

RATED AM3+ (Positive Outlook) - JCR-VIS

 **ABL Asset Management**
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INFOCUS

FUND MANAGER'S REPORT
JUNE 2011



**NOW INVEST IN ABL FUNDS THROUGH
800+ BRANCHES OF ALLIED BANK
ACROSS PAKISTAN**

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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 compounded return of 12.45% for the month of June, an improvement of 61 bps over the previous month. The fund also declared a dividend for 4QFY-11 @ 2.85% which represents 100% of the income till June 24, 2011. Despite a volatile period for money market instruments, the fund managed to show an improvement in returns on a MoM basis due to tactical allocation of assets. June 2011 experienced various spells of liquidity cycles in the money market owing to financial year end. The SBP intervened and conducted several open market operations (both injections and mop ups) in order to balance money market yields, resulting in a lot of volatility in instruments. Since T-bills constituted 32.1% of total assets the impact on IF's returns was minimal. Complimenting good returns were investments in GoP Ijara Sukuk which constitute 13.3% of total assets and year end term deposit placements with AA rated banks which constitute 24.1% of total assets. During the period the fund also invested in a AA+ rated 6 month Sukuk Issue of KAPCO constituting 2.5% of total assets. Fund size increased by a marginal 1.1% closing at PKR 4,879 million.

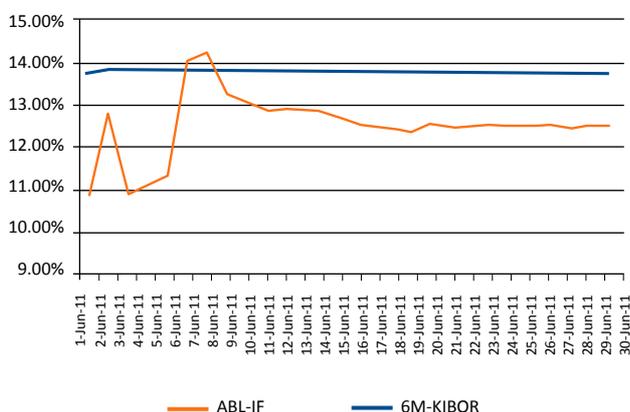
The most crucial event of the month was the budget announcement which primarily focused towards revenue enhancement via effective implementation of new tax measures and elimination of untargeted subsidies. This is a welcomed gesture considering the persistent challenges faced by the economy from acute energy shortages, heightened security issues and limited external inflows. With external support dwindling, economic managers will have to rely on internal resources in order to push recovery in FY12. Budget targets seem ambitious considering the prevailing economic conditions, especially fiscal deficit and GDP growth targets which have been set at 4% of GDP and 4.2% respectively.

Although economic challenges persist, interest rate trajectory remains constant for the time being. Thus investments in midterm instruments are being pursued in order to improve returns.

Fund Returns*

	ABL-IF	6M-KIBOR
Fiscal Year 2011	11.65%	13.38%
Month to date (MTD)	12.45%	13.78%

* Returns are net of management fee & all other expenses



Basic Fund Information

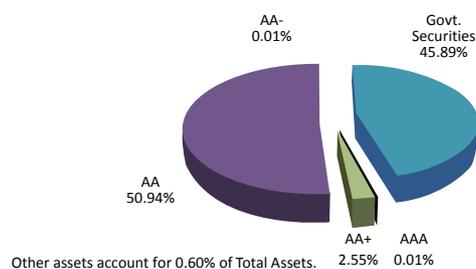
Fund Type	Open-end
Category	Income Fund
Launch Date	September 20 th , 2008
Net Assets	PKR 4,879 mn as at June 30 th , 2011
NAV	PKR 10.0195 as at June 30 th , 2011 (Ex-Dividend)
Benchmark	6 Month Kibor Average
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5% p. a.
Front-end load	Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
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

Leverage	NIL
Weighted average time to maturity of net assets	201 days

Asset Allocation (% of Total Assets)	May '11	June '11
Cash	5.58%	19.82%
Placement with Banks (TDRs)	0.00%	24.14%
Placement with NBFCs	2.57%	0.00%
Placement with DFIs	0.00%	7.04%
T-Bills	63.30%	32.13%
Govt. Ijara Sukuk	27.58%	13.28%
PIBs	0.00%	0.48%
Short Term KAPCO Sukuk	0.00%	2.51%
Others including Receivables	0.97%	0.60%

Credit Quality of Portfolio (% 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

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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.

