

RATED AM3+ (Positive Outlook) - JCR-VIS



INFOCUS

FUND MANAGER'S REPORT FEBRUARY 2011

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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.

Fund Manager's Comments

ABL-IF yielded a compounded annual return of 12.57% for the month of February, an improvement of 32 bps over the previous month. The fund's commendable performance during the period is primarily attributable to higher T-bill allocation before the MPS Announcement where we anticipated status quo on discount rate. This stance and the resultant accumulation of bills led to capital gains on ABL-IF's T-bill portfolio during the initial days of the month. T-bills now constitute 68.6% of total assets whereas TDRs comprise 24.9% which continue to support high returns. Fund size however decreased by 2.8% during the month to close at Rs.6,272 mn.

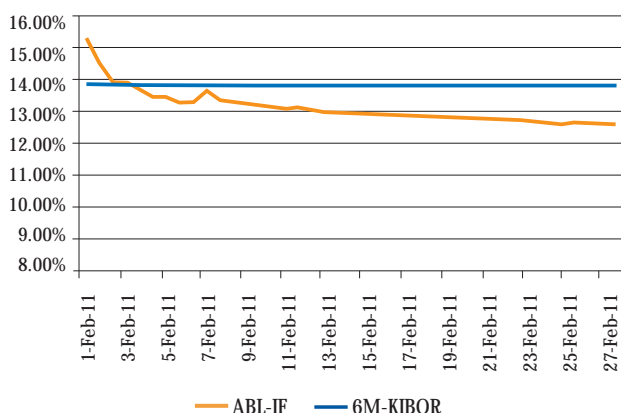
Politics dominated proceedings during the month with diplomatic ties between Pakistan and US coming under severe strain, Middle East situation boiling over and PML- N's decision to part ways with PPP. Given Pakistan's heavy reliance on foreign aid for budgetary support, further worsening of bilateral relations between Pakistan and the US could have negative implications on economic growth prospects. Furthermore the Government refrained from passing on the increase in international oil prices due to public and political pressures. The adverse impact of high price of imported oil has raised concerns regarding the burgeoning fiscal deficit as government borrowing remains high due to rising expenditure on account of subsidies and weak revenue generation. Authorities face a difficult decision as passing on high oil prices will lead to a public outcry and increase inflationary pressures.

The above mentioned uncertainties call for a prudent approach to investments. ABL-IF would thus continue to maintain a conservative portfolio entailing Treasury Bills and placements with good rated banking counters.

Fund Returns* ABL-IF 6 M-KIBOR

	ABL-IF	6 M-KIBOR
Year to Date (YTD)	11.32%	13.20%
Trailing 12 months	11.08%	12.92%
Month to date (MTD)	12.57%	13.76%

* Returns are net of management fee & all other expenses



Basic Fund Information

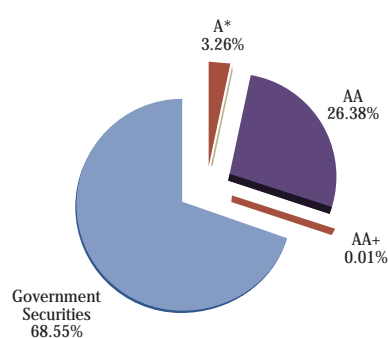
Fund Type	Open-end
Category	Income Fund
Launch Date	September 20, 2008
Net Assets	PKR 6,272 mn as at 28th February 2011
NAV	PKR 10.2005 as at 28th February 2011
Benchmark	6 Month Kibor Average
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.5% p.a
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)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

Leverage	NIL
Weighted average time to maturity of net assets	49 days

Asset Allocation (% of Total Assets)	Jan '11	Feb '11
Cash	10.42%	1.45%
Placement with Banks (TDRs)	53.96%	24.93%
Reverse Repo	4.99%	3.26%
T-Bills	27.51%	68.55%
Others including receivables	3.13%	1.80%

Credit Quality of Portfolio (% of Total Assets)



Other assets account for 1.80% of Total Assets.
* A rated investments are in Reverse Repo.

Investment Committee Members:

1. Farid A. Khan, CFA – CEO
2. Muhammad Imran – CIO
3. Abid Jamal – Head of Research
4. Hammad Ali Abbas – Fund Manager
5. Kamran Aziz – Fund Manager

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ABL Asset Management

Discover the potential

Investment Objective

To provide higher risk-adjusted returns over the long term by investing in a diversified portfolio of equity instruments offering capital gains and dividends.

