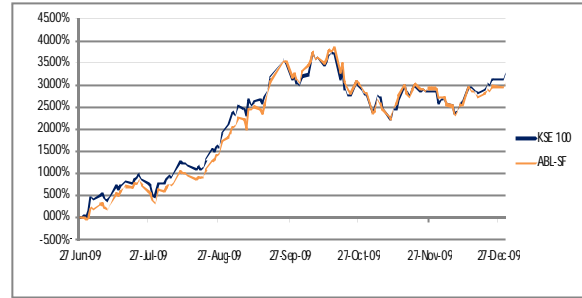


## FUND'S PORTFOLIO/ INVESTMENT INFORMATION

Top Ten Holding (% of Assets)	Nov. 09	Dec. 09
POL	9.62%	9.90%
HUBCO	9.57%	9.76%
PSO	9.62%	9.48%
ENGRO	9.48%	9.01%
ABL	3.25%	7.56%
PPL	10.01%	7.06%
DAWH	5.40%	5.61%
UBL	5.52%	5.02%
KAPCO	3.80%	3.73%
MCB	2.55%	3.69%



Sector Allocation (% of Assets)	Nov. 09	Dec. 09
Banks	23.38%	23.24%
Fertilizers	15.86%	17.51%
E&P	19.63%	16.96%
Power	13.36%	13.49%
OMCs	12.73%	12.68%

Asset Allocation (% of Assets)	Nov. 09	Dec. 09
Placement with Bank and DFIs	3.23%	6.94%
Stocks	96.77%	93.06%

Technical Information	ABL-SF
Leverage	NIL

Performance	ABL-SF	KSE-100
Year to Date*	29.72%	31.06%
Trailing 12 months*	n/a	n/a

\*Returns are net of management fee & all other expenses

### Fund Manager's Comments

December 2009 was yet another dull month for equity investors at local bourses. Volumes, just like the previous month, were low as market participants preferred to stay on sidelines amidst worsening security situation. Most significant events during the month were receiving of fourth tranche from IMF and signing of NFC award both of which were taken positively by the market. Your fund returned 0.12% during the month under review against 1.96% appreciation in KSE-100, its benchmark. On since inception basis ABL-SF is showing a return of 29.72% against 31.06% return of its benchmark, which reflects an underperformance by 134 basis points.

Your fund is currently overweight in Banking, Power, Fertilizer and Oil Marketing Sectors. Easing off of provisioning rules is expected to result in better results by the banking sector in the fourth quarter, which we believe will create some excitement in the sector in the near term. However, at current valuations even the long-term outlook of the sector appears bright. Power and Fertilizer sectors continue to remain undervalued and are most attractive sectors in terms of cash/dividend returns. Oil Marketing Companies will benefit from strong volumetric growth post commissioning of multiple power projects expected in near term. Elimination of subsidies on electricity, further, gives comfort on the circular debt issue associated with this sector. We are optimistic about the future direction of the market and recommend maximum exposure in equities as of writing of this report.

### Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28 <sup>th</sup> , 2009
Net Assets (Rs.)	396,837,550 as at December 31, 2009
NAV Per Unit (Rs.)	12.9443 as at December 31, 2009
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

### 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

### CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)

UAN: (021) 111-ABL-AMC (111-225-262)

Email: [contactus@ablamc.com](mailto:contactus@ablamc.com)

Website: [www.ablamc.com](http://www.ablamc.com)

### Disclaimer

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.



