

RATED AM2 - (JCR-VIS)

# INFOCUS

## FUND MANAGER'S REPORT JULY 2012

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## ECONOMY AND CAPITAL MARKETS UPDATE

### All eyes on Monetary Policy Statement

The release of Coalition Support Funds (CSF) amounting to USD1.1bn put some sheen on Pakistan's deteriorating economic picture. Furthermore, CPI number for the month of July at 9.6% was highly encouraging. Inflation in single digits, first time since December 2011, was helped by 49%<sup>†</sup>MoM drop in gas prices and 8.8% MoM<sup>†</sup>decline in petroleum product prices. However, there remains a question mark over the sustainability of inflation numbers at these levels as oil prices have rebounded, which could push inflation back into double digits in upcoming months. Current account numbers remained disappointing, recorded at USD586mn for the month of June 2012 (FY12 USD4.5bn), as the burgeoning trade deficit (USD1.5bn in June 2012, USD15.4bn in FY12), primarily due to declining export receipts (USD1.1bn in June 2012, -23% YoY), continued to take its toll. Looking ahead, all eyes will be on the upcoming monetary policy statement, scheduled for August 10th 2012. Policy rate cut in the range of 50bps-100bps is highly anticipated as the release of the CSF and single digit inflation provides the central bank with some space to ease the benchmark rate.

### Long term yields on the decline

During the month of July, yields on both T-bills and PIBs declined as market sentiment swayed towards a probable discount rate cut on the back of a low inflation figure and release of foreign support funds. Despite liquidity shortages, heavy participation in government paper auctions was witnessed as investors looked to book valuation gains on their holdings. Weekly injections via Open Market Operations remained upbeat where a high of Rs.419 billion was injected towards the end of the month to support market liquidity. This was largely due to a higher than target acceptance by the SBP in both T-bills and PIBs auctions. Out of a total T-bill auction target of Rs.500 billion, Rs.691.42 billion was accepted whereas in PIBs, Rs.48.85 billion was accepted against a target of Rs.30 billion. Despite acceptance of higher than target amounts, cut off yields declined which in turn impacted PKRV yields and KIBOR as well. However, short term yields remained high as investor's ditched short term paper for long term bills in a liquidity starved market.

### FY13 starts with a bang

Equity markets started the new fiscal year in positive fashion as encouraging quarterly results coupled with improved macro- economic outlook boosted investor sentiment. Market gained 5.6% MoM with cement and banking scrips leading the rally.† Results season kicked off with key blue chips FFC and UBL announcing above expectation results and handsome payout's. Cements stocks benefited from continuous weakness in international coal prices as well as healthy dispatches over the, historically weak, monsoon season. Acquisition activity was also witnessed as a consortium led by Lucky Cement bagged ICI Pakistan in a US\$153 million transaction. The only disappointment was the continuous misery of Engro Corporation, as its subsidiary, Engro Fertilizer, formerly announced plans to restructure debt in wake of continuous gas shortages. With results season starting to gather momentum, (full year results of oil and cement companies to come) and continuous foreign interest (US\$31mn inflow in July), we anticipate market to remain strong. The market trades at 2012E P/E of 6.8x and offers a dividend yield of 6.9%.

### Economic Summary

|                           | Last Reported Month | Current Month | Previous Month | YTD      |
|---------------------------|---------------------|---------------|----------------|----------|
| CPI Inflation             | July                | 9.6%          | 11.26%         | 9.6%     |
| Trade Deficit (USD mn)    | June                | (1,470)       | (1,154)        | (15,381) |
| Remittances (USD mn)      | June                | 1,117         | 1,192          | 13,186   |
| Current A/C (USD mn)      | June                | (586)         | (414)          | (4,517)  |
| FDI (USD mn)              | June                | 56            | 90             | 810      |
| Tax Collection** (PKR bn) | June                | 112           | 263            | 112      |
| M2 Growth*                | July                | -             | -              | -2.64%   |
| FX Reserves* (USD bn)     | July                | -             | -              | 14.57    |

