

RATED AM3 (JCR-VIS)



# INFOCUS

FUND MANAGER'S REPORT, DECEMBER 2008



- One of the highest rate of return in the industry
- No Exposure in TFC's
- No Exposure in CFS
- Fund stability rating of "A(f)"
- Tax rebate on investment

**Disclaimer:** All investments in mutual funds are subject to market risks. The investors are advised in their own interest to carefully read the contents of the offering document in particular the Investment Policies mentioned in clause 2.2, Risk Factors mentioned in clause 2.7 and Warnings in clause 10 before making any investment decision.

UNIT PRICE as on 31st December 2008: Rs. 10.0088 (Rs. 10.4254 including dividend)

## ABOUT

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 INCOME FUND

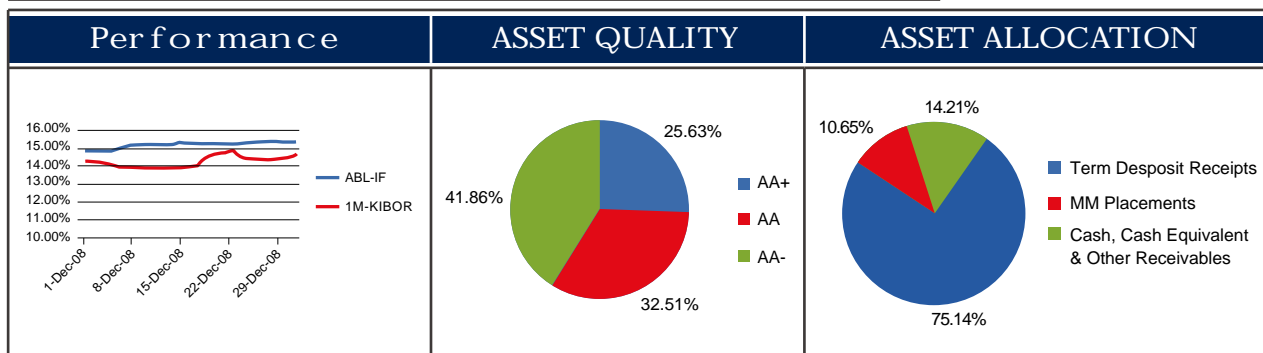
ABL-IF's annualized return for December increased by 0.59%, to 15.40%, as compared to its previous month's annualized return of 14.81%. Since its inception, the fund has performed well, consistently generating improved returns on regular basis. Due to year end, deposit rates remained under pressure and considering ABL-IF's low duration the fund availed the opportunity and hence yielded better returns. Your fund also announced a dividend of 4.165% on December 31st, paying its unit holders 100% of the income earned since inception. The fund size increased by 8.09%, from Rs.1,842 million, to Rs. 1,991 million over the month, after the dividend payout.

ABL-IF is invested in instruments of low duration as evident by its duration (37 days). Furthermore, its Sharpe Ratio of 2.91 reflects superior risk adjusted returns to the unit holders.

During the month, the money market remained fairly liquid due to various liquidity easing measures introduced by the SBP. GoP's borrowing from SBP for budgetary support totaled Rs.411 bn, during current fiscal year till December 13. This shows that the GoP is still heavily dependent on SBP for deficit finance. This distorts interest rates and also creates inflationary pressures on the economy. Inflation has depicted a slight decline over the month, though it is still very high on a YoY basis. Foreign currency reserves have also improved during the month primarily due to support from IMF under Stand-by Arrangement. Considering the prevailing market conditions and high interest rate scenario ABL-IF will remain conservative pertaining to its asset allocation.

performance					
ABL Income Fund	Since Launch	Oct 2008	Nov 2008	Dec 2008	2QFY09
Annualized Performance (%) *	15.07%	14.68%	14.81%	15.40%	15.16%
Benchmark: (Average 1-Month KIBOR%)	14.26%	14.30%	14.28%	14.24%	14.27%
Profit on Rs. 100,000 invested**	Rs. 4,254	Rs. 1,247	Rs. 1,218	Rs. 1,308	Rs.3,820
Dividend %					4.165%

\* Returns are net of management fee & all other expenses  
\*\* Represents cumulative profit for the respective periods



## GENERAL INFORMATION

Launch Date	September 20 <sup>th</sup> , 2008
Fund Size	Rs. 1,991 million
Type	Open end, Fixed Income Fund
Fund Rating	A(f) - JCR-VIS
Risk Level	Low
Fund Manager	Hammad Ali Abbas
Listing	Karachi Stock Exchange
Custodian & Trustee	Central Depository Company (CDC)
Front/Back end Load	0%
Management Fee	1.5% per annum
Auditors	A.F. Ferguson & Co
Benchmark	1-Month KIBOR Average
Minimum Subscription	Growth Unit : Rs. 5,000/- Income Unit : Rs. 50,000/-

## TECHNICAL INFORMATION

Duration	37 days
Standard Deviation	0.63%
Sharpe Ratio***	2.91

\*\*\*3M PKRV Rate used as Risk Free Rate of Return

## TOPIC OF THE MONTH

ABL-IF announced an interim dividend of Rs.0.4165 per unit (4.165% of the par value of Rs. 10) for the quarter ended 31st December 2008. During the period ABL-IF distributed 100% of the profits earned to its unit holders.

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