

UNIT PRICE as on 30<sup>th</sup> SEPTEMBER 2008: Rs.10.0418

## 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

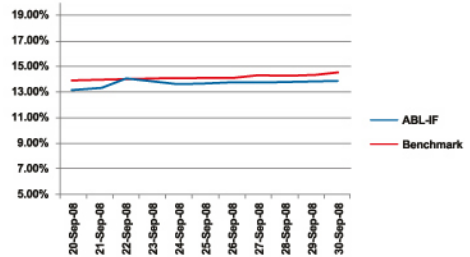
This is the first monthly report since the launch of ABL Income Fund. ABL-IF, with an asset size of Rs.1,723 million has earned a return of 13.87% p.a since inception. The Fund's return increased gradually over the period in line with the consistent investments. Irrespective of the increase in the benchmark rate averaging 14.13% during the period, ABL-IF being a new entrant performed fairly well. At present, your fund is primarily invested in Term Deposit Receipts and in the Money Market placements offering superior returns compared to conventional investments whilst maintaining a low duration. Due to the current interest rate scenario your fund is invested in liquid assets in order to benefit from any interest rate enhancements.

Our financial sector has not been directly affected by the global financial turmoil; in fact foreign direct investments have increased by 64% YoY. Though on the other hand, foreign portfolio investments have dampened, coupled by external commodity pressure, monetization of fiscal deficit, rating downgrades and liquidity outflow that has led to a liquidity crunch. Thus, it is expected that pressures on interest rates are to persist in the coming months. In view of the above factors our focus will remain in favor of short term liquidity and investments in attractively priced corporate debt instruments of companies with non-cyclical business models having secure balance sheets.

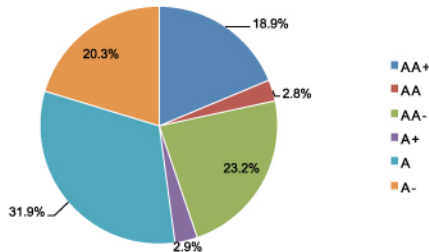
ABL Income Fund shall remain invested in instruments with a low duration whilst earning high returns. It will manage its risk profile by thoroughly analyzing its investments. Looking ahead, your fund's returns are expected to increase as per the prevailing market dynamics.

## PERFORMANCE

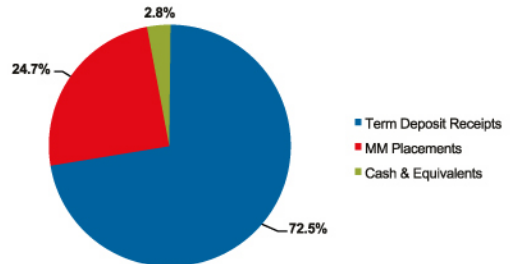
ABL Income Fund	Since Launch, September 20 <sup>th</sup> , 2008
Annualized Performance (%)	13.87*
Benchmark: (Average 1-Month KIBOR%)	14.13
Profit on Rs.50,000 invested	Rs.209 **
* Returns are net of management fee & all other expenses ** Represents cumulative profit since inception	



## ASSET QUALITY



## ASSET ALLOCATION



## GENERAL INFORMATION

Launch Date	September 20 <sup>th</sup> , 2008
Fund Size	Rs.1,723 million
Type	Open end, Fixed Income Fund
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
Minimum Subscription	Growth Unit : Rs.5,000/- Income Unit : Rs.50,000/-

## TECHNICAL INFORMATION

Duration	27 days
Standard Deviation	0.64%
Sharpe Ratio	2.02

### DEFINITIONS

- Standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility.
- Sharpe ratio describes how much excess return you are receiving for the extra volatility that you endure for holding a riskier asset.
- Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates.

### CONTACT US:

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**ABL Asset Management**

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