Source: SBP, FBS

\* Latest monthly figures

\*\* Provisional figures

### Government Securities

| PKRV Yields   | 6M    | 1yr   | 3yr   | 5yr   | 10yr  |
|---------------|-------|-------|-------|-------|-------|
| July 31, 2012 | 11.86 | 11.88 | 12.56 | 12.96 | 13.07 |
| June 29, 2012 | 11.95 | 11.97 | 12.60 | 12.99 | 13.28 |
| Change (bps)  | -9    | -9    | -4    | -3    | -21   |

Source: FMA

### Equity Market Performance

|                          | Jul-12 | Jun-12 | M/M    | 1yr Low | 1yr High |
|--------------------------|--------|--------|--------|---------|----------|
| KSE-100 Index            | 14,577 | 13,801 | 5.62%  | 10,842  | 14,618   |
| Avg. Daily Vol. (mn)     | 89     | 81     | 9.88%  | 15      | 577      |
| Avg. Daily Val. (USD mn) | 35     | 31     | 12.90% | 7       | 126      |
| 2012E PE (x)             | 6.8    |        |        |         |          |
| 2012E DY                 | 6.9%   |        |        |         |          |

Source: KSE

## FUND MANAGER'S COMMENTS

ABL-IF yielded an annualized compounded return of 10.86% for the month of July, an improvement of 150 bps against its last month's return of 9.36%. The improvement in returns is attributable to valuation gains on T-bills investments and placements with banks at high rates. During the month, T-bills exposure was enhanced to 61.88% against placements (TDR and cash balances) which matured and stood reduced at 24.51% of assets. TFCs constituted 12.06% of assets. Fund size decreased by 33.46% to close at Rs.2.518 billion.

As market sentiment towards discount rate cut builds up, we anticipate healthy valuation gains on our T-bill portfolio. We have already enhanced the fund's duration to benefit from valuation gains in the coming month.

The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.27.381 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.1100 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.

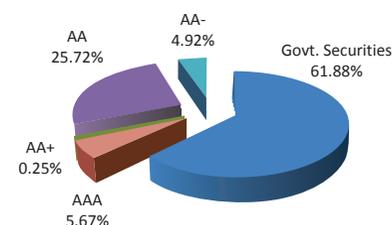
| TOP TFC/SUKUK HOLDINGS (% OF TOTAL ASSETS) | July 31 <sup>st</sup> , 2012 |
|--|------------------------------|
| SCBPL - IV                                 | 5.65%                        |
| Askari Bank - I                            | 3.19%                        |
| UBL TFC - IV                               | 1.49%                        |
| Askari Bank - IV                           | 1.72%                        |

| ASSET ALLOCATION (% OF TOTAL ASSETS) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Bank Balance                         | 21.91%                       | 4.99%                        |
| Placements with Banks (TDRs)         | 37.93%                       | 19.52%                       |
| T-Bills                              | 31.60%                       | 61.88%                       |
| TFCs                                 | 7.67%                        | 12.06%                       |
| Others Including Receivables         | 0.89%                        | 1.56%                        |

## TECHNICAL INFORMATION

|   |          |
|---|----------|
| Leverage  | NIL      |
| Weighted average time to maturity of net assets | 444 days |

## CREDIT QUALITY OF PORTFOLIO



Other assets account for 1.56% 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 – Fund Manager
6. Faizan Saleem – Fund Manager

| FUND RETURNS* | ABL-IF | 6M-KIBOR |
|---------------|--------|----------|
| YTD           | 10.86% | 12.02%   |
| July          | 10.86% | 12.02%   |
| CY-12 to Date | 10.47% | 11.97%   |