Fund Manager's Comments

KSE-100 index traded in a narrow band with mixed activity during June 2011. Worsening Greek crisis, which caused panic in global markets, and year end pressures (such as dividend payouts by mutual funds) led investors to adopt a cautious approach. However, changing dynamics of fertilizer sector and rumours of large scale discoveries by some E&P companies created sporadic trading opportunities throughout the month. KSE-100 increased by 3.08% on M/M basis to 12,496.03 points. However, bulk of this appreciation was contributed by Nestle Pakistan, which now constitutes more than 8% of KSE-100 index. Foreign flows, too, turned negative during June with net outflow of \$41.21 million (including strategic transfer of Byco).

ABL-SF reduced by 0.56% in June 11 against 1.50% decline in the KSE-30 index, which reflects an outperformance of 94 bps. During the month, investment in Oil & Gas sector was decreased from 34.19% to 26.07% of the portfolio, exposure in Chemicals sector was decreased from 21.33% to 16.59% and investment in banks was also decreased from 17.77% to 13.65%. ABL-SF as of June 30, 2011 is 72.25% invested in equities and remaining in T-bills and cash. The fund also announced a full year dividend @ PKR 2.928/share at closing of the period ended June 30, 2011.

Looking ahead, we expect market to perform well as investors gear up for June end results season. Companies with good payout histories are likely to stay in limelight and we have adjusted our exposure accordingly. In case of any price weakness, we may further enhance exposure in Power and E&P stocks that are expected to pay hefty dividends at year end.

Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28 th , 2009
Net Assets	PKR 642.03 mn as at June 30 th , 2011
NAV	PKR 10.0408 as at June 30 th , 2011 (Ex-Dividend)
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 Rating	MFR 5-Star (JCR-VIS)
Fund Manager	Kamran Aziz

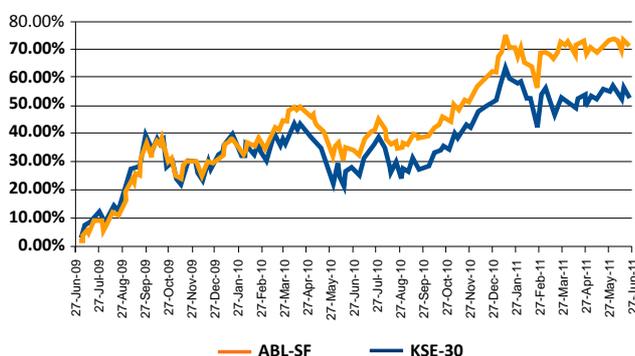
Asset Allocation (% of Total Assets)	May'11	June'11
Stock/Equities	93.94%	72.25%
Cash	2.98%	24.30%
T-Bills	2.51%	2.08%
Others	0.57%	1.36%
Leverage	NIL	NIL

Top Ten Holdings (% of Total Assets)	May'11	Jun'11
Pakistan Oilfields Limited	8.94%	7.61%
Fauji Fertilizer Company Limited	9.30%	7.16%
Pakistan Petroleum Limited	6.69%	6.76%
Hub Power Company Limited	7.60%	6.76%
Pakistan State Oil Co.Limited	6.59%	5.24%
Engro Corporation Limited	5.73%	4.88%
MCB Bank Limited	6.88%	4.49%
Oil&Gas Development Co.Limited	6.80%	3.53%
United Bank Limited	3.96%	3.24%
Attock Petroleum Limited	4.53%	2.92%

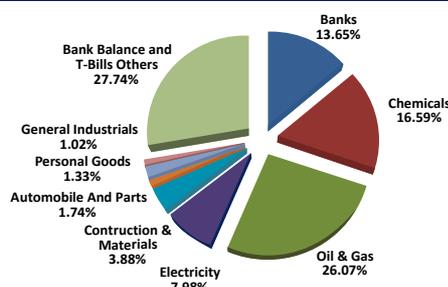
Performance* ABL-SF KSE-30

Year to Date (YTD)	29.16%	21.24%
Trailing 12 months	29.16%	21.24%
Month to Date (MTD)	-0.56%	-1.50%

* Returns are net of management fee & all other expenses



Sector Allocation (% of Total Assets)



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ABL Asset Management

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Investment Objective

The objective of ABL Cash Fund is to provide investors, consistent returns with a high level of liquidity, through a blend of money market and sovereign debt instruments.

Fund Manager's Comments

ABL-CF performance improved during the period by 47bps thereby yielding an annualized compounded return of 12.14%. The fund also declared a dividend for 4QFY-11 @ 2.83% which represents 100% of the income till June 24, 2011. Moreover, ABL-CF outperformed its benchmark rate of 7.66% by 4.5%. The month of June endured heavy market adjustments on T-bills as money market yields increased due to volatile liquidity situation. Exacerbating the situation were year-end pressures due to divesting of T-bills by funds to meet redemptions and placements in TDRs at better rates. ABL-CF managed to yield competitive returns as newer T-bills were acquired in auctions at higher rates which benefited returns. Furthermore, opportunistic placements in term deposits at higher rates also helped. Term Deposits constitute 18.98% of total assets in June 2011 whereas T-bills constitute 54.93% compared to 79.9% the preceding month. Fund size took a beating during the month and declined by 20.6% to close at PKR 10,651 million. This is attributable to fiscal year end redemptions which are a norm at this time of the year.

