

RATED AM3 (JCR-VIS)



INFOCUS

FUND MANAGER'S REPORT, JANUARY 2009



- One of the highest rate of return in the industry
- No Exposure in TFCs
- No Exposure in CFS
- Fund stability rating of "A(f)"
- Tax rebate on investment

UNIT PRICE as on 31st January 2009: Rs. 10.1381

ABOUT

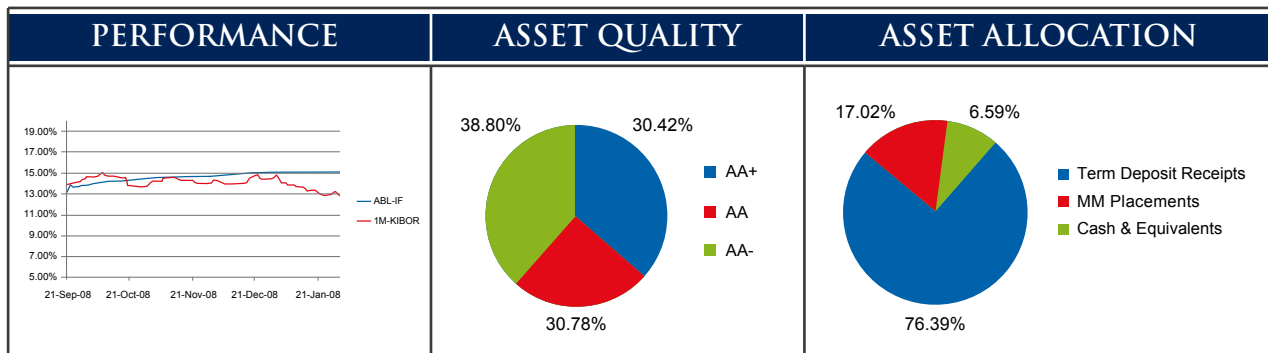
The objective of ABL Income Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium, and long-term instruments, both within and outside Pakistan.

FUND MANAGER'S COMMENTS - ABL INCOME FUND

ABL-IF yielded an annualized return of 15.21% for the month of January. This was slightly lower as compared to the previous month's return due to drastic reduction in profit rates being offered on Term Deposits Receipts (TDRs) and Money Market (MM) Placements. However, ABL-IF's performance as compared to its benchmark has improved, as its spread over one month KIBOR increased to 1.75% as compared to 1.16%, previously. The fund is entirely invested in TDRs, MM placements and Cash, following the policy of locking-in placements at higher rates whilst managing liquidity. Presently, the fund has no investments in Term Finance Certificates. During the month the fund size increased by 18% to Rs.2,352 million.

In January the money market remained fairly liquid, a trend being witnessed since the past few months. With Pakistan's entrance in the IMF Program there was a threat of another discount rate hike, but due to reduction in inflation and increase in foreign exchange reserves, SBP maintained interest rates in the Monetary Statement Policy (MPS) announced at January end. We expect interest rates to remain stable in the short term with a high probability of a rate cut within the next six months. The Treasury Bill auction held on the 28th of January attracted more bids in 1 year as opposed to 3 months T-Bills, a divergence from the recent historical trend. Furthermore, cut-off rates came down in both tenures. With inflation on the decline, it is expected that liquidity would be maintained. ABL-IF intends to lock in placements at high rates while managing the funds short term duration. Furthermore, limited investment in TFCs issued by sound entities is being explored.

PERFORMANCE					
ABL Income Fund	Since Launch	Nov 2008	Dec 2008	Jan 2009	2QFY09
Annualized Performance (%) *	15.11%	14.81%	15.40%	15.21%	15.16%
Benchmark: (Average 1-Month KIBOR%)	14.07%	14.28%	14.24%	13.46%	14.27%
Profit on Rs. 100,000 invested**	Rs. 5,546	Rs. 1,218	Rs. 1,308	Rs. 1,292	Rs.3,820
Dividend %					4.165%
* 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. 2,352 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	53 days
Standard Deviation	0.66%
Sharpe Ratio***	2.75

***3M PKRV Rate used as Risk Free Rate of Return

TOPIC OF THE MONTH

On January 12, 2009, TFC prices were revalued based on the MUFAP price discovery method which uses volume weighted average prices. Previously, SECP's directive on discounting TFCs based on their ratings led to a collapse in NAVs of Fixed Income Funds that had invested in TFCs. However, the new mechanism is reflecting a more realistic price of TFCs, but overall gains are yet to be experienced as the TFC secondary market has not recouped its previous losses.

CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)
UAN: (021) 111-ABL-AMC (111-225-262)
Email: contactus@ablamc.com
Website: www.ablamc.com



ABL Asset Management

Discover the potential