\* Returns are net of management fee & all other expenses



## BASIC FUND INFORMATION

|                                 |   |
|---------------------------------|---|
| <b>Fund Type</b>                | Open-end  |
| <b>Category</b>                 | Income Fund                                       |
| <b>Launch Date</b>              | September 20 <sup>th</sup> , 2008                 |
| <b>Net Assets</b>               | PKR 2,518 mn as at July 31 <sup>st</sup> , 2012   |
| <b>NAV</b>                      | PKR 10.1171 as at July 31 <sup>st</sup> , 2012    |
| <b>Benchmark</b>                | 6 Month Kibor Average                             |
| <b>Dealing Days</b>             | As per Banking Days                               |
| <b>Cut-off time</b>             | 4:00 pm   |
| <b>Pricing mechanism</b>        | Forward   |
| <b>Management Fee</b>           | 1.5% p. a.  |
| <b>Front-end load</b>           | Nil   |
| <b>Trustee</b>                  | Central Depository Company of Pakistan Ltd. (CDC) |
| <b>Auditor</b>                  | A.F. Ferguson & Co. Chartered Accountants         |
| <b>Asset Manager Rating</b>     | AM2- (Stable Outlook) (JCR-VIS)                   |
| <b>Risk Profile of the Fund</b> | Low   |
| <b>Fund Stability Rating</b>    | A+(f) (JCR-VIS)                                   |
| <b>Fund Manager Listing</b>     | Hammad Ali Abbas<br>Karachi Stock Exchange        |

## FUND MANAGER'S COMMENTS

ABL-SF jumped by 6.8% in July '12 against 5.7% increase in the benchmark KSE-30 index, which reflects an outperformance of 110 basis points. During the month, investment in Oil & Gas sector was lowered from 22.2% to 21.4% of the portfolio, exposure in Chemicals sector was decreased from 18.6% to 17.0% and allocation to Banking sector was also reduced from 24.3% to 22.0%. We enhanced our exposure in the Cements as declining coal prices and robust product demand further improved margin outlook of the sector. Expected cut in Discount Rate in the upcoming monetary policy will be an added sweetener for leveraged cement players and we have positioned the fund accordingly. As of July, ABL SF is 88.6% invested in equities and remaining in Treasury bills and bank deposits. Improving Pak-US relations and easing inflation have built expectations of a Discount Rate cut in upcoming monetary policy. This along with healthy corporate earnings can lead Pakistan Equities to test new highs in upcoming months.

The Scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs.4.612 Million. If the same were not made the NAV per unit of the scheme would be higher by Rs.0.1820 per unit.

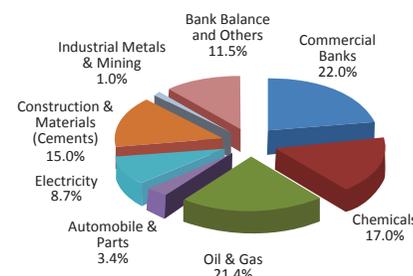
## INVESTMENT OBJECTIVE

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) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Fauji Fertilizer Company             | 9.5%                         | 9.2%                         |
| Hub Power Company                    | 9.1%                         | 8.7%                         |
| Pakistan Petroleum                   | 8.8%                         | 8.4%                         |
| Bank Al-Falah Ltd                    | 7.8%                         | 8.4%                         |
| Pakistan Oilfields                   | 7.6%                         | 7.5%                         |
| D.G.K.Cement                         | 6.2%                         | 6.7%                         |
| United Bank Ltd.                     | 7.3%                         | 6.4%                         |
| Lucky Cement                         | 6.9%                         | 5.7%                         |
| Bank Al Habib Ltd.                   | 5.4%                         | 5.3%                         |
| Fatima Fertilizer Company            | 4.6%                         | 4.1%                         |

| ASSET ALLOCATION (% OF TOTAL ASSETS) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Stock/Equities                       | 90.1%                        | 88.6%                        |
| Bank Balances                        | 7.9%                         | 5.7%                         |
| Others                               | 2.0%                         | 5.7%                         |
| Leverage                             | NIL                          | NIL                          |