Fund Manager's Comments

February 2011 was a difficult month for equities in Pakistan with benchmark KSE-100 index shedding nearly 1000 points to close at 11,289 levels, a MoM decline of 8.7%. Multiple concerns on the geopolitical side, including rising oil prices emanating from the Middle East crisis, fragmentation of Punjab government and weakening of Pak-US relationship post Raymond Davis incident added to negative sentiments at the local bourses. The trigger point, nevertheless, was the aggressive foreign selling towards the end of the month, which made KSE-100 lose a staggering 817 points in the last week of February alone. This was not unexpected since all the emerging markets witnessed record foreign outflows during the month as global fund managers preferred shifting part of their assets from emerging to developed markets on fears of interest rate hikes.

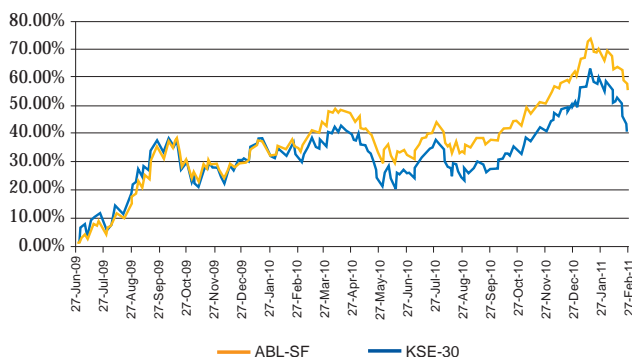
ABL-SF declined by 5.9% in February '11 against 8.9% depreciation in KSE-30. Our continuous conservative stance in the market eventually paid off and helped us in beating the index by 3 percentage points during this testing time. The fund also took advantage of the lows hit by fundamentally strong blue-chip stocks and constantly reallocated assets from outperformers into underperformers. During the month investment in Oil & Gas sector was reduced from 27.5% to 25.6% of the portfolio, exposure in Chemicals sector was increased from 20.4% to 21.2% while investment in banks was reduced from 15.7% to 14.7%. ABL-SF as of February 28, 2011 is 78.9% invested in equities and remaining 21.1% in T-bills, cash and others.

Even strong corporate results could not help stem the slide nor the announcement of the launch of Margin Trading System (MTS) early next month. While we do anticipate some excitement in market prior to official launch of MTS, developing macroeconomic situation in the aftermath of oil price increase and Raymond Davis incident will be watched closely by local investors. Investors cannot for long ignore the deteriorating macro variables particularly on the fiscal side, where the government struggles not only to identify additional revenue sources but also to protect the existing ones. Of greater significance will be the course of foreign portfolio investments in coming months. Foreigners, who now control a big portion of the free float of leading shares, have the ability to set the tone for future direction of the market. Our current strategy is to build higher exposure in cash rich dividend yielding stocks and in quality mid-tier companies, some of which are trading at very attractive valuations.

Performance* ABL-SF KSE-30

	ABL-SF	KSE-30
Year to Date (YTD)	20.48%	14.48%
Trailing 12 months	18.09%	8.74%
Month to Date (MTD)	-5.87%	-8.90%

* Returns are net of management fee & all other expenses



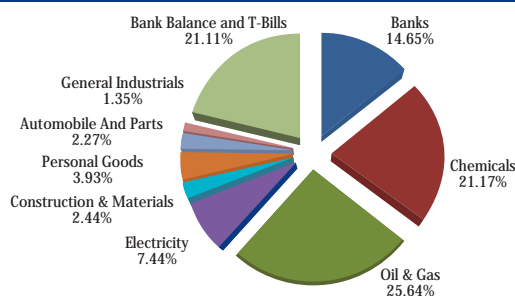
Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28th, 2009
Net Assets	PKR 455.86 mn as at 28th February 2011
NAV	PKR 12.0646 as at 28th February 2011
Benchmark	KSE-30
Dealing Days	As Per Local Stock Exchanges
Cut-off Time	4:00 PM
Pricing Mechanism	Forward
Management Fee	3% p.a
Front-end Load	3%
Trustee	Central Depository Company of Pakistan Ltd.
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3+ (ICR-VIS)
Risk Profile of the Fund	High
Performance Rating	MFR 5-Star (ICR VIS)
Fund Manager	Kamran Aziz

Asset Allocation (% of Total Assets)	Jan'11	Feb'11
Stock/Equities	82.04%	78.89%
Cash	4.30%	11.38%
T-Bills	10.36%	7.91%
Others	3.30%	1.82%
Leverage	NIL	NIL