The most crucial event of the month was the budget announcement which primarily focused towards revenue enhancement via effective implementation of new tax measures and elimination of untargeted subsidies. This is a welcomed gesture considering the persistent challenges faced by the economy from acute energy shortages, heightened security issues and limited external inflows. With external support dwindling, economic managers will have to rely on internal resources in order to push recovery efforts for FY12. Budget targets seem ambitious considering the prevailing economic conditions, especially fiscal deficit and GDP growth targets which have been set at 4% of GDP and 4.2% respectively.

ABL-CF will continue to pursue investments in T-bills given their relative attractiveness. However any lucrative opportunities arising out of the money market or corporate sector will also be explored.

Basic Fund Information

Fund Type	Open-end
Category	Money Market Fund
Launch Date	July 30 th , 2010
Net Assets	PKR 10,651 mn as at June 30 th , 2011
NAV	PKR 10.0188 as at June 30 th , 2011 (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	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	AM3+ (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	AA+(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

Leverage	NIL
Weighted average time to maturity of net assets	69 days

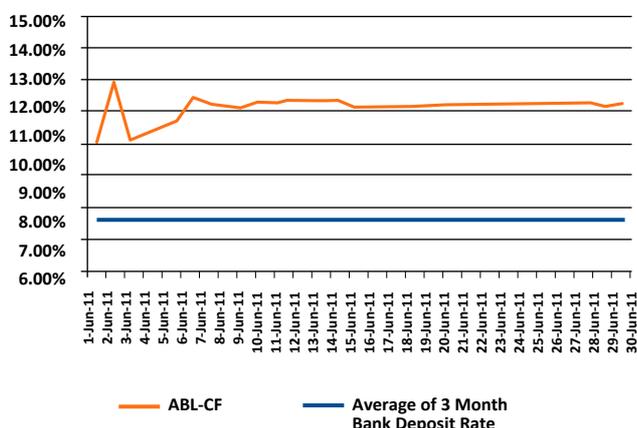
Asset Allocation (% of Total Assets) May '11 Jun '11

Asset Allocation	May '11	Jun '11
Cash	10.73%	16.11%
Placement with Banks (TDRs)	0.00%	18.98%
Placement with DFIs	9.19%	8.43%
T-Bills	79.86%	54.93%
Short Term KAPCO Sukuk	0.00%	1.13%
Others including Receivables	0.22%	0.42%

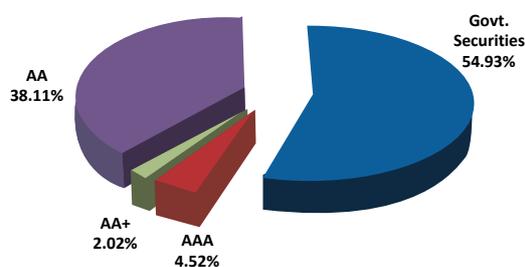
Fund Returns* ABL-CF Benchmark

Since inception to date	11.94%	7.49%
Month to Date (MTD)	12.14%	7.66%

* Returns are net of management fee & all other expenses



Credit Quality of Portfolio (% of Total Assets)



Receivables for 0.42% of Total Assets

Investment Committee Members:

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Investment Objective

The objective of ABL Islamic Cash Fund is to seek maximum possible preservation of capital and offer steady rate of return by investing in liquid Shariah compliant instruments

Fund Manager's Comments

ABL-ICF yielded a compounded annualized return of 10.82% for the month of June, in comparison to the preceding month's return of 11.00%. The fund however outperformed its benchmark rate by 2.5%. Term placements constitute 79.7% of total assets. Moreover, investment in a 6 month AA+ rated Sukuk issued by KAPCO, which constitutes 6.0% of total assets is likely to improve returns. Primary investments continue to remain in Term placements and cash assets. Despite year-end pressures, ABL-ICF fund size jumped by a whopping 70% to close at PKR 816.61 million due to stable returns and increased investor confidence.