## SECTOR ALLOCATION (% OF TOTAL ASSETS)

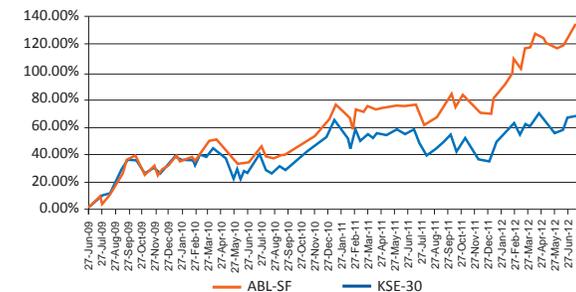


## INVESTMENT COMMITTEE MEMBERS

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)*  | 6.8%   | 5.7%   |
| Trailing 12 months*  | 34.9%  | 9.1%   |
| Month to Date (MTD)* | 6.8%   | 5.7%   |

\* Returns are net of management fee & all other expenses



## BASIC FUND INFORMATION

|                                 |  |
|---------------------------------|--|
| <b>Fund Type</b>                | Open-end   |
| <b>Category</b>                 | Equity Scheme  |
| <b>Launch Date</b>              | June 28th, 2009  |
| <b>Net Assets (PKR)</b>         | PKR 277.54mn as at July 31 <sup>st</sup> , 2012  |
| <b>NAV</b>                      | PKR 10.9496 as at July 31 <sup>st</sup> , 2012   |
| <b>Benchmark</b>                | KSE-30 Index   |
| <b>Dealing Days</b>             | As Per Local Stock Exchanges   |
| <b>Cut-off Time</b>             | 4:00 PM  |
| <b>Pricing Mechanism</b>        | Forward  |
| <b>Management Fee</b>           | 3% p.a.  |
| <b>Front-end Load</b>           | 3%   |
| <b>Trustee</b>                  | Central Depository Company of Pakistan Ltd.  |
| <b>Auditor</b>                  | A.F Ferguson & Co, Chartered Accountants   |
| <b>Asset Manager Rating</b>     | AM2- (JCR-VIS) (Stable outlook)  |
| <b>Risk Profile of the Fund</b> | High   |
| <b>Performance Ranking</b>      | MFR 5-Star (JCR VIS) (Based on one, two and three year weighted average ranking for periods ended June 30, 2012) |
| <b>Listing</b>                  | Karachi Stock Exchange   |

## FUND MANAGER'S COMMENTS

ABL-CF yielded an annualized compounded return of 10.67% for the month of July, an improvement of 197 bps over June '12 return. The fund return outperformed benchmark by 3.08% as valuation gains on T-bills poured in, courtesy market expectations of a discount rate cut. Fund duration was enhanced to 74 days through fresh buying in T-bills via auctions, which helped increase duration with the intention to boost return performance. T-bills allocation stood at 87.81% of assets whereas placements with banks were at 11.28% of assets at month end. Fund size decreased by 41.18% to close at Rs.9.637 billion as investor switched towards high duration government security funds.

Going ahead, fund duration will be kept high in order to benefit from continued increase in bond prices due to expectations of rate cuts. The fund will continue to tactically adjust duration to gain from yield curve movements.

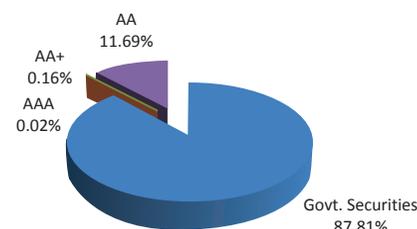
The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.72.52 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0761 per unit.

