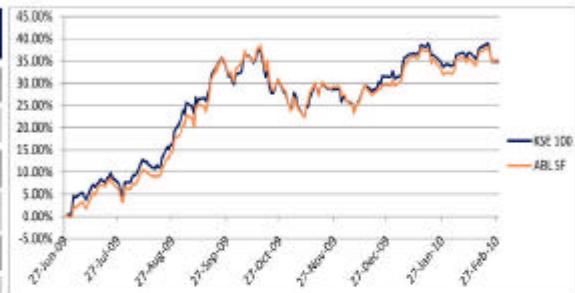


FUND'S PORTFOLIO/ INVESTMENT INFORMATION

Top Ten Holding (% of Assets)	Jan. 2010	Feb. 2010
HUBCO	9.81%	9.99%
PPL	9.89%	9.56%
PSO	9.46%	9.11%
POL	9.29%	9.01%
ENGRO	9.35%	8.16%
ABL	7.86%	7.88%
MCB	3.82%	5.96%
FFC	5.02%	4.75%
LUCK	2.45%	4.38%
MEBL	3.62%	3.42%
DAWH	5.55%	3.28%



Performance	ABL-SF	KSE-100
Year to Date*	35.41%	34.84%
Trailing 12 months*	n/a	n/a

*Returns are net of management fee & all other expenses

Fund Manager's Comments

February 2010 was fourth dull month in a row for equity investors at local bourses. Volumes, just like past three months, were either low or concentrated in third-tier stocks as most investors refrained from actively participating in the market. Foreign participation was better than previous month with net FPI figures showing an inflow of 16.7 mn dollars for the month of February.

Resignation of Finance Minister, finalization of capital gains tax structure for upcoming budget and clash between executive and judiciary, which nearly triggered a political fiasco were the events that marked the outgoing month. Though the latter issue was peacefully resolved during the month uncertainty on appointment of new Finance Minister and implementation of capital gains tax continued to haunt the market. As a result, we witnessed KSE-100 undergoing nearly 300 points correction in last five working days of February albeit with low volumes. ABL-SF returned 2.07% during the month under review against 0.45% appreciation in KSE-100, which is an outperformance by 163 basis points. On since inception basis ABL-SF is showing a return of 35.12% against 34.83% return of its benchmark, which reflects an outperformance by 29 basis points.

During February the fund increased its exposure in Cement sector while exposure in Fertilizers was slightly reduced. Higher than expected cement sales, possible increase in middle-eastern cement prices and news about Indian government levying excise duty on cement exports should attract some attention in the sector, which underperformed the broader index in recent past. Exposure in Fertilizers (Engro and Dawood Hercules mainly) was reduced as part of a tactical move. The lost exposure will likely be rebuilt as and when the opportunity arises.

We continue to like Pakistani market in spite of all the negatives highlighted. We believe current doubts on macro outlook is mainly on account of fear that promised foreign flows will not materialize. Given recent successes in the ongoing military operations in tribal areas we find it likely that the promised flows, though may get delayed, will protect the down-side risk to economy. Security situation has considerably improved over past few weeks and will soon get noticed by both local and foreign investors. Trading at forward PE of 8.2 times and offering a dividend yield of 7% any correction in the market only makes the local stocks more attractive. Nearly 65% of ABL-SF comprises of stocks/sectors that are directly hedged against inflation and/or rupee depreciation while more than 85% of fund contains stocks that historically have beaten the inflation. Corporate results for period ended December 31 2009 have been exceptionally good with both blue-chip and mid-cap stocks surprising investors by and large. Weakness in market, thus, is time driven and not fundamentals driven. We continue to recommend selective exposure in equities to our investors.

Investment Objective:

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.

Investment Committee Members:

1. Sulaiman S. Mehdi - COO & Company Secretary
2. Kamran Aziz - Fund Manager
3. Saqib Matin, ACA - CFO

Sector Allocation (% of Assets)	Jan. 2010	Feb. 2010
Banks	24.14%	23.75%
Fertilizers	19.92%	16.19%
E&P	19.18%	18.57%
OMCs	15.55%	14.99%
Power	11.97%	11.72%

Asset Allocation (% of Assets)	Jan. 2010	Feb. 2010
Placement with Banks and DFIs	2.98%	7.04%
Stocks	97.02%	92.26%

Technical Information	ABL-SF
Leverage	NIL

Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28, 2009
Net Assets (Rs.)	415,644,831 as at February 28, 2010
NAV Per Unit (Rs.)	13.5123 as at February 28, 2010
Benchmark	KSE-100 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	3.0% per annum
Front-end load	3.0%
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	High

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Disclaimer

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ABL Asset Management

Discover the potential