



**ABL AMC**  
**FUNDFOCUS**

**FUND MANAGER'S REPORT**  
**JUNE 2014**

### ECONOMY AND CAPITAL MARKETS UPDATE

#### FX reserves continued to improve

Macros indicators continued to show stability during June, 2014 led by significant improvement in FX reserves due to inflows from GoP's sale of its remaining stake in UBL (USD330 million). Total FX reserves held by SBP jumped to USD9,033 million against USD8,682.9 million in May 2014. In this backdrop, IMF has appreciated the country's efforts to boost FX reserves and opines that these efforts to build FX reserves should continue. Furthermore, IMF's Executive Board also approved the disbursement of USD555.9 million tranche upon successful completion of third review of EFF. On the other hand, current account balance continued to deteriorate (USD147 million in May vs. USD111 million in April) as exports struggled due to appreciation of PKR against the greenback. Ongoing turmoil in Iraq may cause a spike in oil prices which may further negatively impact the current account balance of the country. CPI inflation was recorded at 8.2% during June 2014 (8.3% in May) as food inflation remained in check. On the fiscal side, FBR collected PKR310.08 billion (+15.87% YoY) against a target of PKR318.68 billion, translating into a deficit of PKR8.6 billion during the month. With stable PKR/USD parity (PKR 98.56/USD) and reasonable FX reserves situation, the near term economic outlook remains stable. However, recent jump in international oil prices due to security situation in Iraq and Ramzan impact on inflation has lowered the prospects of a rate cut in the monetary policy statement due in mid-July 2014.

#### Liquidity pressure ease

Money market remained fairly liquid during the month of June 2014 owing to higher T-bills maturities against meager participation in fresh T-bill auctions (PKR129 billion worth of bids were accepted against a pre-defined target of PKR450 billion). Resultantly, PKRV yields softened and market gladly shrugged the year-end phenomenon of distressed liquidity conditions. PIB auctions continued to attract hefty participation, totaling PKR211 billion (PKR 210 billion accepted at previous cut offs), thereby cushioning excess liquidity dumped by maturing T-bills. Overall, 3 year bond remained investor's favorite due to its high yield and short maturity. Regular Open Market Operations from the Central Bank continued to manage money supply to balance market yields. During the month, SBP also conducted the much awaited 3 year GoP Ijara Sukuk auction raising the target amount of PKR49.5 billion against offered bids of PKR113.7 billion. Moving ahead, PIB yields are likely to fluctuate and thereby provide plenty of trading opportunities due to upcoming Monetary Policy Statement due in mid-July.

#### Equities return staggering at 42% in FY14

Equities took a breather last month as the benchmark KSE-100 index depicted a minor decline of 0.3% MoM to close at 29,653 points. Despite slight decline in index levels, June 2014 capped off another remarkable year for equities with KSE-100 index posting a staggering return of 41.2% in FY14 (52.20% in FY13). Political turmoil and year-end liquidity issues (squaring up of leveraged positions and payouts by mutual funds) dampened sentiments; however, strong foreign flows (net inflow of USD71.45 million during June 2014) helped the market to stay stable during a testy June. Other highlights for the month included successful SPOs of PPL and UBL (worth USD542 million), which clearly indicate strong foreign and local interest in Pakistan equities. Going ahead, we expect market to continue to perform as year-end liquidity pressures ease and foreign flows remain strong. The market currently trades at FY15E P/E of 8.3x and offers prospective dividend yield of 5.6%.

#### ECONOMIC SUMMARY

	Last Reported Month	Current Month	Previous Month	YTD
CPI Inflation	June	8.22%	8.34%	8.62%
Trade Deficit (USD mn)	May	(1,506)	(1,207)	(15,027)
Remittances (USD mn)	May	1,438	1,312	14,333
Current A/C (USD mn)	May	(147)	(111)	(2,577)
FDI (USD mn)	May	611	81	1,362
Tax Collection ** (PKR bn)	June	310	212	2,266
M2 Growth*	June	-	-	9.51%
FX Reserves* (USD bn)	June	-	-	13.99

Source SBP, FBS

\* Latest monthly figures

\*\* Provisional figures

#### GOVERNMENT SECURITIES

PKRV Yields (%)	6 M	1 Yr	3 Yr	5 Yr	10 Yr
June 30, 2014	10.02	10.08	12.24	12.62	13.03
May 30, 2014	9.98	10.04	12.19	12.58	12.97
Change (bps)	4	4	5	4	6

Source : FMA

#### EQUITY MARKET PERFORMANCE

	Jun-14	May-14	M/M	1 Yr Low	1 Yr High
KSE - 100 Index	29,653	29,738	-0.29%	21,006	29,790
Avg. Daily Vol. (mn)	195	166	17%	62	496
Avg. Daily Val. (USD mn)	98	76	29%	19	182
2014E PE(X)	8				
2014E DY	6%				

