

RATED AM3 (JCR-VIS)

ABL Asset Management
Discover the potential

INFOCUS

**FUND MANAGER'S REPORT
JUNE 2010**

INVEST in
ABL AMC FUNDS
and **SAVE** up to
Rs. 60,000
on your Taxes

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 10.26% last month compared to its benchmark return of 12.45%, an underperformance of 2.19%. ABL-IF also declared dividend for 4Q10 @ 2.421% during the month, which represents 100% income of the fund during that period. Last month saw increasing yields across the spectrum as excessive government borrowing via T-bills to meet fiscal year end targets pushed up benchmark rates. Year end liquidity pressures were another reason behind the push in money market rates although the market was generally stable during the month. Fund size came down by 26.60% during the month to Rs.8,360 mn due to year end pressures which are a norm at this time of the year.

The country successfully achieved the IMF's three primary targets – zero budgetary borrowing, Net Domestic Assets and Net Foreign Assets as at 30th June, 2010. Foreign inflows worth US\$710 mn received towards the end of the month helped in meeting the critical net zero government borrowing target. Although major monetary conditions of IMF have been met due to external support; nevertheless challenges to the economy exist due to non-resolution of Circular Debt, weak fiscal account and fragile security conditions. Inflation is expected to remain in double digits in the near term due to implementation of stringent tax reforms and volatile commodity and energy prices.

ABL-IF intends to maintain its existing asset allocation where primary investments would be in T-bills offering competitive yields with zero risk. As year end pressure has passed and foreign inflows now making their way in the system, it is probable that money market yields may decline in the near term.

Basic Fund Information

Fund Type	Open-end
Category	Income Fund
Launch Date	September 20, 2008
Net Assets (PKR)	PKR 8,360 mn
NAV	PKR 10.0164
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
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)

Technical Information

ABL-IF

Leverage	NIL
Weighted average time to maturity of net assets	92 days

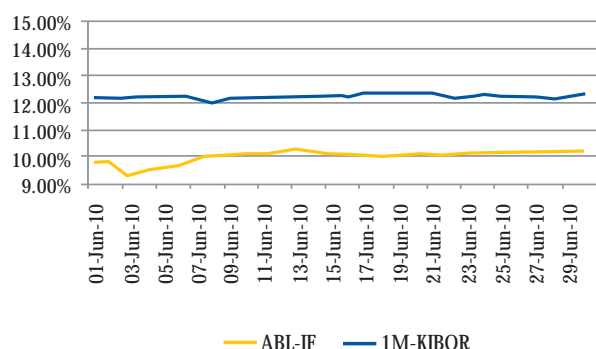
Asset Allocation (% of Assets)

	May '10	Jun '10
Cash	4.54%	2.20%
Placement with Banks (TDRs)	34.68%	38.88%
Placement with DFLs (COLs)	5.09%	6.94%
Reverse Repo against Govt.	4.15%	0.00%
Money Market placements	2.63%	0.00%
T-Bills	47.13%	46.26%
Others including receivables	1.78%	5.72%

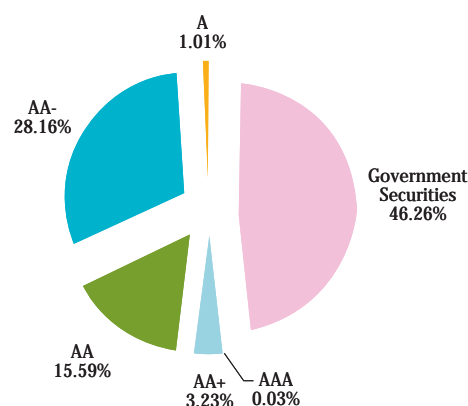
Fund Returns*

	ABL-IF	1 Month Kibor
Year to Date (YTD)	10.97%	12.45%
Trailing 12 months	10.97%	12.45%
Month to date (MTD)	10.26%	12.39%

* Returns are net of management fee & all other expenses



Credit Quality of Portfolio (% of Assets)



Investment Committee Members:

1. Farid A. Khan, CFA - CEO
2. Sulaiman S. Mehdi - COO & Company Secretary
3. Hammad Ali Abbas - Fund Manager
4. 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

June 2010 was a dull month for equity investors in Pakistan. Average daily volumes dipped precariously as capital markets moved one step closer to the new era of Capital Gains Tax. Finance Bill, which was passed on June 25th, did little good to assuage investors' concerns on how CGT will be imposed.

