishat Mills | 1.8% | 1.0% |
| Packages Limited | 0.4% | 0.5% |
| Maple Leaf Cement | 0.3% | 0.5% |
| Gadoon Textile | 0.4% | 0.4% |
| Askari Bank Ltd. | 1.7% | 0.2% |

## SECTOR ALLOCATION (% OF TOTAL ASSETS)




| ASSET ALLOCATION (% OF TOTAL ASSETS) | January 31st, 2013 | February 28th, 2013 |
|---|---|---|
| Stock/Equities | 7.6% | 4.9% |
| Bank Balance | 0.7% | 5.3% |
| Term Deposit | 85.7% | 83.1% |
| Others | 6.1% | 6.7% |
| Leverage | NIL | NIL |

## INVESTMENT COMMITTEE MEMBERS

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

## BASIC FUND INFORMATION

| | |
|---|---|
| **Fund Type** | Open-end |
| **Category** | Capital Protected Scheme |
| **Launch Date** | June 01, 2012 |
| **Net Assets** | Rs 363.46 million as at February 28, 2013 |
| **NAV** | Rs 11.0299 as at February 28, 2013 |
| **Benchmark** | Weightage of Capital Protected segment in fund with 2 Year Term Deposit 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% |
| **Back-end Load** | Minimum 2% |
| **Trustee** | MCB Financial Services Limited |
| **Auditor** | M. Yousuf Adil Saleem & Co. |
| **Asset Manager Rating** | AM2- (JCR-VIS) (Positive outlook) |
| **Risk Profile of the Fund** | Low |
| **Performance Ranking** | N/A |
| **Fund Manager** | Kamran Aziz, CFA |
| **Listing** | Islamabad Stock Exchange |