Source: KSE, Bloomberg

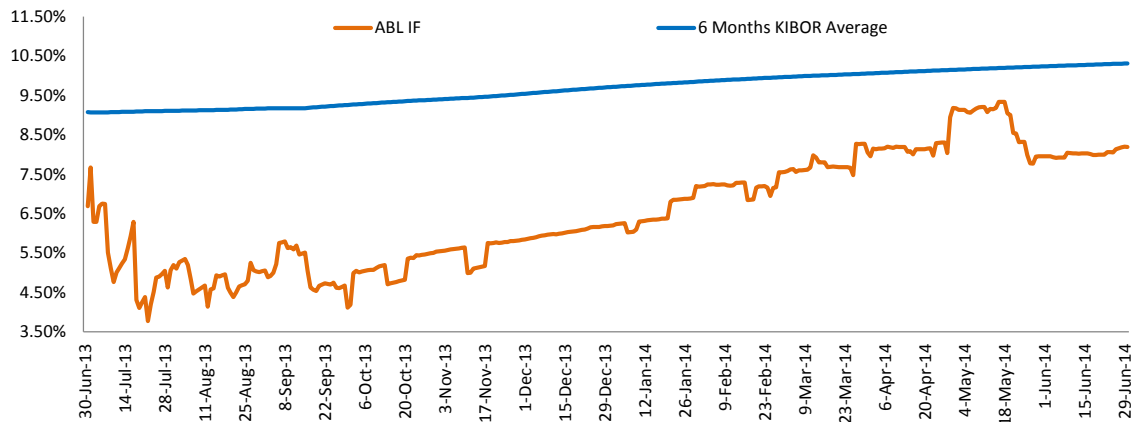
### FUND MANAGER'S COMMENTS

ABL-IF yielded an annualized return of 10.10% during June 2014, an improvement of 1392 bps over the previous month. The fund slightly underperformed by 6 bps against the benchmark performance of 10.17%. The improvement in performance was largely attributed to better accrual yields on bond portfolio, spread transactions during the month and valuation gains on TFC portfolio. On YTD basis, ABL IF posted an annualized return of 8.19% compared to its benchmark performance of 9.82%, thus showing an underperformance of 163bps due to low holding in KIBOR link instruments and some mark to market losses. Fund size increased by 3.4% and closed the month at PKR 1.682 billion.

During the month, we offloaded entire inventory of T-Bills (from 27.44% of total assets in previous month) in order to place funds with banks at high rates. Moreover, we also reduced exposure in PIBs to 29.41% of total assets compared to 36.60% in previous month. As per our strategy to increase our TFC portfolio, we have taken fresh exposure in NIB TFC II due to which investment in TFCs increased from 5.44% in previous month to 8.15% of total assets in June-14. WAM of the portfolio slightly increased from 768 days to 791 days.

Going forward, we will maintain high duration portfolio as we expect rate cuts in CY14. In the short run, our placements with banks at high rates are likely to support fund returns.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 35.007 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.2090 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

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	September 20 <sup>th</sup> , 2008
Net Assets	PKR 1,682 mn as at June 30 <sup>th</sup> , 2014
NAV	PKR 10.0409 as at June 30 <sup>th</sup> , 2014 (Ex-dividend)
Benchmark	6 Months KIBOR Average
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Forward
Management Fees	1.5% p.a
Front -end Load	1.5 %
Trustee	Central Depository Company of Pakistan Ltd (CDC)
Auditor	K.P.M.G Taseer Hadi & 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	Faizan Saleem
Listing	Karachi Stock Exchange

### TECHNICAL INFORMATION

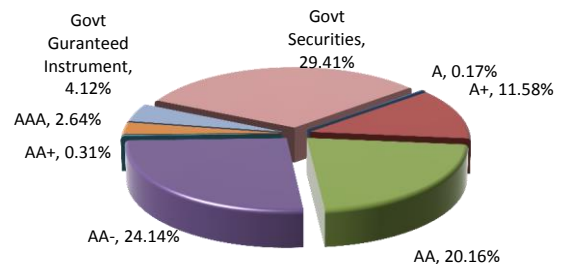
Leverage	NIL
Weighted average time to maturity of net assets	791
<b>TOP TFCs / SUKUK HOLDING (% OF TOTAL ASSETS) June 30<sup>th</sup>, 14</b>	
WAPDA PPTFC	4.12%
NIB Bank TFC	2.90%
BAFL TFC - V	2.64%
SCB Ltd	2.61%

### PERFORMANCE

	ABL-IF	Benchmark
June-14	10.10%	10.17%
YTD	8.19%	9.82%

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Cash	4.72%	42.16%
Placements with Banks (TDRs)	14.96%	8.69%
T-Bills	27.44%	0.00%
PIBs	36.60%	29.41%
GoP Ijarah Sukuk	0.00%	0.00%
GoP Guaranteed Corp. Instruments	4.17%	4.12%
TFCs	5.44%	8.15%
Spread Transactions	0.00%	0.00%
Others Including Receivables	6.67%	7.47%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



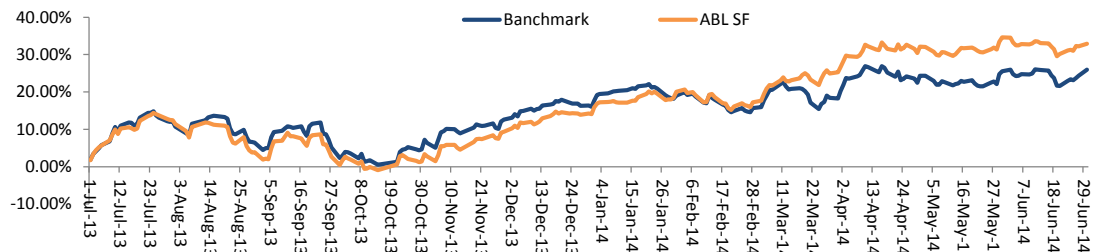
Other assets account for 7.47% of Total Assets

