

RATED AM3 (JCR-VIS)

 **ABL Asset Management**
Discover the potential

INFOCUS

FUND MANAGER'S REPORT JULY 2010



ABL Income Fund
Fund Stability Rating
A+(f) (JCR-VIS)

ABL Cash Fund
Fund Stability Rating
AA+(f) (JCR-VIS)

ABL Islamic Cash Fund
Fund Stability Rating
AA(f) (JCR-VIS)

ABL Stock Fund
Performance Ranking
MFR 5-Star (JCR-VIS)

Disclaimer: All investments in Mutual Funds are subject to market risks. The NAV of units may go up or down based on the market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document of the funds to understand the investment policies and the risks involved.

Investment Objective

The objective of ABL Income Fund is 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.

Fund Manager's Comments

ABL-IF yielded an annualized monthly return of 10.47% in July, 2010, an improvement of 21 bps over the previous month. The uptick in returns is mainly attributable to realigning of T-bills portfolio and placements in the money market at competitive rates. During the month of July, ABL-IF enhanced its T-bill portfolio by 18.49% to 64.75%. Investments were primarily made in shorter term T-bills to reduce the fund's duration from 92 days to 49 days. The duration was primarily reduced to hedge against any adverse movement in the interest rate environment which would help reduce interest rate volatility going ahead. Fund size increased by 8.9% to Rs.9,102 million during the month.

The SBP announced its bi-monthly Monetary Policy Statement (MPS) on last working day of the month and increased Discount Rate by 50 bps to 13% mainly due to higher inflation, fiscal deficit and Govt. borrowing from central bank. Furthermore, SBP highlighted challenges that continue to plague the economy including low revenue generation and higher government expenditure other than the development spending. The move was largely unexpected and has led to a 25-30bps jump in bond yields across the yield curve. ABL-IF, by taking a defensive position ahead of the MPS has been able to soften the impact of the rate hike and the return outlook now looks brighter after the increase in T-bills yield.

Going forward, ABL-IF will continue to take advantage of improvement in T-bill yields by adjusting its exposure and duration. In view of its continued need to borrow for funding the budget deficit and in the absence of committed foreign flows (IMF plus other soft loans), the Government is left with no option but to borrow from the banking system. Thus investments in T-bills will be maintained in order to yield higher returns whilst maintaining a low risk profile.

Basic Fund Information

Fund Type	Open-end
Category	Income Fund
Launch Date	September 20, 2008
Net Assets	PKR 9,102 mn as at 31 July, 2010
NAV	PKR 10.1015 mn as at 31 July, 2010
Benchmark	1 Month Kibor Average
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	NIL
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	A.F Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3 (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

ABL-IF

Leverage	NIL
Weighted average time to maturity of net assets	49 days

Asset Allocation (% of Assets)

Jun '10

Jul '10

Cash	2.20%	0.19%
Placement with Banks (TDRs)	38.88%	30.21%
Placement with DFIs (COIs)	6.94%	0.88%
Money Market placements	0.00%	2.20%
T-Bills	46.26%	64.75%
Others including receivables	5.72%	1.77%

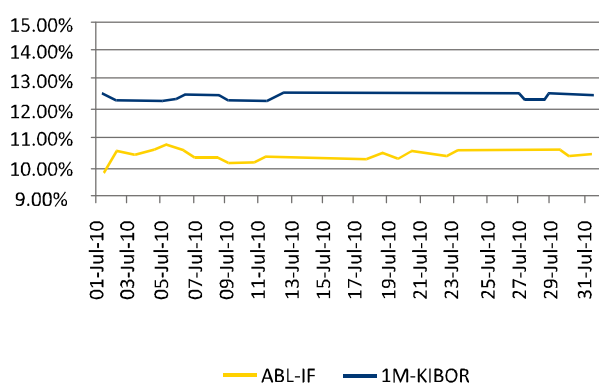
Funds Returns*

ABL-IF

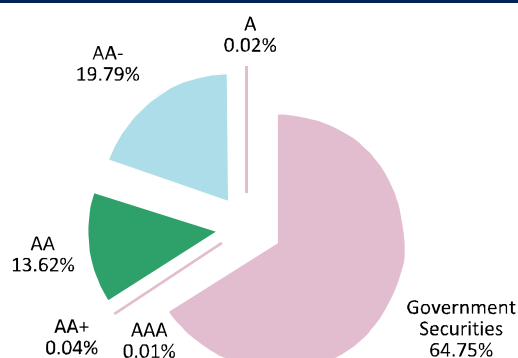
1 M Kibor Avg.

Year to date (YTD)	10.47%	12.36%
Trailing 12-months	10.83%	12.47%
Month to date (MTD)	10.47%	12.36%

*Returns are net of management fee & all other expenses



Credit Quality of Portfolio (% of Assets)



* Receivables account for 1.77% of Net Assets.

Investment Committee Members:

1. Farid A. Khan, CFA – CEO
2. Sulaiman S. Mehdi – COO & Company Secretary
3. Muhammad Imran – CIO
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager

Investment Objective

ABL-SF aims to provide higher risk-adjusted returns to the investors by investing in diversified portfolio of equity instruments offering capital gains and dividends.