## 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) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Bank Balance                         | 11.21%                       | 0.60%                        |
| Placements with Banks (TDRs)         | 10.30%                       | 11.28%                       |
| T-bills                              | 78.36%                       | 87.81%                       |
| Others Including Receivables         | 0.13%                        | 0.32%                        |

## CREDIT QUALITY OF PORTFOLIO



Other assets account for 0.32% of Total Assets

## TECHNICAL INFORMATION

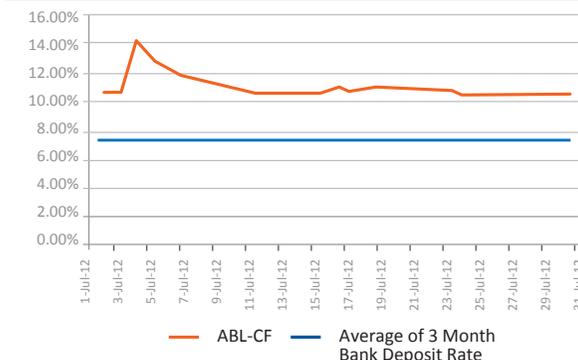
|   |         |
|---|---------|
| Leverage  | NIL     |
| Weighted average time to maturity of net assets | 74 days |

## 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 |
|---------------|--------|--------------------------------------|
| July          | 10.67% | 7.59%                                |
| YTD           | 10.67% | 7.59%                                |
| CY-12 to Date | 10.46% | 7.29%                                |

\* Returns are net of management fee & all other expenses



## BASIC FUND INFORMATION

|                                 |   |
|---------------------------------|---|
| <b>Fund Type</b>                | Open-end  |
| <b>Category</b>                 | Money Market Fund   |
| <b>Launch Date</b>              | July 30 <sup>th</sup> , 2010                              |
| <b>Net Assets</b>               | PKR 9,637 mn as at July 31 <sup>st</sup> , 2012           |
| <b>NAV</b>                      | PKR 10.1114 as at July 31 <sup>st</sup> , 2012            |
| <b>Benchmark</b>                | Average 3 Month Deposit rates of AA and above rated Banks |
| <b>Dealing Days</b>             | As Per Banking Days                                       |
| <b>Cut-off time</b>             | 4:00 pm   |
| <b>Pricing mechanism</b>        | Backward  |
| <b>Management Fee</b>           | 1.25% p. a.   |
| <b>Front-end load</b>           | Nil   |
| <b>Trustee</b>                  | Central Depository Company of Pakistan Ltd. (CDC)         |
| <b>Auditor</b>                  | A.F. Ferguson & Co. Chartered Accountants                 |
| <b>Asset Manager Rating</b>     | AM2- (Stable Outlook) (JCR-VIS)                           |
| <b>Risk Profile of the Fund</b> | Low   |
| <b>Fund Stability Rating</b>    | AA+(f) (JCR-VIS)  |
| <b>Fund Manager</b>             | Hammad Ali Abbas  |
| <b>Listing</b>                  | Karachi Stock Exchange                                    |



## FUND MANAGER'S COMMENTS

ABL-GSF yielded an annualized compounded return of 10.52% p.a. for the month of July 2012 (an outperformance of 149 bps compared to previous month return) versus benchmark return of 10.60%, a slight underperformance of 8bps. Fund size increased significantly by 58.43% to close at PKR 55.196 billion.

The fund maintained heavy exposure in Government Securities and enhanced its allocation from 87.12% to 97.63% of total assets. Treasury bill allocation stood at 88.35% compared to 68.11% in previous month, while exposure to GOP Ijarah Sukuk was reduced to 9.28% of total assets. Keeping in view the prevailing interest rate outlook, the fund plans to enhance duration further in order to benefit from a potential policy rate cut. Weighted average time to maturity is 196 days at the close of the month.

