

RATED AM3 (JCR-VIS)



INFOCUS

FUND MANAGER'S REPORT NOVEMBER 2010

WATCH



LIVE ON



Every Tuesday at 7:00pm - Repeat: Wednesday at 3:30 pm

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.

Fund Manager's Comments

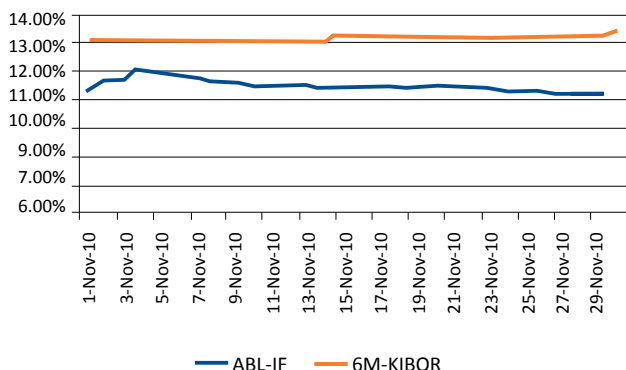
ABL-IF yielded an annualized return of 11.07% in November as opposed to 13.29% rate recorded by the newly introduced 6 months KIBOR benchmark. As per ABL-IF's categorization, the fund can hold medium to long term corporate bonds and thus the benchmark has been changed from 1 month KIBOR average to 6-month KIBOR average. Fund's return fell by 6 bps over the previous month due to mark to market adjustments on T-bills emanating from 50bps Discount Rate hike at the month end. Interest rate uncertainties, coupled by a liquid money market during most part of the month, led to continuous downward pressure on short term yields. Regardless of these constraints, ABL-IF yielded competitive returns due to a low duration of 32 days. During the period, investment in T-bills was enhanced to 70.51% whereas TDRs were reduced to 23.15%. Fund size decreased marginally by 3.5% to Rs.6,524 mn.

As expected, the State Bank of Pakistan (SBP) in its bi-monthly MPS announcement enhanced the Discount Rate by 50 bps to 14% citing high Inflation and heavy Government borrowing as the key factors. The report also highlighted concerns towards weak security and fragile economic conditions as constraints to a sustainable recovery. Increase in energy prices and the on-going impact of catastrophic floods on food prices continues to fuel CPI Inflation. Nevertheless, other factors such as unabated budgetary borrowing are adding fuel to the fire. Complications pertaining to RGST implementation can possibly delay IMF linked disbursements which can lead to further tightening of liquidity in domestic markets.

In view of the above, ABL-IF will continue to maintain a cautious stance where duration will be kept low in order to curtail volatility in the event of another rate hike. The recent increase in rates will help improve returns going ahead as money market rates have adjusted higher. Moreover, with the year end approaching, the probability of placements with banks at competitive rates can also add to the returns.

Fund Returns*	ABL-IF	6 M-KIBOR
Year to Date (YTD)	10.84%	12.58%
Trailing 12 months	10.80%	12.56%
Month to date (MTD)	11.07%	13.29%

* Returns are net of management fee & all other expenses



Basic Fund Information

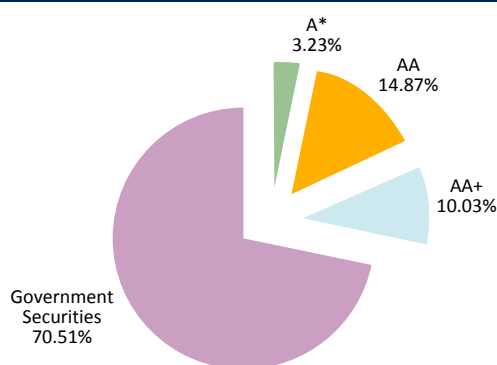
Fund Type	Open-end
Category	Income Fund
Launch Date	September 20, 2008
Net Assets	PKR 6,524 mn
NAV	PKR 10.1829
Benchmark	6 Month Kibor Average
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5%
Front-end load	NIL
Trustee	Central Depository Company 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
Weighed average time to maturity of net assets	32 days

Asset Allocation (% of Assets)	Oct '10	Nov '10
Cash	9.27%	1.76%
Placement with Banks (TDRs)	31.05%	23.15%
Reverse Repo	14.54%	3.23%
T-Bills	43.49%	70.51%
Other assets including receivables	1.64%	1.36%

Credit Quality of Portfolio (% of Assets)



Other assets including receivables account for 1.36% of Net Assets.
* A rated investments are in Reverse Repo.

