

## FUND'S PORTFOLIO/ INVESTMENT INFORMATION

Asset Allocation (% of Assets)	Dec. 2009	Jan. 2010
Cash	6.05%	4.82%
Placements with Banks (TDRs)	60.99%	42.97%
Placements with DFIs (COIs)	11.72%	9.30%
Reverse Repo against Govt. Securities	0.00%	0.00%
Money Market placements	0.00%	21.18%
Treasury Bills	18.99%	17.64%
Others including receivables	2.25%	4.09%

### Technical Information

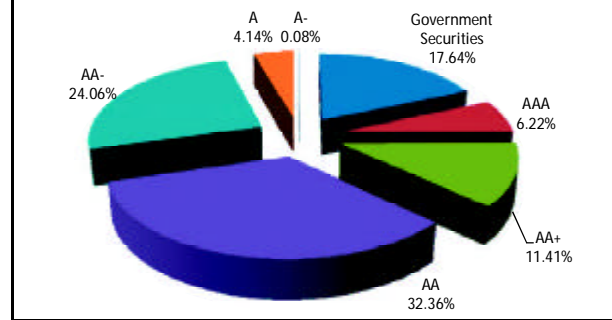
Technical Information	ABL-IF
Leverage	NIL
Weighted average time to maturity of the net assets	56 days

### Fund Returns

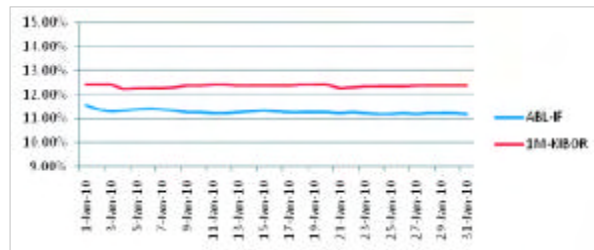
	ABL-IF	Benchmark *
Year to date (YTD)	11.23%	12.51%
Trailing 12 months	12.07%	12.69%
Month to date (MTD)	11.19%	12.36%

\* 1 Month Kibor Average

### Credit Quality of Portfolio (% of Assets)



\* Receivables account for 4.09% of Net Assets.



## Fund Manager's Comments

During the month of January, ABL-IF earned a stable annualized return of 11.19%. The fund locked in placements in TDRs and COIs at high rates in the preceding month on account of year end crossing. On a MoM basis the fund size grew by 26% to PKR9.681 billion. Nevertheless, returns remained competitive compared to other funds maintaining similar asset classes. Furthermore, T-bill prices depicted a slight increase during the month due to low auction targets coupled with excess liquidity available with banks and corporate entities. This led to slight capital gain on ABL-IF's T-bill portfolio as well. However fiscal uncertainties and untamed inflation are risks that may lead to a tight Monetary Policy. This in turn could augment market to market volatility on T-bills. Thus ABL-IF is maintaining a T-bill portfolio of 17.64% of its fund size. Majority investments are in TDRs which are 42.97% of the fund size followed by Money Market placements including COIs which are 30.47% of the fund size.

As widely expected, the SBP in its bi-monthly MPS announcement maintained the Discount Rate at 12.50%. Global economic recovery has led to a demand for exports with a subsequent increase in private sector credit where GDP growth for FY10 is projected at 3%. As a consequence, macroeconomic stability has improved facilitated by implementation of reforms and cut in interest rates. Nevertheless, risks to the economy remain which seem to justify the decision to maintain rates by the SBP. Fiscal uncertainties, commodity price hike coupled by power shortages and a grave security situation are likely to fuel inflation going ahead. Furthermore, meeting of the FY10 Fiscal deficit target of 4.9% of GDP seems to be a tough challenge for the Government under the prevailing circumstances. This could in fact lead to an increase in borrowing by the Ministry of Finance (MoF) from both the banking system and non-bank sources.

Based on the above ABL-IF is maintaining a comfortable duration of 56 days entailing investments in TDRs with good rated counters and in T-bills. Consistent analysis on economic dynamics is likely to influence future decisions pertaining to investments especially in Sovereign Debt Instruments.

### Basic Fund Information

Fund Type	Open-end
Category	Income Scheme (Not categorized as per SECP's categorization)
Launch Date	September 20, 2008
Net Assets (Rs.)	9,681 mn as at January 31, 2010
NAV Per Unit (Rs.)	10.0999 as at January 31, 2010
Benchmark	1 Month Kibor Average
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5% per annum
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)
Fund Stability Rating	A+(f) (JCR-VIS)
Risk Profile of the Fund	Low

### Investment Objective:

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.

### Investment Committee Members:

1. Sulaiman S. Mehdi - COO & Company Secretary
2. Hammad Ali Abbas - Fund Manager
3. Saqib Matin, ACA - CFO

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### Disclaimer

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**ABL Asset Management**

Discover the potential