Top Ten Holdings (% of Total Assets)	Jan'11	Feb'11
Pakistan Petroleum Limited	6.40%	6.81%
Engro Corporation Limited	8.13%	6.57%
Pakistan Oilfields Limited	6.27%	6.37%
Fauji Fertilizer Company Limited	4.69%	6.24%
United Bank Limited	4.73%	5.91%
Oil & Gas Development Co. Limited	6.21%	5.81%
MCB Bank Limited	5.24%	5.28%
Hub Power Company Limited	5.20%	5.21%
Pakistan State Oil Co. Limited	6.09%	4.21%
Lotte Pakistan PTA Limited	2.96%	3.74%

Sector Allocation (% of Total Assets)



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3. Abid Jamal – Head of Research
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Investment Objective

The objective of ABL Cash Fund is to provide investors, consistent returns with a high level of liquidity, through a blend of money market and sovereign debt instruments.

Fund Manager's Comments

ABL-CF continued to improve its month-on-month performance and yielded 12.98% p.a. for the month of February '11 - an improvement of 64 bps over the previous month. Active T-bill portfolio management complimented by status quo decision in the MPS Announcement led to a jump in returns. The market had generally anticipated an increase in rates and the decision to hold rates resulted in an immediate hike in T-bill prices. ABL-CF availed this opportunity and had enhanced its T-bill portfolio allocation at an opportune time. T-bills currently constitute 82.4% of total assets in ABL-CF. Fund size increased by an impressive 16.7% to close at Rs.7,952mn.

Political instability and surge in international oil prices continue to hamper economic outlook. Steep increase in international oil prices has yet to be passed on to the consumers which are raising further concerns regarding the escalating fiscal deficit. Although remittances and export figures remained healthy leading to a stable current account, delays in fiscal reforms and low revenue generation continue to disturb the prospects. Government borrowing for budgetary support continues via T-bills which has stifled private sector credit uptake. Total debt to GDP ratio stands above the 60% limit and is threatening the IMF program. Given the deterioration on the fiscal side and high inflationary pressures, further monetary tightening cannot be ruled out.

ABL-CF will closely monitor macroeconomic environment and realign its portfolio accordingly. Primary investments will be in T-bills while duration will be kept low to hedge against interest rate hikes.

Basic Fund Information

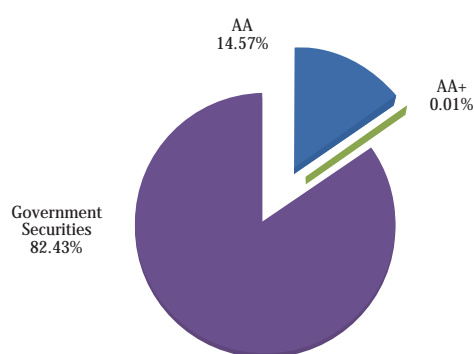
Fund Type	Open-end
Category	Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 7,952 mn as at 28th February 2011
NAV	PKR 10.2036 as at 28th February 2011
Benchmark	Average 3 Month Deposit rates of AA and above rated Banks
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Backward
Management Fee	1.25% p.a
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)
Risk Profile of the Fund	Low
Fund Stability Rating	AA+(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

Leverage	NIL
Weighted average time to maturity of net assets	53 days

Asset Allocation (% of Total Assets)	Jan '11	Feb '11
Cash	16.47%	1.96%
Placement with Banks (TDRs)	37.03%	12.62%
T-Bills	44.53%	82.43%
Others including receivables	1.96%	2.99%

Credit Quality of Portfolio (% of Total Assets)

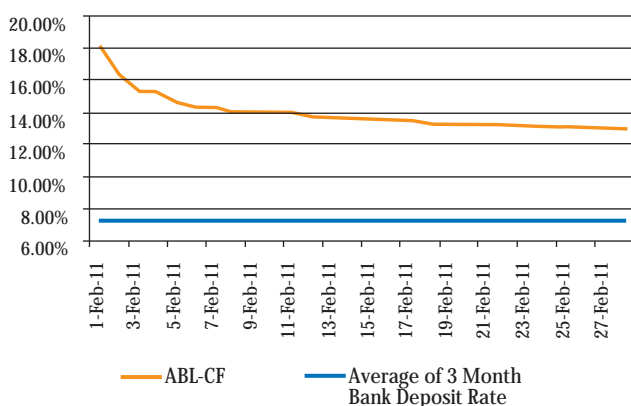


Other assets account for 2.99% of Total Net Assets.

Fund Returns*

	ABL-CF	Benchmark
Since inception to date	11.76%	7.55%
Month to Date (MTD)	12.98%	7.28%

* Returns are net of management fee & all other expenses



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5. Kamran Aziz – Fund Manager

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Investment Objective

The objective of ABL Islamic Cash Fund is to seek maximum possible preservation of capital and offer steady rate of return by investing in liquid Shariah compliant instruments.