Investment Committee Members:

1. Farid A. Khan, CFA - CEO
2. Muhammad Imran - CIO
3. Hammad Ali Abbas - Fund Manager
4. Kamran Aziz - Fund Manager

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

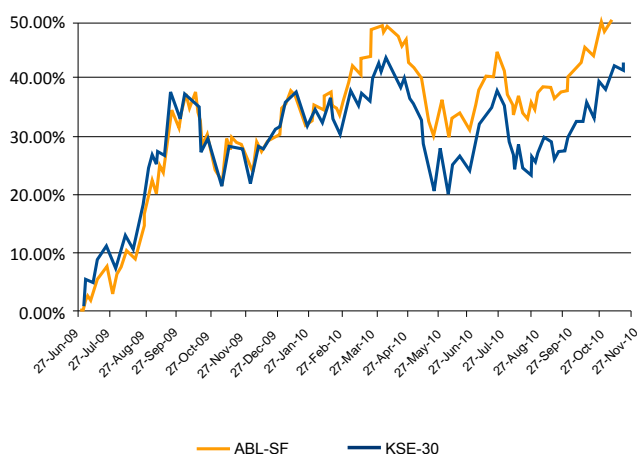
October 2010 was yet another exciting month for equities in Pakistan with KSE-100 index returning 6% amid continued foreign inflows and relative calm on the law and order front. A rejuvenated market disregarded all fears related to expected interest rate hike, adverse tax reforms and growing inflationary concerns by jumping into the positive zone. Volumes, too, surprised on the upside with Average Daily Turnover increasing by 48% m/m to \$57 mn. We attribute strong buying by large local groups and continuous foreign flows (MTD FIPI of \$39 mn) as key drivers of better performance by equities in the outgoing month.

ABL-SF slightly underperformed its benchmark during November, returning 6.21% against 6.73% appreciation in KSE-30. The underperformance is insignificant and is due to higher cash levels maintained by the fund earlier during the month due to our cautious stance on market over fears of rising interest rates and wave of additional taxes being imposed by the state. During the month, investment in Chemicals sector was enhanced from 15.1% to 17.2% of the portfolio while that in Power sector was reduced from 10.1% to 6.9%. ABL-SF as of November 30, 2010 was 85.1% invested in equities and 14.9% in T-bills and cash.

The macroeconomic environment remains challenging amidst rising inflation, increasing fiscal slippages and lack of clarity over foreign support funds. In our view, agricultural economy holds the key to economic revival. Higher prices expected for major crops and marked improvement in rural income can provide vital support to GDP growth next year. The trend is already visible in the latest industry numbers with sales of fertilizers, automobiles and cements witnessing strong rebound post floods slowdown, buoyed by rising farm incomes. December is usually quiet period for foreign flows but developments on the external front, upcoming corporate results and introduction of leverage product can prod locals to keep the momentum going.

Performance*	ABL-SF	KSE-30
Year to Date (YTD)	15.56%	13.41%
Trailing 12 months	18.36%	11.66%
Month to Date (MTD)	6.21%	6.73%

* Returns are net of management fee & all other expenses



Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28th, 2009
Net Assets (PKR)	440.9 mn as at 30 November, 2010
NAV	11.5719 as at 30 November, 2010
Benchmark	KSE-30
Dealing Days	As Per Local Stock Exchanges
Cut-off Time	4:00 PM
Pricing Mechanism	Forward
Management Fee	3% p.a
Front-end Load	3%
Trustee	Central Depository Company of Pakistan Ltd
Auditor	A.F Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM3 (JCR-VIS)
Risk Profile of the Fund	High
Performance Rating	MFR 5-Star (JCR VIS)
Fund Manager	Kamran Aziz