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## FUND'S PORTFOLIO/ INVESTMENT INFORMATION

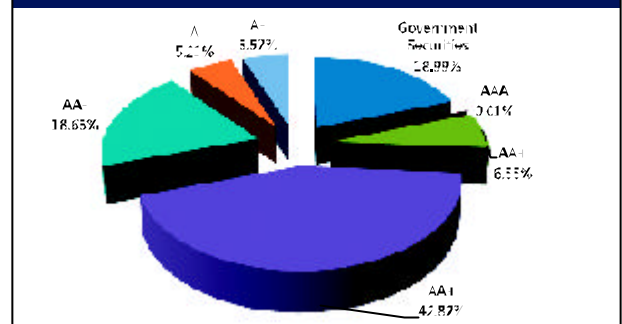
Asset Allocation (% of Assets)	Nov. 09	Dec. 09
Cash	16.70%	6.05%
Placements with Banks (TDRs)	43.23%	60.99%
Placements with DFIs (COIs)	14.66%	11.72%
Reverse Repo against Govt. Securities	0.00%	0.00%
Money Market placements	4.50%	0.00%
Treasury Bills	15.85%	18.99%
Others including receivables	5.06%	2.25%

Technical Information	ABL-IF
Leverage	NIL
Weighted average time to maturity of the net assets	91 days

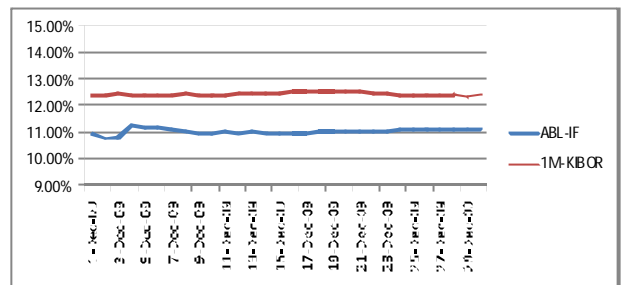
Fund Returns	ABL-IF	Benchmark *
Year to date (YTD)	11.23%	12.54%
Trailing 12 months	12.50%	12.78%
Month to date (MTD)	11.18%	12.45%

\* 1 Month Kibor Average

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



\* Receivables account for 2.25% of Net Assets.



## Fund Manager's Comments

JCR-VIS upgraded the Fund Stability Rating of ABL Income Fund to 'A+(f)' (Single A Plus (f)) from 'A (f)' (Single A (f)). This achievement is attributable to prudent fund management where ABL-IF invested with good rated counters and avoided investments in the corporate debt market thereby generating steady returns for its investors.

ABL-IF yielded an annualized monthly return of 11.18%, and also declared a 100% Quarterly Dividend of 2.783%. The previous monthly return of ABL-IF was 44 bps higher on account of capital gains earned on investments in T-Bills. Nevertheless, returns remained competitive due to placements at good rates negotiated on account of year end crossing. ABL-IF AUM decreased considerably by 16.55% over the month due to year end outflows which is a norm at this time of the year. It is pertinent to note that ABL-IF managed each request prudently without offloading any of its investments or by utilizing any of its borrowing lines.

During the month the Executive Board of the IMF approved disbursement of the fourth tranche of US\$1.2bn. The third review was destined to be held earlier but due to the 1QFY10 budget deficit target deviation and slow implementation of structural reforms it was postponed. However, in its latest stance on the economy, the IMF depicted a satisfactory gesture where it highlighted that despite aggravated security concerns and political vulnerabilities, the authorities managed to stabilize the economy to a considerable extent. The disbursement of funds cushioned further depression in economic variables which have generally been susceptible to commodity price fluctuations. Furthermore, foreign currency reserves improved, which had reduced on account of recent debt repayments.

However, persistent investments in government affiliated instruments by banks and subsequent weakening of private sector credit are likely to impede revenue generation. Adding to the woes a weak security situation is demanding more budgetary spending, which at present can only be made through the materialization of foreign funding.

ABL-IF intends to enhance its T-Bill portfolio and maintain a cautious approach by remaining invested in shorter term instruments. Impetus is towards placements with counters which entail good credit ratings whilst maintaining a liquid profile.

### 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.)	7,682 mn as at December 31, 2009
NAV Per Unit (Rs.)	10.0093 as at December 31, 2009
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

### CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)

UAN: (021) 111-ABL-AMC (111-225-262)

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