

UNIT PRICE as on 31st July 2009: Rs. 10.1137

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.

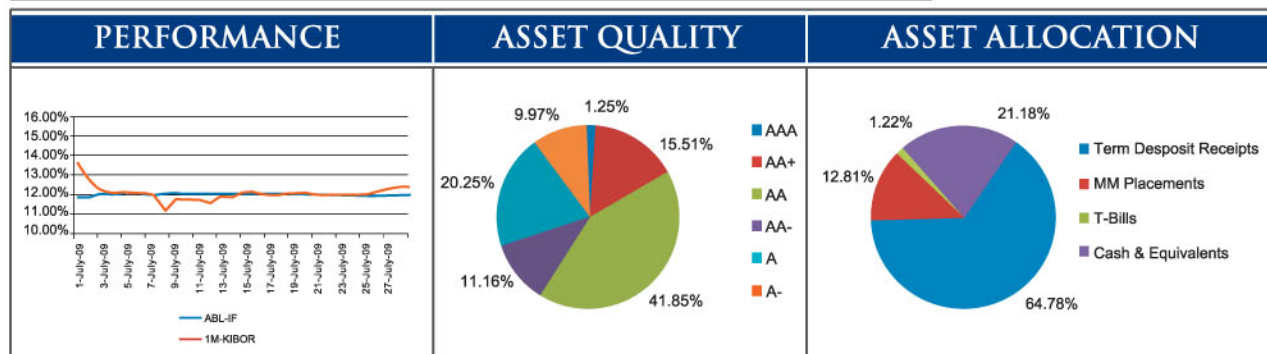
FUND MANAGER'S COMMENTS - ABL INCOME FUND

The monthly annualized return of ABL-IF was 12.03%, 0.54% lower than the previous annualized monthly return of 12.57%. ABL-IF's 1-Month KIBOR Benchmark rate also yielded a monthly average rate of 12.03% and decreased by 132 bps on a MoM basis as opposed to ABL-IF's 54 bps decrease. The reason for a MoM decline in returns is attributable to a fall in interest rates across the market during the month in focus. TDR rates plummeted right after June end by 150-200 bps. Moreover, the MoM average rate of 6-Months KIBOR also reduced by 116 bps thereby providing some reprieve to the industry.

Due to expectations of an interest rate cut in the much awaited Monetary Policy Statement in July, market sentiments led to a drop in yields much before the announcement. Cut off yields on T-Bills declined consecutively during June and July. Subsequently, an unexpected delay in the MPS, which is now to be declared on August 15, 2009, dampened market sentiments thus leading to an increase in yields towards the end of July. Consequently, 1-Year T-Bill cut off yields increased by 34 bps in the auction held on July 29, 2009 as compared to the previous auction which was held on July 15, 2009. This subsequently led to an increase in secondary market yields. However, the Ministry of Finance provided assurance that the upcoming meeting with the IMF on August 07, 2009 would be successful and that a drop in the Discount Rate is imminent. This accordingly led to an immediate decrease in yields. Such an accomplishment would be beneficial in terms of capital gains on investments in debt instruments and would provide much relief to the industry. ABL-IF has already started to build up its T-Bill portfolio and is expected to benefit from any such Discount Rate cut in the future.

PERFORMANCE					
ABL Income Fund	Since Launch	2HFY09	4QFY09	June 2009	July 2009
Annualized Performance (%) *	14.31%	14.15%	12.55%	12.57%	12.03%
Benchmark: (Average 1-Month KIBOR%)	13.34%	13.03%	13.38%	13.35%	12.03%
Profit on Rs. 100,000 invested**	12,235	6,619	2,992	978	969
Dividend %	10,598%	6,433%	2,971%		

* 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. 7,340 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	61 days
Standard Deviation	1.78%
Sharpe Ratio***	0.95

***3M PKRV Rate used as Risk free rate of return

TOPIC OF THE MONTH

The SBP announced that the Monetary Policy Statement has been postponed to the 15th of August 2009 due to anticipation of a lower inflation figure in July. This has built up market expectation of a 100 – 150 bps cut in the Discount Rate.

