

INFOCUS

FUND MANAGER'S REPORT MARCH 2011

SAVE up to 60,000/-

ON INCOME TAX BY INVESTING IN ABL AMC
FUNDS BEFORE 31st MARCH, 2011

As per the current Tax Laws*;

- Salaried individuals can save up to Rs. 60,000/-
- Non-Salaried individuals can save up to Rs. 75,000/-

For more details please see the last page of this Fund Manager's Report or
contact us on our Toll Free No: 0800-22526 or email us on contactus@ablamc.com

* As per Section 67 of the Income Tax Ordinance 2001.

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's compounded annualized return for the month of March was 12.09%, a decline of 48 bps over the previous month. Money market rates remained on the higher side during the month due to liquidity shortages, despite several OMOs conducted by SBP to ease the market. Consequently, gradual increase in short term T-Bills yields were seen which led to market adjustments on these papers. ABL-IF shifted its strategy and enhanced its duration to 78 days in order to benefit from higher yields and price stability on longer duration T-bills as compared to short duration T-bills. Fund size decreased by 16.8% during the month to close at Rs.5,220 mn due to quarter end outflows. The fund also declared dividend for 3QFY-11 @ 2.906% which represents 100% income till March 28, 2011.

As per our expectations, the SBP maintained the Discount Rate at 14% for the second consecutive Monetary Policy Statement Announcement. Improvements in the external account, restrained government borrowing from the SBP and respite in Inflation were cited as positives which led to status quo on interest rates. However, SBP was quite vocal about future risks to the economy that could emanate from an increase in inflation, exacerbated by lag in implementation of fiscal reforms and oil price hikes. Moreover, concerns towards weak private sector credit off take were highlighted which are being saturated by heavy public sector borrowing. External risks due to uprising in the MENA region and unprecedented damage to the Japanese economy could also have repercussions on remittance inflow and increase in commodity prices, especially oil.

The status quo decision is a welcomed gesture however risks to the economy still exist which call for a prudent investment approach going ahead. Thus investments will be geared towards good rated counters and sovereign debts instruments.

Basic Fund Information

Fund Type	Open-end
Category	Income Fund
Launch Date	September 20, 2008
Net Assets	PKR 5,220 mn as at 31st March 2011
NAV	PKR 10.0090 as at 31st March 2011 (Ex-Dividend)
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+ (ICR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (ICR-VIS)
Fund Manager	Hammad Ali Abbas

Technical Information

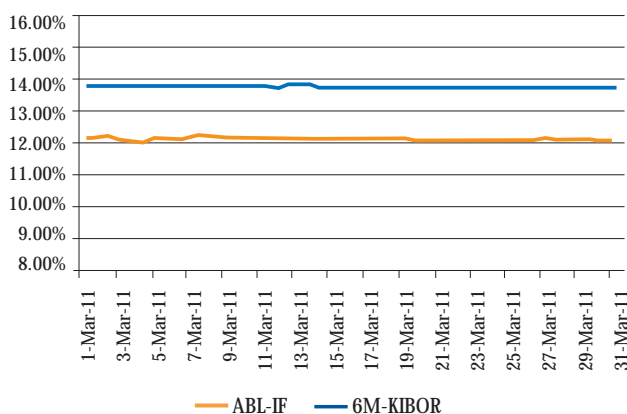
Leverage	NIL
Weighted average time to maturity of net assets	78 days

Asset Allocation (% of Total Assets)	Feb '11	Mar '11
Cash	1.45%	1.56%
Placement with Banks (TDRs)	24.93%	15.83%
Placements with NBFCs	0.00%	9.31%
Reverse Repos against all other Securities	3.26%	8.26%
T-Bills	68.55%	63.86%
Govt. Ijara Sukuk	0.00%	0.37%
Others including Receivables	1.81%	0.81%

