

UNIT PRICE as on 30<sup>th</sup> July 2009: Rs. 10.6514

## ABOUT US

ABL-SF aims to provide higher risk-adjusted returns to the investors by investing in diversified portfolio of equity instruments offering capital gains and dividends. The fund is benchmarked to KSE-100 index. In case the Management Company expects the stock market to drop, based on the analysis of macroeconomic factors such as interest rates, economic growth rates, political climate, corporate earnings and stock market valuations the Management Company may temporarily allocate assets to other Authorized Investments, subject to the prescribed regulatory limits.

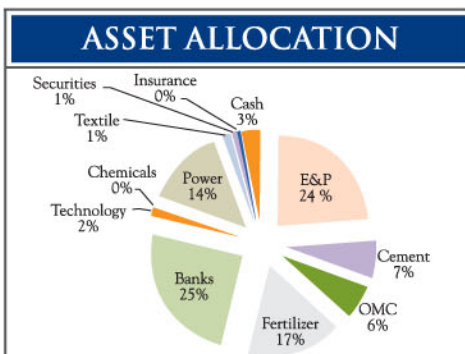
## FUND MANAGER'S COMMENTS - ABL STOCK FUND

This is our introductory FMR and we are happy to announce that during the month under review your fund generated a return of 6.74% along with an inception to date appreciation of 6.51%. Stock market in the month of July exhibited rather erratic behavior. Positive new flows such as lower inflation numbers, expected cut in discount rate, reintroduction of deliverable futures and healthy foreign inflows helped KSE-100 to cross 7,850 level on July 23, 2009. However, postponement of monetary policy in late July and concerns over release of third tranche from IMF deteriorated investor's confidence and KSE-100 retracted much of the gains made earlier in the month hitting back to levels of 7,490 on July 30<sup>th</sup>, 2009. Things once again reversed on Friday the 31<sup>st</sup> when Mr. Shaukat Tareen assured resolution of circular debt by August 15<sup>th</sup>, hinted at discount rate cut in the still awaited monetary policy and showed confidence in securing additional loan from IMF in the meeting on August 7<sup>th</sup>, KSE-100 added 230 points on Friday closing the month on a positive note.

Your fund at present is heavily invested into defensive and value sectors like Power, Fertilizers and E&P with low PERs and high dividend yields. It also has significant exposure in the banking sector, which is currently trading at highly attractive multiples. In accordance with our broad strategy we will modify fund's exposures in specific sectors as and when economic and business cycles take a turn. We also take comfort in the fact that ABL-SF holds highly liquid stocks.

PERFORMANCE		
	Since Launch	July
ABL SF*	6.51%	6.74%
Benchmark (KSE-100)	7.79%	7.80%
Profit on Rs. 100,000 invested <sup>***</sup>	6,514	6,741
* Returns are net of management fee & all other expenses		
** Represents profit earned by investing Rs. 100,000 in ABL-SF		

TOP FIVE HOLDINGS (ALPHABETICAL ORDER)	
1	Engro
2	Hub Power
3	MCB
4	OGDC
5	POL



KEY STATISTICS	
Information Ratio <sup>***</sup>	n/a
PE - 2009*	6.15
PE - 2010*	6.00
Dividend Yield - 09*	6.70
Dividend Yield - 10*	8.20

\*Based on average sell-side estimates and represents 80% of the portfolio  
 \*\* Not applicable as it was below zero

## GENERAL INFORMATION

Launch Date	June 28 <sup>th</sup> , 2009
Fund Size	Rs. 235.5 million
Type	Open end, Equity Fund
Risk Level	Medium
Listing	Karachi Stock Exchange
Custodian & Trustee	Central Depository Company (CDC)
Front end Load	3%
Management Fee	3% per annum
Auditors	A.F. Ferguson & Co
Benchmark	KSE-100 Index
Minimum Subscription	Growth Unit : Rs. 5,000/-

## FUTURE OUTLOOK

Key triggers that we foresee in near future include release of third tranche and approval of additional loan by the IMF, progress on resolution of circular debt, lower inflation numbers for July 2009, 100-150 bps discount rate cut expected on August 15<sup>th</sup> and launch of more leveraged products especially margin financing. We expect market to continue its upward drive with large cap stocks leading the rally. However, we believe it is important for trading volumes to pick up in order to make any rally sustainable and for overall strengthening of the market. Introduction and rationalization of leveraged products in the market thus will be a key event to track in the upcoming period(s).

## QUOTE OF THE MONTH

"The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd".

- Warren Buffett

### CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)  
 UAN: (021) 111-ABL-AMC (111-225-262)  
 Email: [contactus@ablmc.com](mailto:contactus@ablmc.com)  
 Website: [www.ablmc.com](http://www.ablmc.com)