CONTACT US:

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UNIT PRICE as on 30th July 2009: Rs. 10.6514

ABOUT US

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. The fund is benchmarked to KSE-100 index. In case the Management Company expects the stock market to drop, based on the analysis of macroeconomic factors such as interest rates, economic growth rates, political climate, corporate earnings and stock market valuations the Management Company may temporarily allocate assets to other Authorized Investments, subject to the prescribed regulatory limits.

FUND MANAGER'S COMMENTS - ABL STOCK FUND

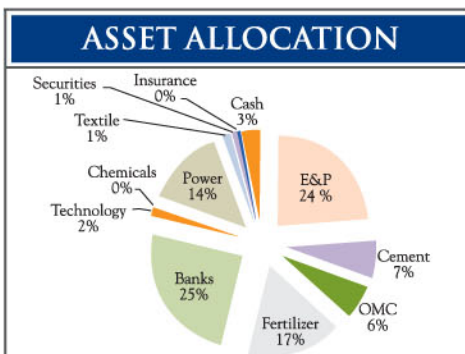
This is our introductory FMR and we are happy to announce that during the month under review your fund generated a return of 6.74% along with an inception to date appreciation of 6.51%. Stock market in the month of July exhibited rather erratic behavior. Positive new flows such as lower inflation numbers, expected cut in discount rate, reintroduction of deliverable futures and healthy foreign inflows helped KSE-100 to cross 7,850 level on July 23, 2009. However, postponement of monetary policy in late July and concerns over release of third tranche from IMF deteriorated investor's confidence and KSE-100 retracted much of the gains made earlier in the month hitting back to levels of 7,490 on July 30th, 2009. Things once again reversed on Friday the 31st when Mr. Shaukat Tareen assured resolution of circular debt by August 15th, hinted at discount rate cut in the still awaited monetary policy and showed confidence in securing additional loan from IMF in the meeting on August 7th, KSE-100 added 230 points on Friday closing the month on a positive note.

Your fund at present is heavily invested into defensive and value sectors like Power, Fertilizers and E&P with low PERs and high dividend yields. It also has significant exposure in the banking sector, which is currently trading at highly attractive multiples. In accordance with our broad strategy we will modify fund's exposures in specific sectors as and when economic and business cycles take a turn. We also take comfort in the fact that ABL-SF holds highly liquid stocks.

PERFORMANCE		
	Since Launch	July
ABL SF*	6.51%	6.74%
Benchmark (KSE-100)	7.79%	7.80%
Profit on Rs. 100,000 invested ^{**}	6,514	6,741

* Returns are net of management fee & all other expenses
 ** Represents profit earned by investing Rs. 100,000 in ABL-SF

TOP FIVE HOLDINGS (ALPHABETICAL ORDER)	
1	Engro
2	Hub Power
3	MCB
4	OGDC
5	POL



KEY STATISTICS	
Information Ratio ^{**}	n/a
PE - 2009*	6.15
PE - 2010*	6.00
Dividend Yield - 09*	6.70
Dividend Yield - 10*	8.20

*Based on average sell-side estimates and represents 80% of the portfolio
 ** Not applicable as it was below zero

GENERAL INFORMATION

Launch Date	June 28 th , 2009
Fund Size	Rs. 235.5 million
Type	Open end, Equity Fund
Risk Level	Medium
Listing	Karachi Stock Exchange
Custodian & Trustee	Central Depository Company (CDC)
Front end Load	3%
Management Fee	3% per annum
Auditors	A.F. Ferguson & Co
Benchmark	KSE-100 Index
Minimum Subscription	Growth Unit : Rs. 5,000/-

FUTURE OUTLOOK

Key triggers that we foresee in near future include release of third tranche and approval of additional loan by the IMF, progress on resolution of circular debt, lower inflation numbers for July 2009, 100-150 bps discount rate cut expected on August 15th and launch of more leveraged products especially margin financing. We expect market to continue its upward drive with large cap stocks leading the rally. However, we believe it is important for trading volumes to pick up in order to make any rally sustainable and for overall strengthening of the market. Introduction and rationalization of leveraged products in the market thus will be a key event to track in the upcoming period(s).

QUOTE OF THE MONTH

"The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd".

- Warren Buffett

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