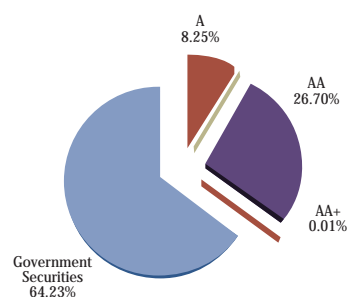
Fund Returns*

	ABL-IF	6 M-KIBOR
Year to Date (YTD)	11.41%	13.26%
Trailing 12 months	11.19%	13.03%
Month to date (MTD)	12.09%	13.74%

* Returns are net of management fee & all other expenses



Credit Quality of Portfolio (% of Total Assets)



Other assets account for 0.81% 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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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

March 2011 was the month of volatility for equities all over the world. Strange turn of events kept investors puzzled globally. Increased tension in the MENA region and the massive Japanese earthquake took their toll on the markets worldwide in shape of increasingly volatile asset prices. In midst of all these negatives, KSE-100 posted a return of 4.6% during March recovering from a low base of 11,200 at February end. This was despite March 2011 witnessing the first monthly foreign outflow (of \$16 million) since May 2009. While the quantum of outflow was small compared to cumulative inflow of \$900 million since May 2009, uncertainty regarding foreign flows forced investors to adopt a cautious approach. Market benefited as the central bank maintained the discount rate at 14% contrary to earlier expectations. Positive developments on the economic front, such as decline in inflation, controlled Govt. borrowing, and announcement of additional revenue measures from authorities, contributed to the policy rate remaining unchanged.

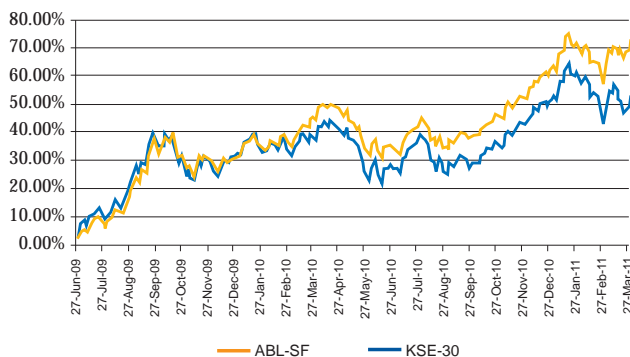
ABL-SF increased by 8.0% in March '11 against 5.7% appreciation in KSE-30, which reflects a healthy outperformance of 2.3 percentage points. The fund optimized its returns, taking advantage of the volatility that prevailed in the market during the month, by constantly reallocated assets from outperformers into underperformers. During the month, investment in Oil & Gas sector was enhanced from 25.6% to 27.4% of the portfolio, exposure in Chemicals sector was increased from 21.2% to 23.5% and investment in banks was raised from 14.7% to 17.4%. ABL-SF as of March 31, 2011 is 90.6% invested in equities and remaining 9.4% in T-bills, cash and others.

The much awaited Margin Trading System (MTS) was finally launched in the month of March but was met with little excitement from market participants as investors struggled to understand the finer details of the product. Activity in MTS is, nevertheless, picking up gradually and we expect this to improve liquidity in the market going forward. First quarter results season will set the tone for market in the month of April. Of greater significance, however, 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 drive sentiments in the market. Our current strategy is to have higher exposure in cash rich chemical sector stocks and we intend to gradually build long positions in quality mid-tier companies.

Performance* ABL-SF KSE-30

Year to Date (YTD)	30.10%	20.98%
Trailing 12 months	19.36%	10.90%
Month to Date (MTD)	7.98%	5.67%

* Returns are net of management fee & all other expenses



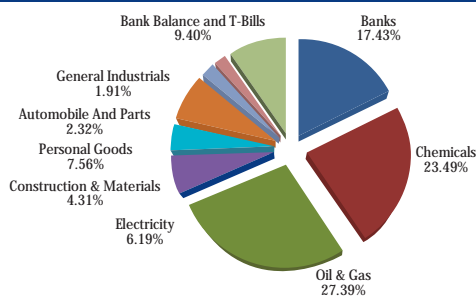
Basic Fund Information

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28th, 2009
Net Assets	PKR 493.49 mn as at 31st March, 2011
NAV	PKR 13.0276 as at 31st March, 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)	Feb'11	Mar'11
Stock/Equities	78.89%	90.59%
Cash	11.38%	3.86%
T-Bills	7.91%	7.41%
Others	1.82%	-1.87%
Leverage	NIL	NIL