Fund Manager's Comments

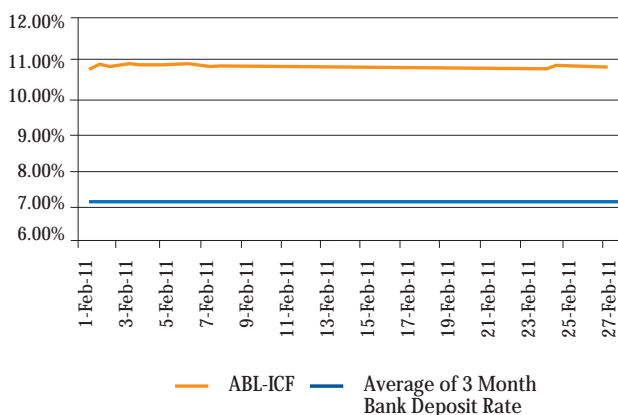
ABL-ICF yielded a compounded return of 10.78% p.a. for the month of February '11, 15 bps less than the previous month. However it outperformed its benchmark by 3.59%. The fund's assets at the moment constitute primarily of Term Deposits with Islamic counters having rating of AA+ which offer competitive returns along with consistency and low risk. The fund maintains a low duration which presently stands at 38 days. Fund size increased marginally by 1.6% during the month to close at Rs.430.255 mn.

Macroeconomic conditions continue to face challenges on account of political instability and fiscal imbalances. Increase in International oil prices have yet to be levied on to the consumer, which could further exacerbate the inflationary pressures and put strain on Government finances. Although an increase in fuel prices would trigger high inflation, maintaining fiscal discipline is crucial for economic revival as well as sustaining crucial IMF support. In the absence of fiscal reforms and ever increasing oil prices, it appears highly unlikely that fiscal deficit and Government borrowing will be managed within acceptable levels during FY11. Total debt to GDP ratio remains above the limit of 60% which remains a cause of concern.

As per its categorization, ABL-ICF will continue to explore investment avenues which offer competitive rates entailing minimal risks. The objective will be to deliver consistent returns and maintain high liquidity in these volatile times.

Fund Returns*	ABL-ICF	Benchmark
Since inception to date	9.80%	7.02%
Month to Date (MTD)	10.78%	7.19%

* Returns are net of management fee & all other expenses



Basic Fund Information

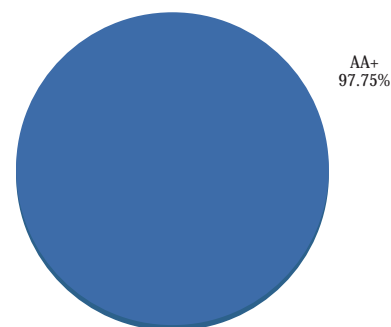
Fund Type	Open-end
Category	Islamic Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 430.26 mn as at 28th February 2011
NAV	PKR 10.1765 as at 28th February 2011
Benchmark	Average of 3 Month Deposit rates of 3 Islamic Banks
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 pm
Pricing mechanism	Forward
Management Fee	1.0% p.a
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)
Risk Profile of the Fund	Low
Fund Stability Rating	AA(f) (JCR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

Leverage	NIL
Weighted average time to maturity of net assets	38 days

Asset Allocation (% of Total Assets)	Jan '11	Feb '11
Cash	24.61%	25.32%
Term Deposit Scheme	71.94%	72.43%
Others including receivables	3.45%	2.25%

Credit Quality of Portfolio (% of Total Assets)



Other assets account for 2.25% of Net Assets.

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ABL Asset Management

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3 steps to Invest in ABL AMC FUNDS

STEP ONE

Contact Us:

- ▶ Call us on our Toll Free number 0800-ABLAM (225-26) to let our Investment Consultant guide you better or
- ▶ Visit ABL's 45 designated Branches to be facilitated by our investment Consultant or
- ▶ Email us at: contactus@ablmc.com and we will answer all your queries or
- ▶ Visit us on our website www.ablmc.com for information and guidance

STEP TWO

Investment Process

Forms

- ▶ Our investment advisors will help you fill the required forms:
 - ▶ Form 1 – Account Opening Form
 - ▶ Form 2- Investment Form
 - ▶ Know Your Customer Form

Payment Mode

- ▶ Payments can be made through Cheques / Demand Draft or Pay Orders
- ▶ Payments shall be made in favor of: "CDC-Trustee ABL _____ FUND"