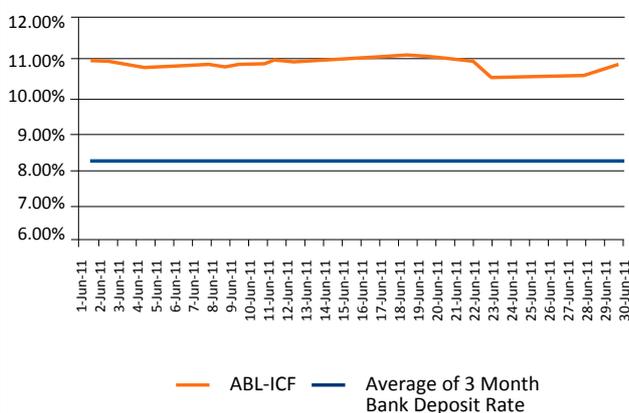
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ABL-ICF will continue to explore short term lucrative investment opportunities in order to bolster returns. Going ahead returns are expected to improve as better rates were negotiated in Term placements on account of June crossing.

Fund Returns*

	ABL-ICF	Benchmark
Since inception to date	10.20%	7.30%
Month to Date (MTD)	10.82%	8.31%

* Returns are net of management fee & all other expenses



Basic Fund Information

Fund Type	Open-end
Category	Islamic Money Market Fund
Launch Date	July 30 th , 2010
Net Assets	PKR 816.605 mn as at June 30 th , 2011
NAV	PKR 10.0163 as at June 30 th , 2011 (Ex-Dividend)
Benchmark	Average of 3 Month Deposit rates of 3 Islamic Banks
Dealing Days	As Per Local Stock Exchanges
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	AM3+ (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	AA(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

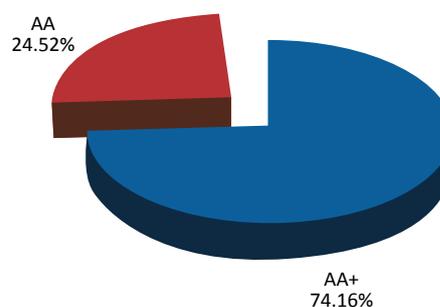
Technical Information

Leverage	NIL
Weighted average time to maturity of net assets	30 days

Asset Allocation (% of Total Assets)

	May '11	Jun '11
Cash	29.27%	12.95%
Placements with Banks	68.93%	79.69%
Short Term KAPCO Sukuk	0.00%	6.04%
Others including Receivables	1.80%	1.32%

Credit Quality of Portfolio (% of Total Assets)



Other assets account for 1.32% of Total Assets

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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 any ABL Branch or for Expert Opinion, visit the 30 branches listed on your right which are facilitated by our Investment Consultants 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 (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 / investment amount at any branch 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 / investment amount a registration number will be generated and allotted. An introductory letter will be dispatched to confirm your investment in ABL AMC Funds.

For further details please contact:

Any branch of Allied Bank
 ABL AMC Head Office: 021-111-ABL AMC (225-262)
 ABL AMC Helpline: 0800 ABL-AM (0800 225 26)

Name	Contact No.	Branches with Investment Consultants
Karachi		
Furqan Ali Dakhan	0321-2014622	Clifton Branch
Shoib Shoukat	0333-5473547	Foreign Exchange Branch
Raheel Khawar Kamal	0345-2584931	S.I.T.E. Branch
Mushtaq Ur Rehman	0300-2417978	Hyderi Branch
Muhammad Naeem	0321-2393830	Hassan Square Branch
Farhana Masood	0300-3340640	Shahrah-e-Faisal Branch
Shahid Ali Chishti	0300-2127537	Karimabad Branch
Syed Muneeb Hassan	0345-3149239	Bath Island Branch
Muna Sakhawat	0300-2701349	Rashid Minhas Road Branch
Faizan Ali Hakro	0334-2763986	Korangi Industrial Area Branch
Danish Abdul Rauf	0345-2121623	Tariq Road 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
Arif Raza	0333-8505435	Chaklala Branch
Multan		
Hafiz Tariq	0301-7570040	Chowk Rasheed Branch
Fizza Hassan	0321-4339404	Abdali Road Branch
Saira Habib	0342-7012691	Multan Cantt Branch
Faisalabad		
Mughees Ahmad Sheikh	0332-8663525	Peoples Colony Branch
Gujranwala		
Sidra Iqbal	0336-4655633	Zia Plaza Branch
Hyderabad		
Haider Abbas	0321-3051874	Civic Center Branch
Sahiwal		
Asif Mehmood	0314-3600421	High Street Branch
Bahawalpur		
Fahad Husnain Lashari	0301-7755667	Fareed Gate Branch
Quetta		
Imran Hassan Khan	0345-8165666	Jinnah Road Branch
Sargodha		
Tanzel Maqbool	0331-7660756	New Queens Road Branch

CONTACT US:

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 Email: contactus@ablmc.com
 Website: www.ablmc.com



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