Top Ten Holdings (% of Total Assets)	Feb'11	Mar'11
Engro Corporation Limited	6.6%	7.8%
Pakistan Oilfields Limited	6.4%	7.5%
Pakistan Petroleum Limited	6.8%	6.6%
Hub Power Company Limited	5.2%	6.2%
Fauji Fertilizer Company Limited	6.2%	6.1%
MCB Bank Limited	5.3%	5.5%
Pakistan State Oil Co.Limited	4.2%	5.4%
United Bank Limited	5.9%	5.3%
Nishat Mills Limited	2.9%	5.1%
Lotte Pakistan PTA Limited	3.7%	4.8%

Sector Allocation (% of Total Assets)



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

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

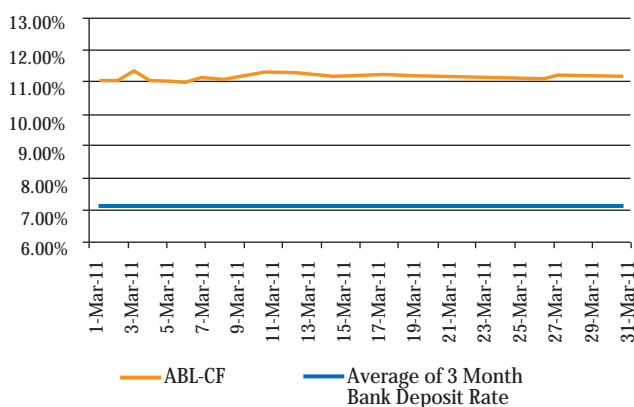
ABL-CF yielded an annualized compounded return of 12.14% for the month of March, a decline of 84 bps over the previous month. However it outperformed its benchmark return of 7.28% by 486 bps. Status quo expectations on the Discount Rate created excitement in the money market which led to a drastic drop in yields across the spectrum. However, the mood was short-lived as yields spiked towards the end of the month due to liquidity shortages despite SBP support in the form of Open Market Operations. As a result, we witnessed mark to market volatility on T-bills which affected the return at month end. However ABL-CF was quick to react and enhanced its duration to 66 days in order to benefit from high returns on longer term papers. Fund size decreased by 8.6% during the month to close at Rs.7,269 mn due to quarter end outflows. The fund also declared dividend for 3QFY-11 @ 2.943% which represents 100% income till March 28, 2011.

The SBP in its bi-monthly MPS Announcement once again maintained the Discount Rate at 14%. This was as per expectations; however future trajectory of the statement had a high element of uncertainty due to persistent economic challenges. The SBP did appreciate improvement in external current account position, decline in inflation and relatively disciplined government borrowing but nevertheless cited concerns to the economy due to increasing commodity prices and subsidies. The recent uprising in the MENA region and devastation in Japan are likely to impact commodity prices going ahead. These issues could adversely impact Inflation levels going ahead.

Discount Rate stability is a positive signal and denotes improvement on fiscal fronts. However challenges on the economic front do persist which warrant a cautious approach to investments. Investments will largely be geared towards sovereign debt instruments and placements with good rated counters.