Fund Manager's Comments

July 2010 was an eventful month for equity investors in Pakistan. Trading volumes, which had hit an 18-month low at the beginning of the month after the introduction of capital gains tax (CGT), recovered sharply towards the end as foreign inflows continued unabated and hopes of introduction of leverage product resurfaced. Positive earning surprises, particularly from the fertilizer sector, further added to the bullish sentiments and local investors finally started to return to the market. However, a surprise 50 basis points increase in Discount Rate (DR) by SBP on July 30th, 2010 was seen as a major setback and might cap the market's performance in the short term.

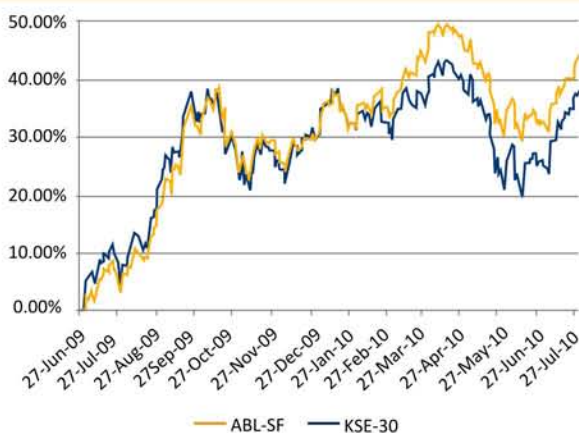
ABL-SF performed a little below than its benchmark during the month, returning 9% against 9.7% appreciation in KSE-30. We increased our exposure to MCB, PPL and FFC during the month while shedding a little weight in PSO. All the changes made were tactical in nature and as such do not reflect any fundamental change in our positive outlook. Unit holders will be happy to learn that ABL SF achieved "MFR 5-Star" rating from JCR-VIS for the year ended June 30, 2010. MFR 5-Star rating is defined as "Very Good Performance" as per JCR-VIS's rating scheme and reflects highest possible rating a stock fund can achieve for its performance. ABL SF, as of July 31st, 2010, remains the best performing stock fund on Calendar Year to Date basis (Jan-July, 2010) amongst its peer group.

The results season has started on a positive note, highlighting the profitability and resilience of the corporate sector. Going forward, we expect market volumes to recover as investors look beyond the CGT issue and the leverage product is introduced. Foreign investment flows into the emerging markets remain strong and Pakistan continues to get a decent share. We remain optimistic on mid to long term performance of KSE as it is still trading at a significant discount to regional markets as well as to its own historic multiples. Patience, therefore, is key to success in these volatile times.

Performance*

	ABL-SF	KSE-30
Year to date (YTD)	9.01%	9.70%
Trailing 12 months	35.53%	27.91%
Month to date (MTD)	9.01%	9.70%

*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)	389,027,120 as at 31 July, 2010
NAV	10.9153 as at 31 July, 2010
Benchmark	KSE-30
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	AM3 (JCR-VIS)
Risk Profile of the Fund	High
Performance Ranking	MFR 5-Star (JCR-VIS)
Fund Manager	Kamran Aziz

Technical Information

ABL-SF

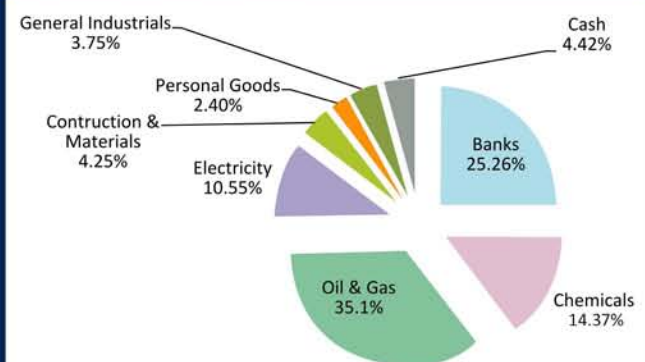
Leverage	NIL
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Top Ten Holdings (% of Assets)

JUL '10

MCB	9.88%
PPL	9.86%
OGDC	9.60%
HUBCO	9.48%
FFC	8.37%
POL	7.16%
ABL	6.98%
ENGRO	6.00%
PSO	5.24%
THALL	3.75%

Sector Allocation (% of Assets)



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3. Muhammad Imran – CIO
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager



ABL Asset Management

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3 steps to Invest in ABL AMC FUNDS

STEP ONE

Contact Us:

- ▶ Call us on our Toll Free number 0800-ABLAM (225-26) to let our Investment Consultant guide you better or
- ▶ Visit ABL's 45 designated Branches to be facilitated by our investment Consultant or
- ▶ Email us at: contactus@ablmc.com and we will answer all your queries or
- ▶ Visit us on our website www.ablmc.com for information and guidance

STEP TWO

Investment Process

Forms

- ▶ Our investment advisors will help you fill the required forms;
 - ▶ Form 1 – Account Opening Form
 - ▶ Form 2- Investment Form
 - ▶ Know Your Customer Form