### FUND MANAGER'S COMMENTS

ABL-SF posted a return of minus 1.3% in June'14 against a 0.3% increase in KSE-30 index, which reflects an underperformance of 160 basis points. Part of underperformance can be attributed to the quarter end window dressing of some heavy weight counters. On YTD basis, the fund increased by 32.90% against 25.96% increase in benchmark, which reflects an out performance of 694 basis point. During the month, investment in the Oil & Gas sector was decreased from 28.7% to 23.0% of the portfolio, exposure in Chemicals sector was lowered from 19.1% to 11.7% and allocation to Construction sector was reduced from 8.0% to 7.1%. Weights in most sectors appear reduced compared to last month primarily due to large after market-hours investment received on closing of month. ABL-SF, as of June 2014, is 69.6% invested in equities and remaining in bank deposits.

The KSE-100 closed slightly (0.3%) lower in the month of June as market fell prey to security concerns and political unrest. Further dampening the situation were constant selling from Mutual Funds seeking cash for year-end payouts as well as limited leverage financing available to retail investors, not uncommon, during year-ends. Successful UBL and PPL secondary offerings heralded a successful re-start of Pakistan's ambitious privatization process. Road shows conducted overseas for aforementioned offerings not only generated significant foreign interest in the two companies but in the Pakistan story overall (MTD FIPI of \$71.4mn excluding UBL/PPL receipts). We remain bullish on broader market and prefer staying highly invested.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 15.05 million, had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.1543 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 gain and dividends.

### Investment Committee

#### Members:

Farid A.Khan, CFA -CEO  
 Muhammad Imran - CIO  
 Faizan Saleem - Fund Manager  
 Kamran Aziz, CFA- Fund Manager  
 Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28, 2009
Net Assets	Rs 1,114.21mn as at June 30 <sup>th</sup> , 2014
NAV	Rs 11.4246 as at June 30 <sup>th</sup> , 2014 (Ex-Dividend)
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	2%
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	High
Performance Ranking	MFR 3-Star (JCR VIS) (Based on one Year weighted average ranking), MFR 3-Star (JCR VIS) (Based on Three Year weighted average ranking) for periods ended December 31, 2013.
Fund Manager	Kamran Aziz, CFA
Listing	Karachi Stock Exchange

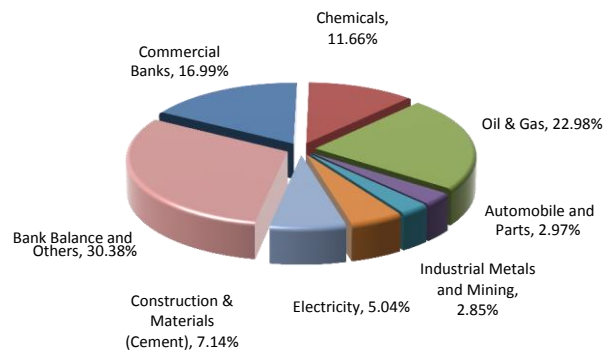
### PERFORMANCE

	ABL-SF	KSE-30
Year to Date (YTD)*	32.90%	25.96%
Trailing 12 Months*	32.90%	25.96%
Month to Date (MTD)*	-1.25%	0.31%

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

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Stock/Equities	92.28%	69.62%
Bank Balances	9.21%	29.63%
Others	-1.49%	0.75%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



TOP TEN HOLDINGS (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Pakistan Oilfields	8.97%	7.46%
Pakistan State Oil Co.	8.51%	5.62%
Pakistan Petroleum	6.73%	5.45%
National Bank of Pakistan	5.90%	5.08%
Hub Power Company	4.55%	5.04%
MCB Bank Ltd.	5.97%	4.75%
Engro Corporation	6.63%	4.47%
Maple Leaf Cement	4.86%	4.36%
Arif Habib Corporation	6.19%	3.95%
Oil & Gas Development Company	3.13%	3.30%

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### FUND MANAGER'S COMMENTS

ABL-CF yielded an annualized return of 8.21% in the month of June 2014 (+9 bps compared to previous month) against its benchmark return of 6.80%, reflecting an outperformance of 141bps. On YTD basis, ABL CF performance closed at 8.18% surpassing the benchmark return of 6.57%, an outperformance of 161 bps. Fund size dipped by 8.57% to close at PKR 15.395 billion due to year end redemptions.

During the month, exposure in government securities was reduced to 22.12% of the total assets compared to 63.33% in previous month. On the other hand, higher allocation was made in TDRs, money market placements, Reverse Repo and cash assets at 37.71%, 6.38%, 4.38% and 29.04% of total assets respectively in order to take maximum advantage of high rates offered by banks on June crossing date. Due to these changes, WAM of the fund reduced to 39.64 days from 72.4 days in previous month.

