

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

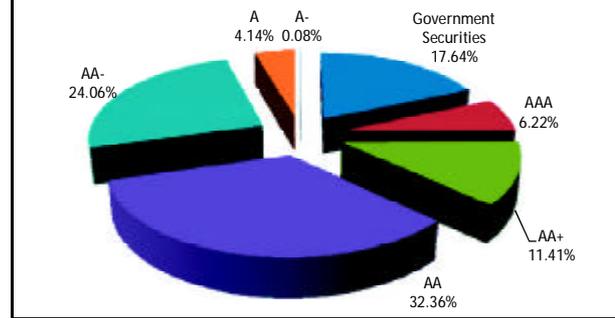
Technical Information	ABL-IF
Leverage	NIL
Weighted average time to maturity of the net assets	56 days

Fund Returns

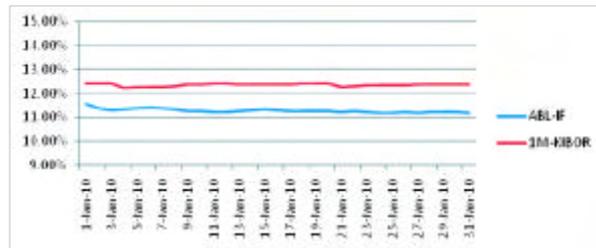
	ABL-IF	Benchmark *
Year to date (YTD)	11.23%	12.51%
Trailing 12 months	12.07%	12.69%
Month to date (MTD)	11.19%	12.36%

* 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

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.



ABL Asset Management

Discover the potential

FUND'S PORTFOLIO/ INVESTMENT INFORMATION

Top Ten Holding (% of Assets)	Dec. 2009	Jan. 2010
PPL	7.06%	9.89%
HUBCO	9.76%	9.81%
PSO	9.48%	9.46%
ENGRO	9.01%	9.35%
POL	9.90%	9.29%
ABL	7.56%	7.86%
DAWH	5.61%	5.55%
UBL	5.02%	5.45%
FFC	2.46%	5.02%
MCB	3.69%	3.82%



Performance	ABL-SF	KSE-100
Year to Date*	32.65%	34.24%
Trailing 12 months*	n/a	n/a

*Returns are net of management fee & all other expenses

Fund Manager's Comments

January 2009 was third dull month in a row for equity investors at local bourses. Volumes, just like past two months, were either low or concentrated in third-tier stocks as market participants preferred to stay on sidelines amidst uncertain political situation. Another reason for weak activity was limited participation of foreign investors with total (net) FIPI figures for month barely crossing \$15 mn. Major event during the month was announcement of SBP's monetary policy statement in which Discount Rate was kept unchanged at 12.5%. While macroeconomic indicators have improved considerably over the past one year, risks to inflation, current account, and fiscal balance coupled with persistent power shortage, circular debt, and weak security situation restrained the SBP from reducing its policy rate. Your fund returned 2.26% during the month under review against 2.42% appreciation in KSE-100, its benchmark. On since inception basis ABL-SF is showing a return of 32.36% against 34.22% return of its benchmark, which reflects an underperformance by 186 basis points.

During January the fund increased its exposure in Banking, Fertilizer, OMC and E&P sectors while exposure in Power was slightly reduced and that in Telecom totally eliminated. Exposure in DGKC was replaced with higher exposure in Lucky cement while Shell Pakistan, Thal Limited and PSMC were new additions in your fund during the month under review. Number of scripts in ABL-SF were reduced from 22 to 19 during January for maximizing exposure in value scripts. Overall your fund continued to stay invested in highly liquid, Blue-chip stocks with more than 70% of your fund's Net Assets having average weekly volume of approximately 11 mn shares.

Key events to watch for in coming months include Pakistan's inclusion in MSCI Emerging Markets index, which, if done, will be a major positive development. Decisive developments on political and military operations front, if any, will be welcomed by the market. Nevertheless, it is the future direction of inflation and interest rates and decision on capital gains tax in next budget that investors are eyeing at present. Any positive signs on these will stimulate their interest in capital markets in months to come.

Sector Allocation (% of Assets)	Dec. 2009	Jan. 2010
Banks	23.24%	24.14%
Fertilizers	17.51%	19.92%
E&P	16.96%	19.18%
OMCs	12.68%	15.55%
Power	13.49%	11.97%

Asset Allocation (% of Assets)	Dec. 2009	Jan. 2010
Placement with Bank and DFIs	6.94%	2.98%
Stocks	93.06%	97.02%

Technical Information	ABL-SF
Leverage	NIL

Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28 th , 2009
Net Assets (Rs.)	400,512,433 as at January 31, 2010
NAV Per Unit (Rs.)	13.2363 as at January 31, 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

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

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