Payment Mode

- ▶ Payments can be made through Cheques / Demand Draft or Pay Orders
- ▶ Payments shall be made in favor of: "CDC-Trustee ABL _____ FUND"

Documents to be attached

- ▶ **For Individuals:**
 - ▶ Copy of CNIC (In case of Joint Application, CNIC of all applicants is required)
 - ▶ Zakat Affidavit (In case of exemption from Zakat)
 - ▶ Know Your Customer Form
- ▶ **For Corporate:**
 - ▶ Memorandum and Articles of Association/Bye Laws / Trust Deed
 - ▶ Power of Attorney or other document authorizing the authorized signatory(ies) to sign the application
 - ▶ Board Resolution authorizing the Investment
 - ▶ Copy of CNIC(s) of the Authorized Signatory(ies)

STEP THREE

Submission of Documents

- ▶ You may submit your documents at the designated branches of ABL or drop them / courier them at ABL AMC's Head Office: First Floor, 11-B, Lalazar, MT Khan Road, Karachi

Once we receive the documents, a registration number will be generated and allotted to you. Units will be issued against your investment on the Net Asset Value (NAV) of that day. An introductory letter will be dispatched to confirm your investment in ABL AMC Funds.

For further details please contact:

Head Office: 021-111-ABL AMC (225-262)
Helpline: 0800 ABL-AM (0800 225 26)

Name	Contact No.	Designated Branch
Karachi		
Furqan Ali Dakhan	0321-2014622	Clifton Branch
Raheel Khawar Kamal	0345-2584931	S.I.T.E. Branch
Mushtaq Ur Rehman	0300-2417978	Hyderi Branch
Tehmina Zaheer	0300-2419637	Zamzama Branch
Shoaib Shoukat	0333-5473547	Foreign Exchange Branch
Muhammad Naeem	0321-2393830	Hassan Square Branch
Farhana Masood	0300-3340640	Shahrah-E-Faisal Branch
Shahid Ali Chishti	0300-2127537	Karimabad Branch
Branch Manager	021-35678779	Zaib-Un-Nisa. Street Branch
Branch Manager	021-34554409	Tariq Road. Branch
Branch Manager	021-32430353	Cloth Market Branch
Branch Manager	021-35853995	Khayaban- E- Badar Branch
Branch Manager	021-35068823	Korangi Industrial Area Branch
Branch Manager	021-35875639	Bath Island Branch
Lahore		
Muhammad Yasir	0333-4306795	Y-Block DHA Branch
Waqar Ahmad Paracha	0300-8840151	Kashmir Road Branch
Malik Faisal Faryad	0300-4619625	Mall Road Branch
Aamir Aslam	0321-4175607	PAF Base Branch
Zahra Sabahat	0321-9440359	Brandreth Road Branch
Islamabad		
Iftikhar Hameed Khan	0333-5607962	Blue Area Branch
Zahir Mehmood Khan	0346-9273633,	I-8 Markaz Branch
M. Rashid Qayyum	0345-5923766	F-6 Markaz Branch
Branch Manager	051-2292830	G-11 Markaz Branch
Branch Manager	051-2293980	F-10 Markaz Branch
Arif Raza	0333-8505435	Chaklala Branch
Branch Manager	051-5510001	Adamjee Road Branch
Multan		
Hafiz Tariq	0301-7570040	Chowk Rasheed Branch
Fizza Hassan	0321-4339404	Abdali Road Branch
Saira Habib	0342-7012691	Multan Cantt Branch
Branch Manager	061-4573100	Nawan Sheher Branch
Branch Manager	061-4552551	Shah Rukn-e-Alam
Faisalabad		
Mughees Ahmad Sheikh	0332-8663525	Peoples Colony Branch
Branch Manager	041-8813202	Jail Road. Branch
Gujranwala		
Sidra Iqbal	0336-4655633	Zia Plaza
Hayderabad		
Haider Abbas	0321-3051874	Civic Center Branch
Sahiwal		
Branch Manager	040-4466863	High Street Branch
Rahimyarkhan		
M. Khurram Shehzad	0333-6118234	Shahi Road Branch
D.G.Khan		
M. Adnan Qaisarni	0332-5710566	Azmat Road Branch
Bahawalpur		
Fahad Husnain Lashari	0301-7755667	Fareed Gate Branch
Gujrat		
Branch Manager	053-3525350	G.T. Road Branch
Abbotabad		
Yasir Aslam	0345-9554184	Supply Bazar branch
Quetta		
Imran Hassan Khan	0345-8165666	Jinnah Road Branch
Sialkot		
Branch Manager	052-9250541-42	Kashmir Road Branch
Sargodha		
Tanzel Maqbool	0331-7660756	New Queens Road
Jhelum		
Waqas Riaz	0314-5418990	Cantt Branch

CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)
UAN: (021) 111-ABL-AMC (111-225-262)
Email: contactus@ablmc.com
Website: www.ablmc.com



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