Going forward, we plan to increase WAM of the fund before the next monetary policy announcement which is due in mid of July 2014. In the meantime, bank placements at high rates are going to support fund returns.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 117.162 million, had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0763 per unit

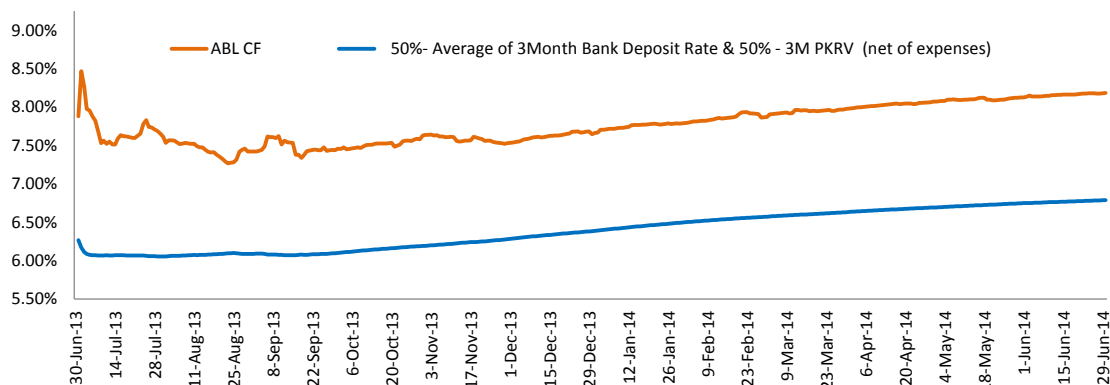
### INVESTMENT OBJECTIVE

consistent returns with high level of liquidity, through a blend of money market and sovereign debt instruments

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Money Market Scheme
Launch Date	July 30 <sup>th</sup> , 2010
Net Assets	PKR 15,395.72 mn as at June 30 <sup>th</sup> , 2014
NAV	PKR 10.0247 as at June 30 <sup>th</sup> , 2014 (Ex-dividend)
Benchmark	50%- Average of 3Month Bank Deposit Rate & 50% - 3M PKRV (net of expenses)
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Backward
Management Fees	10% of Annualized Gross Return (subject to Upper Cap of 1.25% & Lower Cap of 1%).
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 Func	Low
Fund Stability Rating	AA(f) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

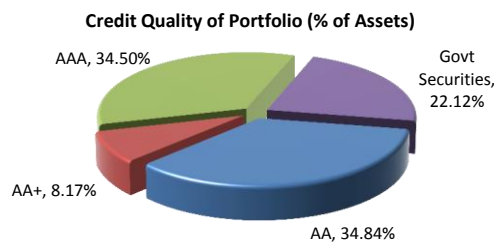
### PERFORMANCE

	ABL-CF	Benchmark
June-14	8.21%	6.80%
YTD	8.18%	6.57%

\*Returns are net of Management fee and all other expenses

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Cash	7.53%	29.04%
Placements with Banks (TDRs)	14.67%	37.71%
Money Market Placements	14.32%	6.38%
Reverse Repo	0.00%	4.38%
T-Bills	63.33%	22.12%
Others Including Receivables	0.15%	0.37%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



Other assets account for 0.37% of Total Assets

### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	39.64

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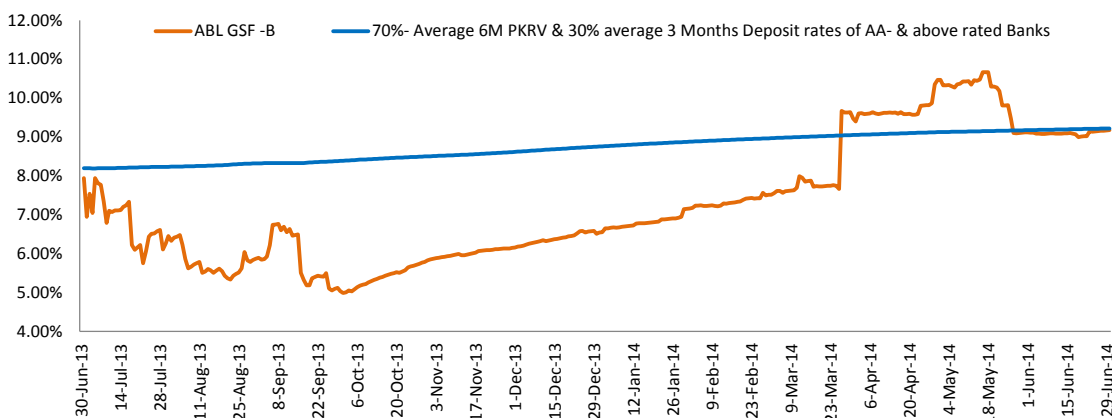
### FUND MANAGER'S COMMENTS

ABL GSF generated an annualized return of 9.04% compared to benchmark return of 8.95% thus showing an outperformance of 9 bps. The improvement in returns was mainly attributed to higher portfolio yield as we have further increased our allocation in 2 years PIBs. Moreover on YTD basis, ABL GSF remained in top quartile and posted an annualized yield of 9.17%, beating the benchmark yield of 8.82% by 35 bps.