Documents to be attached

- ▶ For Individuals:
 - ▶ Copy of CNIC (Incase of Joint Application, CNIC of all applicants is required)
 - ▶ Zakat Affidavit (Incase of exemption from Zakat)
 - ▶ Know Your Customer Form
- ▶ For Corporate:
 - ▶ Memorandum and Articles of Association/Bye Laws/Trust Deed
 - ▶ Power of Attorney or other document authorizing the authorized signatory(ies) to sign the application
 - ▶ Board Resolution authorizing the Investment
 - ▶ Copy of CNIC(s) of the Authorized Signatory(ies)

STEP THREE

Submission of Documents

- ▶ You may submit your documents at the designated branches of ABL or drop them / courier them at ABL AMC's Head Office: First Floor, 11-B, Lalazar, M.T. Khan Road, Karachi

Once we receive the documents, a registration number will be generated and allotted to you. Units will be issued against your investment on the Net Asset Value (NAV) of that day. An introductory letter will be dispatched to confirm your investment in ABL AMC Funds.

For further details please contact:

Head Office: 021-111-ABL AMC (225-262)

Helpline: 0800 ABL-AM (0800 225 26)

Name	Contact No.	Designated Branch
Karachi		
Furqan Ali Dakhan	0321-2014622	Clifton Branch
Raheel Khawar Kamal	0345-2584931	S.I.T.E. Branch
Mushtaq Ur Rehman	0300-2417978	Hyderi Branch
Branch Manager	021-35301958	Zamzama Branch
Shoaib Shoukat	0333-5473547	Foreign Exchange Branch
Muhammad Naeem	0321-2393830	Hassan Square Branch
Farhana Masood	0300-3340640	Shahrah-E-Faisal Branch
Shahid Ali Chishti	0300-2127537	Karimabad Branch
Branch Manager	021-34554409	Tariq Road. Branch
Branch Manager	021-32430353	Cloth Market Branch
Branch Manager	021-35853995	Khayaban- E- Badar Branch
Branch Manager	021-35068823	Korangi Industrial Area Branch
Syed Muneeb Hassan	0345-3149239	Bath Island Branch
Branch Manager	021-35678779	Zaib-un-Nissa Street Branch
Lahore		
Muhammad Yasir	0333-4306795	Y-Block DHA Branch
Waqar Ahmad Paracha	0300-8840151	Kashmir Road Branch
Malik Faisal Faryad	0300-4619625	Mall Road Branch
Aamir Aslam	0321-4175607	PAF Base Branch
Zahra Sabahat	0321-9440359	Brandreth Road Branch
Islamabad		
Iftikhar Hameed Khan	0333-5607962	Blue Area Branch
Zahir Mehmood Khan	0346-9273633,	I-8 Markaz Branch
M. Rashid Qayyum	0345-5923766	F-6 Markaz Branch
Branch Manager	051-2292830	G-11 Markaz Branch
Branch Manager	051-2293980	F-10 Markaz Branch
Arif Raza	0333-8505435	Chaklala Branch
Branch Manager	051-5510001	Adamjee Road Branch
Multan		
Hafiz Tariq	0301-7570040	Chowk Rasheed Branch
Fizza Hassan	0321-4339404	Abdali Road Branch
Saira Habib	0342-7012691	Multan Cantt Branch
Branch Manager	061-4552551	Shah Rukn-e-Alam Branch
Branch Manager	061-4573100,	Nawan Sheher Branch
	4570705	
Faisalabad		
Mughees Ahmad Sheikh	0332-8663525	Peoples Colony Branch
Branch Manager	041-8813202	Jail Road Branch
Gujranwala		
Sidra Iqbal	0336-4655633	Zia Plaza Branch
Hyderabad		
Haider Abbas	0321-3051874	Civic Center Branch
Sahiwal		
Asif Mehmood	0314-3600421	High Street Branch
Rahimyarkhan		
Branch Manager	068-5889717	Shahi Road Branch
D.G.Khan		
Branch Manager	064-2471355	Azmat Road Branch
Bahawalpur		
Fahad Husnain Lashari	0301-7755667	Fareed Gate Branch
Gujrat		
Branch Manager	053-3525350	G.T. Road Branch
Abbotabad		
Branch Manager	0992-330889	Supply Bazar Branch
Quetta		
Imran Hassan Khan	0345-8165666	Jinnah Road Branch
Sialkot		
Branch Manager	052-9250541-42	Kashmir Road Branch
Sargodha		
Tanzel Maqbool	0331-7660756	New Queens Road Branch
Jhelum		
Branch Manager	054-4622993	Cantt. Branch

CONTACT US:

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