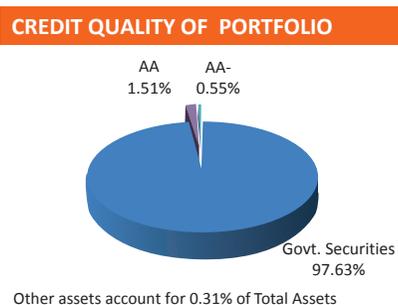
Going forward, we expect heavy valuation gains on our T-bills and GoP Ijarah Sukuk holdings if our expectation of a discount rate cut materializes in the coming monetary policy.

ABL GSF - Class B has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.1.21 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0152 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) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Bank Balance                         | 4.87%                        | 1.51%                        |
| Placements with Banks (TDRs)         | 7.53%                        | 0.00%                        |
| Placements with DFIs                 | 0.00%                        | 0.54%                        |
| T-bills                              | 68.11%                       | 88.35%                       |
| GoP Ijarah Sukuk                     | 19.01%                       | 9.28%                        |
| Others Including Receivables         | 0.48%                        | 0.31%                        |



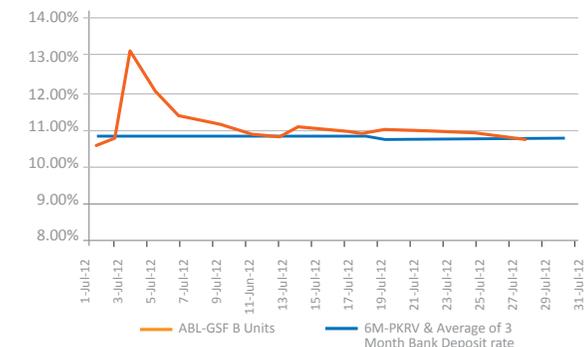
Other assets account for 0.31% of Total Assets

| TECHNICAL INFORMATION                           |          |
|---|----------|
| Leverage  | NIL      |
| Weighted average time to maturity of net assets | 196 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-PKRV & Average of 3 Month Bank Deposit rate |
|---------------|-----------------|--|
| July          | 10.52%          | 10.60%   |
| YTD           | 10.52%          | 10.60%   |
| CY-12 to date | 11.09%          | 10.52%   |

\* Returns are net of management fee & all other expenses



| BASIC FUND INFORMATION          |  |
|---------------------------------|--|
| <b>Fund Type</b>                | Open-end   |
| <b>Category</b>                 | Income Fund  |
| <b>Launch Date</b>              | November 30 <sup>th</sup> , 2011   |
| <b>Net Assets</b>               | PKR 55,196 mn as at July 31 <sup>st</sup> , 2012   |
| <b>NAV</b>                      | Class - A units 10.1230 as at July 31 <sup>st</sup> , 2012<br>Class - B units 10.1101 as at July 31 <sup>st</sup> , 2012 |
| <b>Benchmark</b>                | 70% average 6m-PKRV & 30% average 3 Months - deposit rates of AA- & above rated banks                                    |
| <b>Dealing Days</b>             | As per Banking Days  |
| <b>Cut-off time</b>             | 4:00 pm  |
| <b>Pricing mechanism</b>        | Forward  |
| <b>Management Fee</b>           | Class-A unit 0.25%, Class-B unit 1.25%   |
| <b>Front-end load</b>           | Nil  |
| <b>Trustee</b>                  | Central Depository Company of Pakistan Ltd. (CDC)  |
| <b>Auditor</b>                  | A.F. Ferguson & Co. Chartered Accountants  |
| <b>Asset Manager Rating</b>     | AM2- (Stable Outlook) (JCR-VIS)  |
| <b>Risk Profile of the Fund</b> | Low  |
| <b>Fund Stability Rating</b>    | A+(F) (JCR-VIS)  |
| <b>Fund Manager</b>             | Faizan Saleem  |
| <b>Listing</b>                  | Karachi Stock Exchange   |

## FUND MANAGER'S COMMENTS

ABL-IIF yielded a compounded annual return of 10.38% for the month of July, an improvement of 111 bps against its previous month's return. The improvement in return performance is due to active trading in GoP Ijara Sukuk which yielded decent capital gains. The fund continued to outperform its benchmark and was ahead by 354 bps during the month. Investment allocation constituted of GoP Ijarah Sukuk and cash balances at 65.13% and 33.01% of assets, respectively. Fund size declined by 7.18%, to close at Rs.983.6 million at month end.