Technical Information

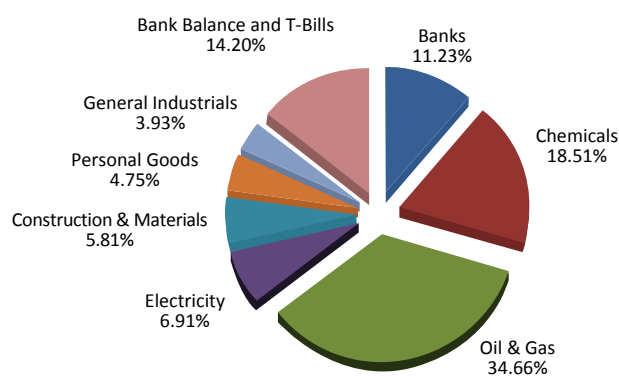
Leverage	NIL
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Top Ten Holdings (% of Assets)

Nov '10

POL	9.73%
PPL	8.35%
FFC	8.30%
ENGRO	6.71%
OGDC	6.23%
PSO	5.29%
MCB	4.85%
HUBCO	4.68%
LUCK	4.26%
THALL	3.93%

Sector Allocation (% of Assets)



Investment Committee Members:

1. Farid A. Khan, CFA - CEO
2. Muhammad Imran - CIO
3. Hammad Ali Abbas - Fund Manager
4. Kamran Aziz - Fund Manager



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 yielded an annualized return of 11.21% in October – an outperformance of 331 bps over its benchmark. The return could have been better but the 50bps hike in interest rates at the end of the month led to a fall in T-bill prices and adversely affected the return. Money market conditions were exacerbated by month end liquidity shortage which increased the volatility in even short term instruments. In anticipation of this rate hike, your fund had substantially reduced the T-bill portfolio size and its duration, which cushioned the impact of this rate movement and kept the return competitive. Fund size increased by an impressive 32.6% to Rs.4,667 mn.

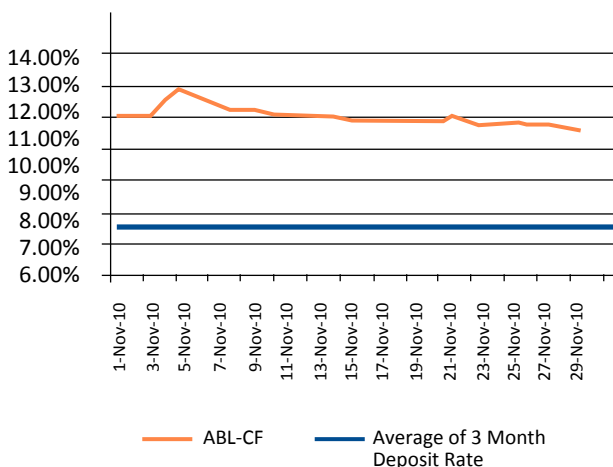
As anticipated, the State Bank of Pakistan raised the Discount Rate by 50 bps to 14% in its MPS Announcement on the 29th of November. The central bank acknowledged that food and energy led inflation is temporary but warned that excessive money creation due to unabated Government borrowing is making inflation sticky. Delays in implementation of tax reforms and weak industrial output have made revenue enhancement a daunting task. Furthermore, increase in expenditure on account of flood-rehabilitation and financing of the budget deficit continue to plague economic progress. Foreign inflows in the form of support funds and investments would strengthen reserves in the short term but sustainable private sector investment flows are essential to add impetus to economic growth.

ABL-CF will maintain its policy of keeping low duration going forward in order to optimize returns from any further increase in interest rates. The current jump in Discount Rate is likely to benefit returns going ahead considering ABL-CF's handsome T-bill allocation and low duration. Furthermore, placements in TDRs can be enhanced in December due to year end demand from banks which would benefit returns going ahead.

Fund Returns* ABL-CF 3 Month Deposit Rate

Period	ABL-CF	3 Month Deposit Rate
Year to Date (YTD)	N/A	N/A
Trailing 12 months	N/A	N/A
Month to Date (MTD)	11.21%	7.90%

* Returns are net of management fee & all other expenses



Basic Fund Information

Fund Type	Open-end
Category	Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 4,667 mn
NAV	PKR 10.1870
Benchmark	Average 3 Month Deposit rates of AA and above rated Banks
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Backward
Management Fee	1.25%
Front-end load	NIL
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3 (ICR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	AA+(f) (ICR-VIS)
Fund Manager	Hammad Ali Abbas