At month end, PIBs constituted 68.95% of the portfolio followed by cash at 27.08% of total assets compared to 56.43% and 0.96% in previous month respectively. Cash at bank was increased at the expense of T-Bills (from 40% in May to 0.22% of total assets), as banks offered highly attractive rates at June-end. Due to above changes in asset allocation, WAM of the fund increased slightly from 939 days to 949 days. ABL GSF fund size declined by 4.89% during the month to close at PKR 4.395 billion due to year-end redemptions.

Going forward, we foresee healthy gains on our bond portfolio due to expected rate cut in CY14 based on positive developments on the economic front and high real positive interest rates.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 121.144 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs 0.2768 per unit.



### INVESTMENT OBJECTIVE

To deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and debt Instruments

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	November 30 <sup>th</sup> , 2011
Net Assets	PKR 4,394.901 mn as at June 30 <sup>th</sup> , 2014
NAV	PKR 10.0412 as at June 30 <sup>th</sup> , 2014 (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 Fees	Class-B unit 1.25%
Front -end Load	1.5%
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 Func	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

### TECHNICAL INFORMATION

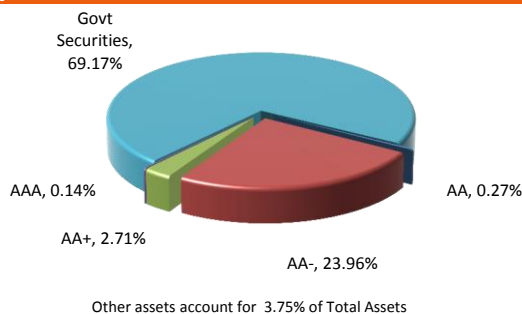
Leverage	NIL
Weighted average time to maturity of net assets	949

### PERFORMANCE

	ABL-GSF	Benchmark
June-14	9.04%	8.95%
YTD	9.17%	8.82%

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Cash	0.96%	27.08%
Placements with Banks (TDRs)	0.00%	0.00%
Money Market Placements DFIs	0.00%	0.00%
T-Bills	40.05%	0.22%
PIBs	56.43%	68.95%
Others Including Receivables	2.55%	3.75%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



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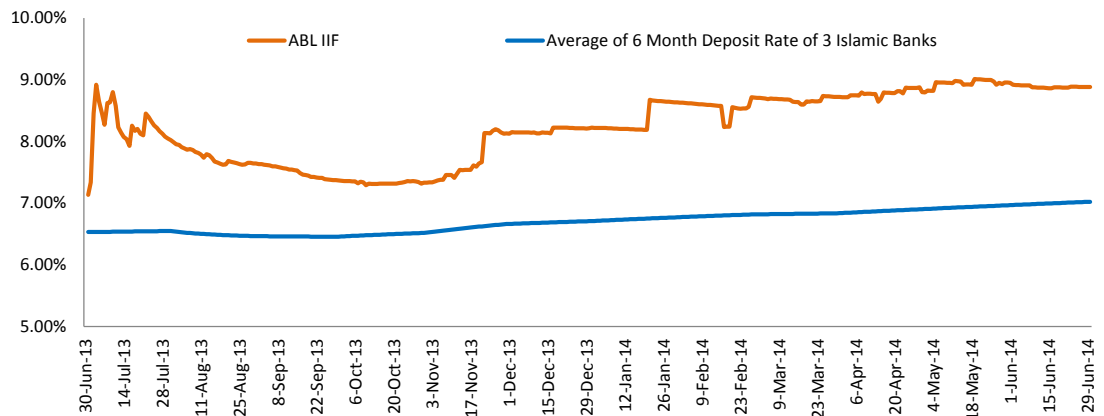
### FUND MANAGER'S COMMENTS

ABL IIF posted an annualized yield of 7.48% in the month of June 2014 against the benchmark return of 7.18%, thus showing an outperformance of 30 bps. The return was slightly lower than the previous month due to mark to market losses on corporate Sukuks. On YTD basis, ABL IIF performed exceptionally well and posted at an annualized return of 8.88% versus the benchmark yield of 6.78%, an outperformance of 210 bps.

SBP invited bids for much awaited fresh issuance of 3 years Ijarah Sukuk worth PKR 49.5 billion on June 20th, 2014. Due to ample liquidity in Islamic channels and high demand for SLR eligible securities, strong participation of PKR 113 billion was witnessed within the range of negative 355 to negative 30 bps in this issue. However, SBP accepted targeted amount of PKR 49.5 billion at 6M T-bill minus 200 bps (7.97%). We did not participate aggressively at lower yields because of better deposit rates available due to June end. At month end, the fund comprised of Corporate Sukuk and bank deposits at 15.70% and 83.51% of assets respectively. Weightage average maturity of fund was slightly reduced to 107 days compared to 112 days in previous month. Fund size remained static at PKR 1,270 million.

Going ahead, we are looking to increase allocations towards KIBOR linked instruments in order to enhance portfolio yield along with a goal to book trading gains.

The Scheme has maintained the provisional asset against Workers' welfare Fund's Liability to the tune of Rs. 6.935 million, Had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.0547 per unit.