ABL-SF underperformed its benchmark KSE-30 by 2.24% during the month under review returning 1.15% to its investors against 3.39% appreciation in KSE-30. Underperformance was primarily on account of increase in price of OGDC and MCB, which form roughly 19% and 14% of KSE-30 and went up by 8% and 10% respectively during last month. Mutual fund regulations do not permit Collective Investment Schemes to invest more than 10% in any one particular scrip, which, although prudent, restricts our ability to track movement (called tracking error) in MCB's and OGDC's share prices. Hence, despite maintaining very high weights in the above scrips, ABL-SF suffered due to the tracking error.

Depressed volumes significantly increased cost of transacting and ABL-SF remained dormant for most part of June. Exposure in cement sector was slightly increased during the month on strengthening cement prices and improved sector outlook. Unit holders will be happy to learn that ABL-SF ended Fiscal Year 2010 as the best performing stock fund in open-end fund category in Pakistan beating the second best performing fund by more than 5 percentage points. The fund also announced a full year dividend @ Rs.3.2813/unit at closing of the period ended June 30, 2010. We attribute ABL-SF's success to our strong research-based stock picking abilities and the trust that our unit holders place on us.

Going forward, we expect volumes in market to remain depressed as investors adapt to the newly imposed capital gains tax. However, we do not foresee any panic like situation as it more of apathy than pessimism that engulfs capital markets currently. We reiterate the fact that markets have tendency to revert to mean in longer term and that smart investments made in these uncertain times will yield healthy results for ABL-SF's investors.

Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28th, 2009
Net Assets (PKR)	376,158,201 as at 30 June, 2010
NAV	10.0134 as at 30 June, 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

Technical Information

ABL-SF

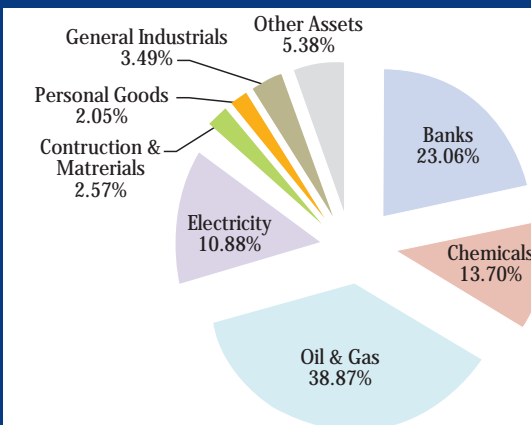
Leverage	NIL
----------	-----

Top Ten Holdings (% of Assets)

Jun '10

OGDC	9.94%
HUBCO	9.72%
POL	8.71%
ABL	8.13%
PPL	8.06%
FFC	7.93%
PSO	7.37%
MCB	6.97%
ENGRO	5.77%
THALL	3.49%

Sector Allocation (% of Assets)



Fund Returns*

ABL-SF

KSE-30

Year to Date (YTD)* 32.72% 26.22%

Trailing 12 months* 32.72% 26.22%

Month to Date (MTD)* 1.15% 3.39%

* Returns are net of management fee & all other expenses



Investment Committee Members:

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



ABL Asset Management

Discover the potential

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;
 - ▶ ABL-IF Form 1 – Account Opening Form
 - ▶ ABL-IF 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 (Incase of Joint Application, CNIC of all applicants is required)
 - ▶ Zakat Affidavit (Incase 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 Dakhani	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
Shoab 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 Manager	021-35875639	Bath Island
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		
Ifthikhar 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
Ch. Abdul Wahab	0344-6212627	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
Hafiz M. Irfan Tahir	0321-4861219, 0313-4861219	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	040-4468863	High Street Branch
Rahimyar Khan		
M. Khurram Shehzad	0333-6118234	Shahi Road Branch
D.C.Khan		
M. Adnan Qaisarni	0332-5710566	Azmat Road Branch
Bahawalpur		
Fahad Husnain Lashari	0301-7755667	Fareed Gate Branch
Gujrat		
Majid Riaz	0300-4205706	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



ABL Asset Management

Discover the potential