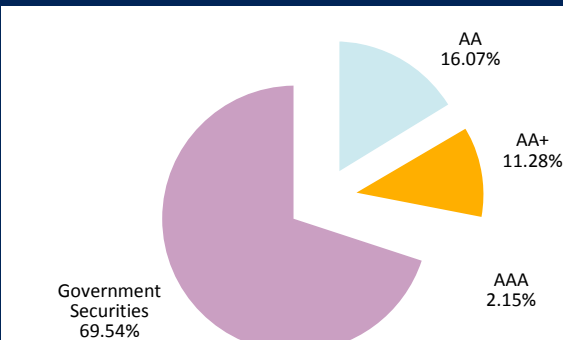
Technical Information

Leverage	NIL
Weighed average time to maturity of net assets	32 days

Asset Allocation (% of Assets) Oct '10 Nov '10

Cash	5.81%	5.42%
Placement with Banks (TDRs)	25.85%	20.36%
Money Market Placements	0.00%	3.72%
T-Bills	67.38%	69.54%
Others including receivables	0.96%	0.96%

Credit Quality of Portfolio (% of Assets)



Receivables account for 0.96% of Net Assets.

Investment Committee Members:

1. Farid A. Khan, CFA - CEO
2. Muhammad Imran - CIO
3. Hammad Ali Abbas - Fund Manager
4. Kamran Aziz - Fund Manager



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.

ABL-ICF yielded an annualized return of 9.64% in October – beating its benchmark by 258 bps and improving its last month's return by 46 bps. The fund increased its allocation towards Islamic Term Deposits during the month as whispers of an imminent rise in Discount Rate led banks to offer competitive returns. Term Deposit allocation rose to 61.6% of the fund size as a result of this action. Fund size during the period remained steady and closed at Rs.405.61 mn.

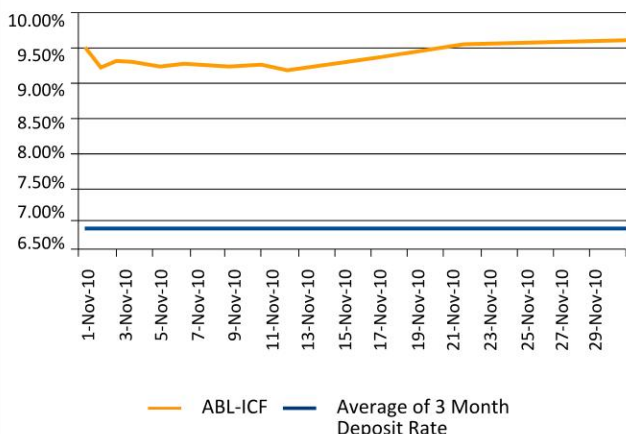
Weak economic conditions, exacerbated by high inflation, forced central bank to increase the Discount Rate by 50 bps to 14%. This adjustment has caused money market rates to rise and has cast doubts over any near term recovery in the macro indicators. Although forex inflows in the form of remittances and support funds are providing some recourse to macroeconomic conditions, they are not sufficient to kick start a recovery or put the country on course for sustainable growth. In the absence of fiscal reforms and efforts to broaden the tax base, Government borrowing is surging which is crowding out private sector credit and fueling inflation. This is also a source of rising Net Domestic Assets to Net Foreign Assets ratio which has a strong correlation to CPI inflation.

Based on the above, ABL-ICF will continue to maintain a low risk, short duration portfolio with investments geared towards liquid and AA rated investment avenues only. As year end is approaching, we expect deposit rates to strengthen further which can potentially improve fund returns going forward.

Fund Returns*

	ABL-ICF	3 Month Deposit Rate
Year to Date (YTD)	N/A	N/A
Trailing 12 months	N/A	N/A
Month to Date (MTD)	9.64%	7.06%

* Returns are net of management fee & all other expenses



Basic Fund Information

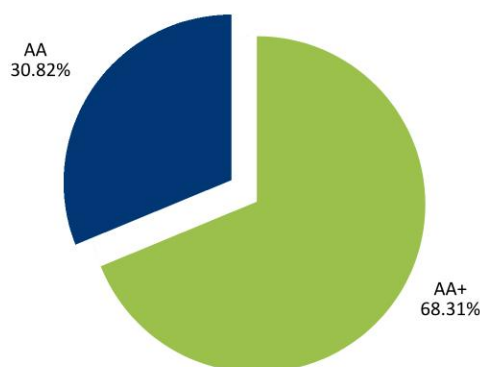
Fund Type	Open-end
Category	Islamic Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 405.61 mn
NAV	PKR 10.1557
Benchmark	Average of 3 Month Deposit rates of 3 Islamic Banks
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.0%
Front-end 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
Weighed average time to maturity of net assets	35 days

Asset Allocation (% of Assets)	Oct '10	Nov '10
Cash	68.43%	37.50%
Term Deposit	30.81%	61.64%
Others including receivables	0.76%	0.87%

Credit Quality of Portfolio (% of Assets)



Receivables account for 0.87% of Net Assets.