Fund Returns*	ABL-CF	Benchmark
Since inception to date	11.80%	7.52%
Month to Date (MTD)	12.14%	7.28%

* Returns are net of management fee & all other expenses



Basic Fund Information

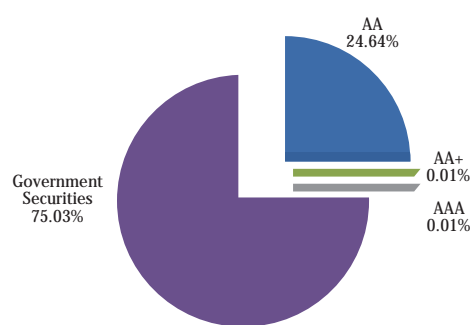
Fund Type	Open-end
Category	Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 7,269 mn as at 31st March 2011
NAV	PKR 10.0088 as at 31st March 2011 (Ex-Dividend)
Benchmark	Average 3 Month Deposit rates of AA and above rated Banks
Dealing Days	As per Local Banks
Cut-off time	4:00 pm
Pricing mechanism	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	66 days

Asset Allocation (% of Total Assets)	Feb '11	Mar '11
Cash	1.96%	13.11%
Placement with Banks (TDRs)	12.62%	11.55%
T-Bills	82.43%	75.03%
Others including Receivables	2.99%	0.31%

Credit Quality of Portfolio (% of Total Assets)



Other assets account for 0.31% of Total Net Assets.

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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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

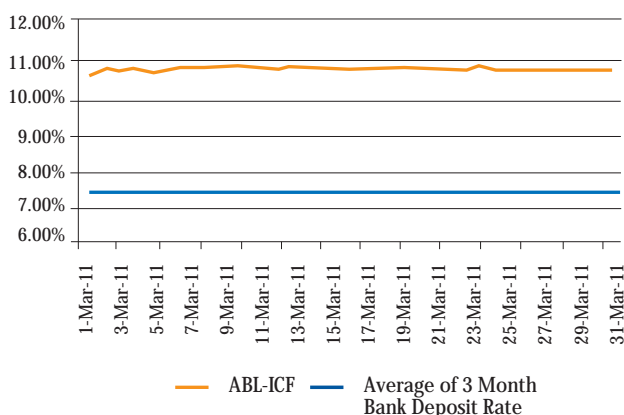
ABL-ICF yielded a compounded return of 10.80% p.a. for the month of March - an improvement of 2 bps over the previous month. It outperformed its benchmark by 359 bps during the month. The fund remained invested in Term Deposits with Islamic counters and the strategy paid off as it was able to negotiate better rates due to quarter end. The fund maintains a low duration which presently stands at 30 days. Fund size increased marginally by 2.2% during the month to close at Rs.439.62 mn. The fund also declared dividend for 3QFY-11 @ 2.567% which represents 100% income till March 28, 2011.

As per expectations, the MPS Announcement by the SBP maintained the Discount Rate at 14%. Improvements on fiscal fronts such as current account and contained government borrowing were cited as the justifications. Moreover decline in Inflation and recent tax measures for revenue generation bode well for the economy. However challenges continue to hamper any prompt economic recovery due to rising commodity and energy prices, poor revenue collection and decline in developmental spending. Expenses towards the burgeoning circular debt and commodity procurement remain a cause of concern as these continue to impact the fiscal deficit as well. Also the uprising in the MENA region and devastation in Japan could adversely impact commodity prices and thereby fuel inflation going ahead.

As per its strategy, ABL-ICF will continue to explore investment avenues which offer competitive rates entailing minimal risks.

Fund Returns*	ABL-ICF	Benchmark
Since inception to date	9.93%	7.08%
Month to Date (MTD)	10.80%	7.52%

* Returns are net of management fee & all other expenses



Basic Fund Information

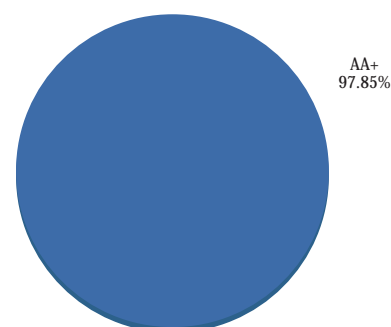
Fund Type	Open-end
Category	Islamic Money Market Fund
Launch Date	July 30, 2010
Net Assets	PKR 439.62 mn as at 31st March 2011
NAV	PKR 10.0086 as at 31st March 2011 (Ex-Dividend)
Benchmark	Average of 3 Month Deposit rates of 3 Islamic Banks
Dealing Days	As per Local Stock Exchanges
Cut-off time	4:00 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	30 days

Asset Allocation (% of Total Assets)	Feb '11	Mar '11
Cash	25.32%	23.18%
Term Deposit Scheme	72.43%	74.67%
Others including receivables	2.25%	2.15%

Credit Quality of Portfolio (% of Total Assets)



Other assets account for 2.15% of Net Assets.