### INVESTMENT OBJECTIVE

To provide investors, with an opportunity to earn higher income over medium to long-term by investing in a diversified portfolio consisting of different Money market and debt instruments permissible under the shariah principles.

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Income Scheme
Launch Date	July 30 <sup>th</sup> ,2010
Net Assets	PKR 1,270.26 mn as at June 30 <sup>th</sup> , 2014
NAV	PKR 10.0253 as at June 30 <sup>th</sup> , 2014 (Ex-dividend)
Benchmark	Average of 6 Month Deposit Rate of 3 Islamic Banks
Dealing Days	As Per Banking Days
Cutt-off time	4.00 pm
Pricing Mechanism	Forward
Management Fees	1% p.a
Front -end Load	1.5%
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	Kamran Aziz,CFA
Listing	Karachi Stock Exchange

### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	107

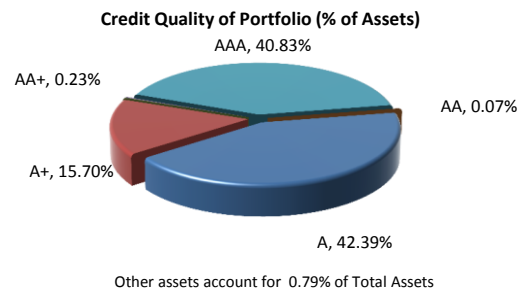
TOP SUKUK HOLDING (% OF TOTAL ASSETS) June 30 <sup>th</sup> ,14	
K-Electric Sukuk - 03 Years	7.31%
K-Electric Sukuk - 13 Months	8.38%

### PERFORMANCE

	ABL-IIF	Benchmark
June-14	7.48%	7.18%
YTD	8.88%	6.78%

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Cash	77.64%	83.51%
Corporate Sukuk	15.75%	15.70%
Govt. Guaranteed Corp. Sukuk	0.00%	0.00%
Others Including Receivables	6.61%	0.79%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



### FUND MANAGER'S COMMENTS

ABL-ISF increased by 0.1% in June'14 against 1.5% increase in the benchmark KMI-30 index, which reflects an underperformance of 140 basis points. On YTD basis, the fund increased by 24.67% against 29.89% increase in benchmark, which shows an underperformance of 522 basis point. During the month, exposure in Oil & Gas sector was decreased from 37.6% to 34.0% of the portfolio, exposure in Chemicals sector was reduced from 14.1% to 12.8% and allocation to Construction sector was decreased from 17.8% to 16.3%. Exposure in Oil & Gas was reduced to minimize exposure in resurging circular debt. ABL-ISF as of June 2014 was 83.8% invested in equities and remaining in bank deposits.

The KSE-100 closed slightly (0.3%) lower in the month of June as market fell prey to security concerns and political unrest. Further dampening the situation were constant selling from Mutual Funds seeking cash for year-end payouts as well as limited leverage financing available to retail investors, not uncommon, during year-ends. Successful UBL and PPL secondary offerings heralded a successful re-start of Pakistan's ambitious privatization process. Road shows conducted overseas for aforementioned offerings not only generated significant foreign interest in the two companies but in the Pakistan story overall (MTD FIPI of \$71.4mn excluding UBL/PPL receipts). We remain bullish on broader market and prefer staying highly invested.

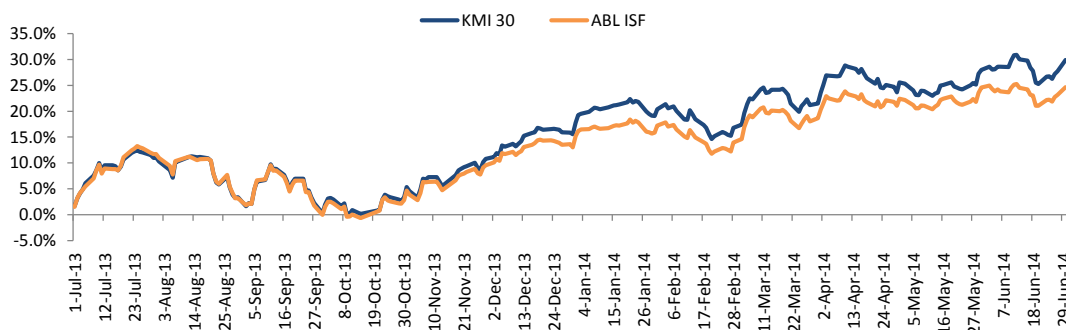
The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 5.86mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0354 per unit.

### INVESTMENT OBJECTIVE

To provide higher risk adjusted returns over the long term by investing in a diversified Islamic portfolio of equity instruments offering capital gain and dividends.