Investment Committee Members:

1. Farid A. Khan, CFA - CEO
2. Muhammad Imran - CIO
3. Hammad Ali Abbas - Fund Manager
4. Kamran Aziz - Fund Manager





3 steps to Invest in ABL AMC FUNDS

STEP ONE

Contact Us:

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

STEP TWO

Investment Process

Forms

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

Payment Mode

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

Documents to be attached

- ▶ **For Individuals:**
 - ▶ Copy of CNIC (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 Dakhan	0321-2014622	Clifton Branch
Raheel Khawar Kamal	0345-2584931	S.I.T.E. Branch
Mushtaq Ur Rehman	0300-2417978	Hyderi Branch
Branch Manager	021-35301958	Zamzama Branch
Shoaib Shoukat	0333-5473547	Foreign Exchange Branch
Muhammad Naeem	0321-2393830	Hassan Square Branch
Farhana Masood	0300-3340640	Shahrah-E-Faisal Branch
Shahid Ali Chishti	0300-2127537	Karimabad Branch
Branch Manager	021-34554409	Tariq Road. Branch
Branch Manager	021-32430353	Cloth Market Branch
Syed Ayaz Hussain	0322 2530409	Khayaban- E- Badar Branch
Farrukh Khan	0345 3572181	Korangi Industrial Area Branch
Syed Muneeb Hassan	0345-3149239	Bath Island Branch
Branch Manager	021-35678779	Zaib-un-Nissa Street Branch
Lahore		
Muhammad Yasir	0333-4306795	Y-Block DHA Branch
Waqar Ahmad Paracha	0300-8840151	Kashmir Road Branch
Malik Faisal Faryad	0300-4619625	Mall Road Branch
Aamir Aslam	0321-4175607	PAF Base Branch
Zahra Sabahat	0321-9440359	Brandreth Road Branch
Islamabad		
Iftikhar Hameed Khan	0333-5607962	Blue Area Branch
Zahir Mehmood Khan	0346-9273633,	I-8 Markaz Branch
M. Rashid Qayyum	0345-5923766	F-6 Markaz Branch
Branch Manager	051-2292830	G-11 Markaz Branch
Branch Manager	051-2293980	F-10 Markaz Branch
Arif Raza	0333-8505435	Chaklala Branch
Branch Manager	051-5510001	Adamjee Road Branch
Multan		
Hafiz Tariq	0301-7570040	Chowk Rasheed Branch
Fizza Hassan	0321-4339404	Abdali Road Branch
Saira Habib	0342-7012691	Multan Cantt Branch
Branch Manager	061-4552551	Shah Rukn-e-Alam Branch
Branch Manager	061-4573100,	Nawan Sheher Branch
	4570705	
Faisalabad		
Mughees Ahmad Sheikh	0332-8663525	Peoples Colony Branch
Branch Manager	041-8813202	Jail Road. Branch
Gujranwala		
Sidra Iqbal	0336-4655633	Zia Plaza Branch
Hayderabad		
Haider Abbas	0321-3051874	Civic Center Branch
Sahiwal		
Asif Mehmood	0314-3600421	High Street Branch
Rahimyarkhan		
Branch Manager	068-5889717	Shahi Road Branch
D.G.Khan		
Branch Manager	064-2471355	Azmat Road Branch
Bahawalpur		
Fahad Husnain Lashari	0301-7755667	Fareed Gate Branch
Gujrat		
Branch Manager	053-3525350	G.T. Road Branch
Abbotabad		
Branch Manager	0992-330889	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 Branch
Jhelum		
Branch Manager	054-4622993	Cantt Branch

CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)

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Email: contactus@ablmc.com

Website: www.ablmc.com



ABL Asset Management

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