Primary investments will continue to remain in GoP Ijara Sukuk as these offer the best yield on a risk-adjusted basis, apart from potential for capital gains. As market sentiment has turned towards a probable discount rate cut, such investments are likely to boost return performance in the near term.

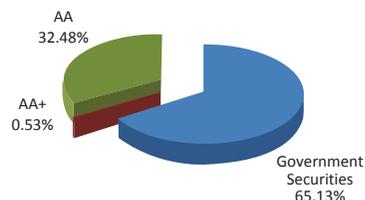
The Scheme has maintained the provision against Workers' welfare Fund's Liability to the tune of Rs.2.8050 million, if the same were not made the NAV per unit of the scheme would be higher by Rs.0.0288 per unit.

## 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) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Bank Balance                         | 25.25%                       | 33.01%                       |
| GoP Ijara Sukuk                      | 73.81%                       | 65.13%                       |
| Others Including Receivables         | 0.94%                        | 1.86%                        |

## CREDIT QUALITY OF PORTFOLIO



Other assets account for 1.86% of Total Assets

## TECHNICAL INFORMATION

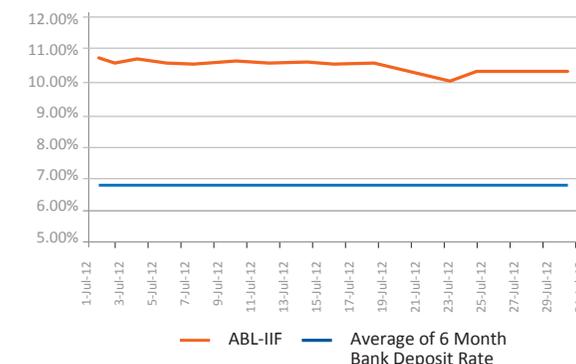
|   |          |
|---|----------|
| Leverage  | NIL      |
| Weighted average time to maturity of net assets | 589 days |

## 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 |
|---------------|---------|--------------------------------------|
| July          | 10.38%  | 6.84%                                |
| YTD           | 10.38%  | 6.84%                                |
| CY-12 to Date | 10.32%  | 6.92%                                |

\* Returns are net of management fee & all other expenses



## BASIC FUND INFORMATION

|                          |   |
|--------------------------|---|
| Fund Type                | Open-end  |
| Category                 | Islamic Income Fund                                 |
| Launch Date              | July 30 <sup>th</sup> , 2010                        |
| Net Assets               | PKR 983.625 mn as at July 31 <sup>st</sup> , 2012   |
| NAV                      | PKR 10.1089 as at July 31 <sup>st</sup> , 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 increased by 1.27% in July'12 against 1.06% increase in its benchmark, which reflects an outperformance of 21 basis points. Despite on-going political issues and ratings downgrade by Moody's, Pakistan Equities stood out as the best performing in the Asian market in the outgoing month of July 2012. MSCI World posted 1.2% return while MSCI Emerging and MSCI Frontier markets posted a return of 1.6% and 0.9% respectively compared to 5.62% return of KSE-100.

Improving Pak-US relations and easing inflation have built expectations of a Discount Rate cut in upcoming monetary policy. This along with healthy corporate earnings can lead Pakistan Equities to test new highs in upcoming months. We have continued with the strategy of maximizing equity exposure in the active portion of the portfolio.

The Scheme has not made provision amounting to Rs. 0.13 Million against Workers' Welfare Fund's liability. If the same were made the NAV per unit of the scheme would be lower by Rs. 0.0038 per unit.

