

UNIT PRICE as on 31st July 2009: Rs. 10.1137

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.

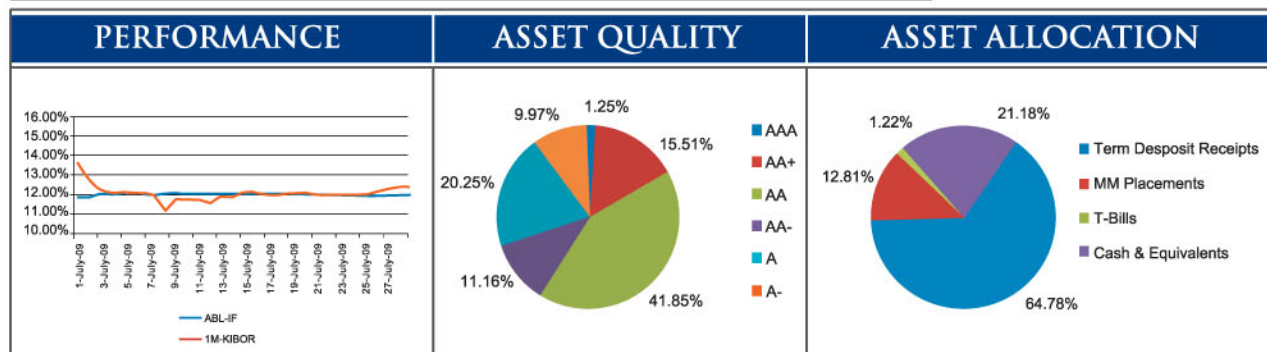
FUND MANAGER'S COMMENTS - ABL INCOME FUND

The monthly annualized return of ABL-IF was 12.03%, 0.54% lower than the previous annualized monthly return of 12.57%. ABL-IF's 1-Month KIBOR Benchmark rate also yielded a monthly average rate of 12.03% and decreased by 132 bps on a MoM basis as opposed to ABL-IF's 54 bps decrease. The reason for a MoM decline in returns is attributable to a fall in interest rates across the market during the month in focus. TDR rates plummeted right after June end by 150-200 bps. Moreover, the MoM average rate of 6-Months KIBOR also reduced by 116 bps thereby providing some reprieve to the industry.

Due to expectations of an interest rate cut in the much awaited Monetary Policy Statement in July, market sentiments led to a drop in yields much before the announcement. Cut off yields on T-Bills declined consecutively during June and July. Subsequently, an unexpected delay in the MPS, which is now to be declared on August 15, 2009, dampened market sentiments thus leading to an increase in yields towards the end of July. Consequently, 1-Year T-Bill cut off yields increased by 34 bps in the auction held on July 29, 2009 as compared to the previous auction which was held on July 15, 2009. This subsequently led to an increase in secondary market yields. However, the Ministry of Finance provided assurance that the upcoming meeting with the IMF on August 07, 2009 would be successful and that a drop in the Discount Rate is imminent. This accordingly led to an immediate decrease in yields. Such an accomplishment would be beneficial in terms of capital gains on investments in debt instruments and would provide much relief to the industry. ABL-IF has already started to build up its T-Bill portfolio and is expected to benefit from any such Discount Rate cut in the future.

PERFORMANCE					
ABL Income Fund	Since Launch	2HFY09	4QFY09	June 2009	July 2009
Annualized Performance (%) *	14.31%	14.15%	12.55%	12.57%	12.03%
Benchmark: (Average 1-Month KIBOR%)	13.34%	13.03%	13.38%	13.35%	12.03%
Profit on Rs. 100,000 invested**	12,235	6,619	2,992	978	969
Dividend %	10,598%	6,433%	2,971%		

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



GENERAL INFORMATION

Launch Date	September 20 th , 2008
Fund Size	Rs. 7,340 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	61 days
Standard Deviation	1.78%
Sharpe Ratio***	0.95

***3M PKRV Rate used as Risk free rate of return

TOPIC OF THE MONTH

The SBP announced that the Monetary Policy Statement has been postponed to the 15th of August 2009 due to anticipation of a lower inflation figure in July. This has built up market expectation of a 100 – 150 bps cut in the Discount Rate.

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