Investment Committee Members:

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SAVE UP TO Rs. 60,000/- ON INCOME TAX BY INVESTING IN ABL AMC FUNDS BEFORE 30th JUNE, 2011

TAX REBATE CHART*

FOR SALARIED INDIVIDUALS									
Case No.	Annual Income	10% of Annual Taxable Income or investment amount or Rs. 300,000/- whichever is lower	Permissible Investment a	Income Tax Slab	Tax Rebate	**Fund's Return	Profit c	Return	
					b			d=b+c	e=(d/a)x100
1	350,000		35,000	0.75%	263	11.50%	4,025	4,288	12.25%
2	400,000		40,000	1.50%	600	11.50%	4,600	5,200	13.00%
3	450,000		45,000	2.50%	1,125	11.50%	5,175	6,300	14.00%
4	550,000		55,000	3.50%	1,925	11.50%	6,325	8,250	15.00%
5	650,000		65,000	4.50%	2,925	11.50%	7,475	10,400	16.00%
6	750,000		75,000	6.00%	4,500	11.50%	8,625	13,125	17.50%
7	900,000		90,000	7.50%	6,750	11.50%	10,350	17,100	19.00%
8	1,050,000		105,000	9.00%	9,450	11.50%	12,075	21,525	20.50%
9	1,200,000		120,000	10.00%	12,000	11.50%	13,800	25,800	21.50%
10	1,450,000		145,000	11.00%	15,950	11.50%	16,675	32,625	22.50%
11	1,700,000		170,000	12.50%	21,250	11.50%	19,550	40,800	24.00%
12	1,950,000		195,000	14.00%	27,300	11.50%	22,425	49,725	25.50%
13	2,250,000		225,000	15.00%	33,750	11.50%	25,875	59,625	26.50%
14	2,850,000		285,000	16.00%	45,600	11.50%	32,775	78,375	27.50%
15	3,550,000		300,000	17.50%	52,500	11.50%	34,500	87,000	29.00%
16	4,550,000		300,000	18.50%	55,500	11.50%	34,500	90,000	30.00%
17	4,550,001		300,000	20.00%	60,000	11.50%	34,500	94,500	31.50%

FOR NON-SALARIED INDIVIDUALS									
Case No.	Annual Income	10% of Annual Taxable Income or investment amount or Rs. 300,000/- whichever is lower	Permissible Investment a	Income Tax Slab	Tax Rebate	**Fund's Return	Profit c	Return	
					b			d=b+c	e=(d/a)x100
1	500,000		50,000	7.50%	3,750	11.50%	5,750	9,500	19.00%
2	750,000		75,000	10.00%	7,500	11.50%	8,625	16,125	21.50%
3	1,000,000		100,000	15.00%	15,000	11.50%	11,500	26,500	26.50%
4	1,500,000		150,000	20.00%	30,000	11.50%	17,250	47,250	31.50%
5	1,500,001		150,000	25.00%	37,500	11.50%	17,250	54,750	36.50%
6	3,000,000		300,000	25.00%	75,000	11.50%	34,500	109,500	36.50%

* As per Section 62 of the Income Tax Ordinance 2001.

** Fund Returns pertain to conventional fixed income & money market funds. Returns may vary

Note: Tax Slabs have not taken into account marginal relief benefit as well as surcharge recently introduced.

Disclaimer: ABL AMC recommends that investors wishing to avail tax benefits in the form of rebates should seek professional advice before taking any investment decision.

CONTACT US:

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Visit any ABL Branch



ABL Asset Management

Discover the potential