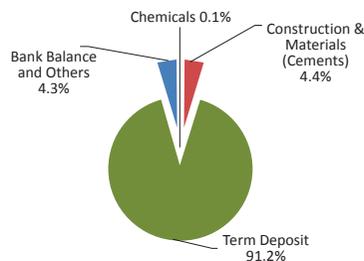
## INVESTMENT OBJECTIVE

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) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|----------------------------------|------------------------------|------------------------------|
| D.G.K.Cement                     | 1.83%                        | 2.66%                        |
| Kohat Cement                     | 0.0%                         | 1.22%                        |
| Fecto Cement                     | 0.0%                         | 0.48%                        |
| Akzo Nobel Pakistan              | 0.0%                         | 0.15%                        |

| ASSET ALLOCATION (% OF TOTAL ASSETS) | June 30 <sup>th</sup> , 2012 | July 31 <sup>st</sup> , 2012 |
|--------------------------------------|------------------------------|------------------------------|
| Stock/Equities                       | 5.1%                         | 4.5%                         |
| Bank Balance                         | 0.7%                         | 2.8%                         |
| T-Bills                              | 0.0%                         | 1.3%                         |
| Term Deposit                         | 92.5%                        | 91.2%                        |
| Others                               | 1.7%                         | 0.2%                         |
| Leverage                             | NIL                          | NIL                          |

## SECTOR ALLOCATION (% OF TOTAL ASSETS)

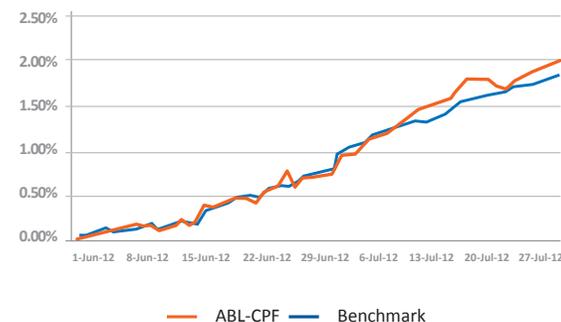


## INVESTMENT COMMITTEE MEMBERS

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 – Fund Manager
6. Faizan Saleem – Fund Manager

| PERFORMANCE          | ABL-CPF | Benchmark |
|----------------------|---------|-----------|
| Year to Date (YTD)*  | 1.27%   | 1.06%     |
| Month to Date (MTD)* | 1.27%   | 1.06%     |

\* Returns are net of management fee & all other expenses



## BASIC FUND INFORMATION

|                                 |   |
|---------------------------------|---|
| <b>Fund Type</b>                | Open-end  |
| <b>Category</b>                 | Capital Protected Scheme  |
| <b>Launch Date</b>              | June 1 <sup>st</sup> , 2012   |
| <b>Net Assets (PKR)</b>         | PKR 339.60mn as at July 31 <sup>st</sup> , 2012   |
| <b>NAV</b>                      | PKR 10.1575 as at July 31 <sup>st</sup> , 2012  |
| <b>Benchmark</b>                | 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 |
| <b>Dealing Days</b>             | As Per Local Stock Exchanges  |
| <b>Cut-off time</b>             | 4:00 pm   |
| <b>Pricing mechanism</b>        | Forward   |
| <b>Management Fee</b>           | 1.5% p. a.  |
| <b>Front-end load</b>           | 1.75%   |
| <b>Trustee</b>                  | MCB Financial Services Limited  |
| <b>Auditor</b>                  | M. Yousuf Adil Saleem & Co.   |
| <b>Asset Manager Rating</b>     | AM2- (JCR-VIS) (Stable outlook)   |
| <b>Risk Profile of the Fund</b> | Low   |
| <b>Performance Ranking</b>      | N/A   |
| <b>Listing</b>                  | Islamabad Stock Exchange  |