### Investment Committee

Farid A.Khan, CFA -CEO  
 Muhammad Imran - CIO  
 Faizan Saleem - Fund Manager  
 Kamran Aziz, CFA- Fund Manager  
 Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Equity Scheme
Launch Date	June 12, 2013
Net Assets	Rs 1,727.56mn as at June 30th, 2014
NAV	Rs 10.4246 as at June 30th, 2014 (Ex-Dividend)
Benchmark	KMI-30 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	3% p.a.
Front-end Load	2%
Trustee	MCB Financial Services Limited
Auditor	KPMG Taseer Hadi & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	High
Performance Ranking	N/A
Fund Manager	Kamran Aziz, CFA
Listing	Karachi Stock Exchange

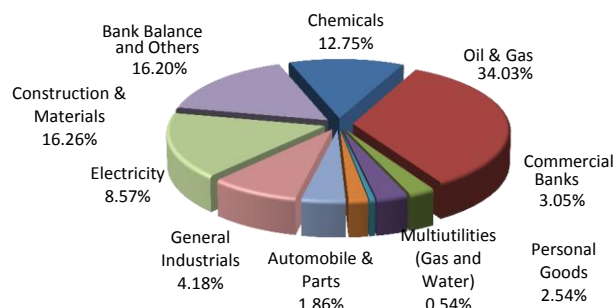
### PERFORMANCE

	ABL-ISF	KMI-30
Year to Date (YTD)*	24.67%	29.89%
Month to Date (MTD)*	0.05%	1.49%

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

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Stock/Equities	92.06%	83.80%
Bank Balances	9.27%	15.15%
Others	-1.33%	1.05%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



### TOP TEN HOLDINGS (% OF TOTAL ASSETS)

	May 31st 2014	June 30th 2014
Pakistan Oilfields	12.56%	11.99%
Hub Power Company	8.07%	8.57%
Pakistan Petroleum	8.84%	8.53%
Pakistan State Oil Co.	9.54%	7.28%
Fauji Fertilizer Company	7.09%	6.81%
D.G.K.Cement	5.82%	5.42%
Oil & Gas Development Company	5.00%	4.97%
Maple Leaf Cement	5.24%	4.92%
Lucky Cement	5.17%	4.43%
Packages Limited	5.89%	4.18%

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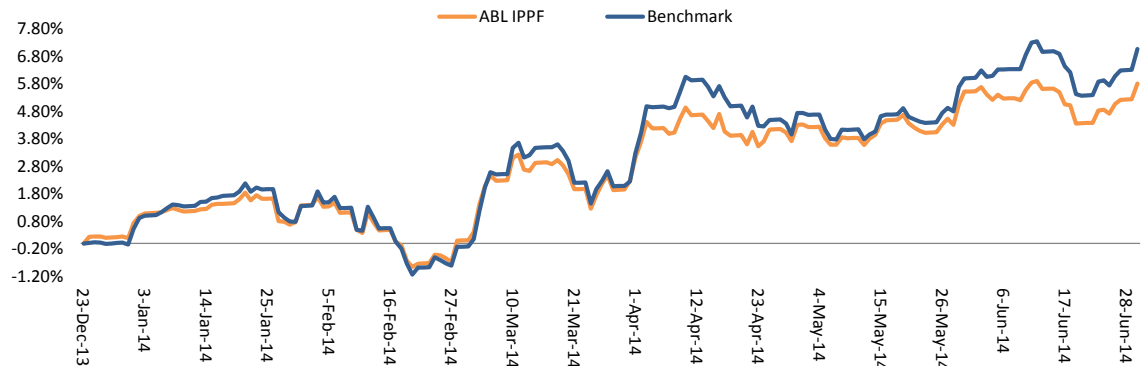


### FUND MANAGER'S COMMENTS

ABL IPPF increased by 0.30% during the month, in line with benchmark during the period under review. Using a median gradient of 3.0 times under the CPPI methodology for principal preservation, equity allocation of the fund was set at 44.0% with rest of the funds deployed in Islamic Bank deposits.

The KSE-100 closed slightly (0.3%) lower in the month of June as market fell prey to security concerns and political unrest. Further dampening the situation were constant selling from Mutual Funds seeking cash for year-end payouts as well as limited leverage financing available to retail investors, not uncommon, during year-ends. Successful UBL and PPL secondary offerings heralded a successful re-start of Pakistan's ambitious privatization process. Road shows conducted overseas for aforementioned offerings not only generated significant foreign interest in the two companies but in the Pakistan story overall (MTD FIPI of \$71.4mn excluding UBL/PPL receipts). We remain bullish on broader market and prefer staying highly invested.

The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 1.18mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0115 per unit.



### INVESTMENT OBJECTIVE

To provide higher risk adjusted return through dynamic asset allocation between Shariah Compliant Equity & Income/Money Market Scheme while preserving the principal at maturity.

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Shariah Compliant Fund of Funds Scheme
Launch Date	24-Dec-13
Net Assets	Rs 1,050.82mn as at June 30th, 2014
NAV	Rs 10.2061 as at June 30th, 2014 (Ex-Dividend)
Benchmark	Weighted Average Daily Return of KMI - 30 Index and 3M Deposit Rates of AA- & above rated Islamic Banks based on Fund's actual participation in Equity & Income/Money Market Component
Dealing Days	As per Local Stock Exchange/ Banking Days
Cutt-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	Nil (1% Management Fee p.a. Applicable on investments made in funds managed by other AMCs)
Back-end Load	Maximum 2%
Trustee	MCB Financial Services Limited
Auditors	M/S. A.F. Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	Low
Performance Ranking	N/A
Fund Manager	Muhammad Imran
Listing	Islamabad Stock exchange

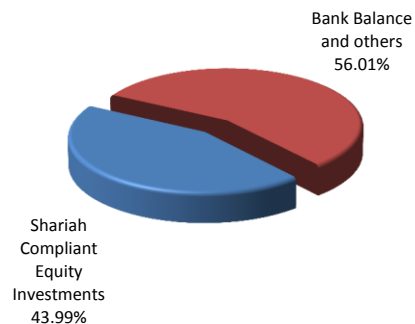
### PERFORMANCE

	ABL-IPPF	Benchmark
Year to Date (YTD)*	5.82%	7.08%
Month to Date (MTD)*	0.30%	1.01%

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

ASSET ALLOCATION (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
Shariah Compliant Equity Scheme	50.08%	43.99%
Bank Balances	48.83%	55.32%
Others	1.09%	0.70%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



TOP HOLDINGS (% OF TOTAL ASSETS)	May 31st 2014	June 30th 2014
ABL Islamic Stock Fund	50.09%	43.99%

### FUND MANAGER'S COMMENTS

ABL IPPF II increased by 0.30% during the month, in line with benchmark performance during the period under review. Using a median gradient of 3.0 times under the CPPI methodology for principal preservation, equity allocation of the fund was set at 45.5% with rest of the funds deployed in Islamic Bank deposits.

The KSE-100 closed slightly (0.3%) lower in the month of June as market fell prey to security concerns and political unrest. Further dampening the situation were constant selling from Mutual Funds seeking cash for year-end payouts as well as limited leverage financing available to retail investors, not uncommon, during year-ends. Successful UBL and PPL secondary offerings heralded a successful re-start of Pakistan's ambitious privatization process. Road shows conducted overseas for aforementioned offerings not only generated significant foreign interest in the two companies but in the Pakistan story overall (MTD FIPI of \$71.4mn excluding UBL/PPL receipts). We remain bullish on broader market and prefer staying highly invested.

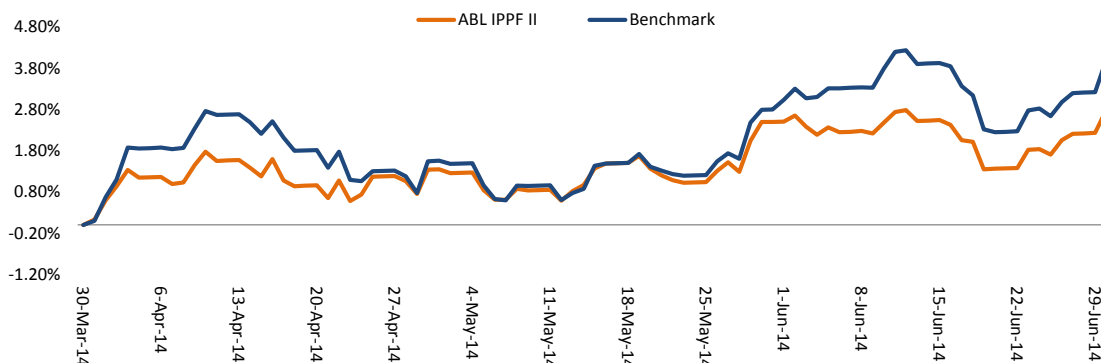
The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 0.5716mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0056 per unit.

### INVESTMENT OBJECTIVE

To provide higher risk adjusted return through dynamic asset allocation between Shariah Compliant Equity & Income/Money Market Scheme while preserving the principal at maturity.

### Investment Committee Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Shariah Compliant Fund of Funds Scheme
Launch Date	31-Mar-14
Net Assets	Rs 1,029.89mn as at June 30th, 2014
NAV	Rs 10.1428 as at June 30th, 2014 (Ex-Dividend)
Benchmark	Weighted Average Daily Return of KMI - 30 Index and 3M Deposit Rates of AA- & above rated Islamic Banks based on Fund's actual participation in Equity & Income/Money Market Component
Dealing Days	As per Local Stock Exchange/ Banking Days
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	Nil (1% Management Fee p.a. Applicable on investments made in funds managed by other AMCs)
Back-end Load	Maximum 2%
Trustee	MCB Financial Services Limited
Auditors	M/S. A.F. Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	Low
Performance Ranking	N/A
Fund Manager	Muhammad Imran
Listing	Islamabad Stock exchange

### PERFORMANCE

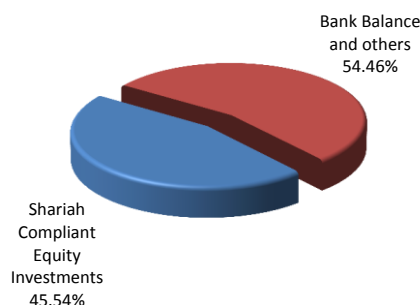
	ABL-IPPF	Benchmark
Year to Date (YTD)*	2.79%	4.01%
Month to Date (MTD)*	0.29%	1.18%

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

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	May 31st 2014	June 30th 2014
Shariah Compliant Equity Scheme	51.32%	45.54%
Bank Balances	47.20%	53.91%
Others	1.48%	0.55%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



### TOP HOLDINGS (% OF TOTAL ASSETS)

	May 31st 2014	June 30th 2014
ABL Islamic Stock Fund	51.32%	45.54%