

# IN FOCUS

FUND MANAGER'S REPORT, NOVEMBER 2008

  
**ABL-IF**  
ABL-INCOME FUND

UNIT PRICE as on 30<sup>th</sup> NOVEMBER 2008: RS. 10.2908

## 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

ABL-IF performed well during the month generating an annualized return of 14.81% as compared to its previous monthly return of 14.68%. This in turn enhanced the annualized returns since inception to 14.74%. Despite tough industry conditions your fund has also outperformed its benchmark by 0.53% during the period. The fund size grew by 4% to Rs.1.842 billion. ABL-IF remained invested in bank deposits with higher rated institutions at attractive rates whilst maintaining low duration of 42 days. The standard deviation of the fund maintained a stable trend at 0.43%, and the Sharpe Ratio also improved to 3.56 during the period implying good risk adjusted returns.

During the month the SBP was not very active in borrowing money from banks, which resulted in reduction of overnight rates irrespective of a 2% increase in the discount rate. However, going ahead we foresee better rates due to Eid and year end. On the economic front, the indicators still portray a challenging scenario ahead. Although the IMF assistance of US\$ 7.6 billion, of which US\$ 3.1 billion has already been received, is a breather for meeting balance of payments however, inflation figures are yet to suppress thus pressure on rates is likely to persist in the short term.

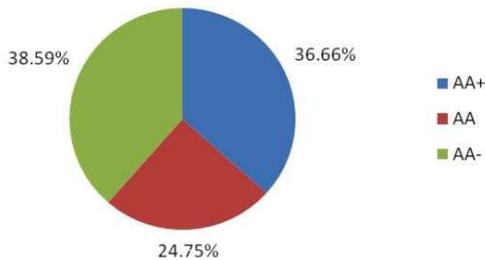
The fund continues to maintain its stance of remaining invested in short term instruments as it shall benefit returns of the fund by remaining abreast with any future profit rate enhancement.

### PERFORMANCE

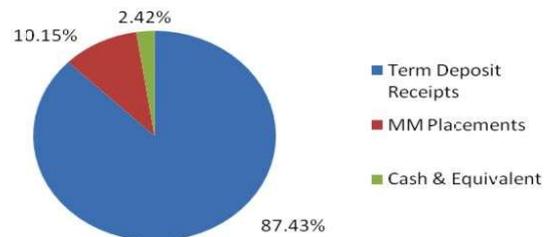
ABL Income Fund	Since Launch	Oct 2008	Nov 2008
Annualized Performance (%)	14.74*	14.68*	14.81*
Benchmark: (Average 1-Month)	Rs. 1,454 **	Rs. 623 **	Rs. 609 **

\* Returns are net of management fee & all other expenses  
\*\* Represents cumulative profit for the respective periods

### ASSET QUALITY



### ASSET ALLOCATION



## GENERAL INFORMATION

Launch Date	September 20 <sup>th</sup> , 2008
Fund Size	Rs. 1,842 million
Type	Open end, Fixed Income Fund
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	42 days
Standard Deviation	0.43%
Sharpe Ratio	3.56***

\*\*\*3M PKRV Rate used as Risk Free Rate of Return

## TOPIC OF THE MONTH

On November 6th, 2008 a downward revision in TFC prices was implemented as per SECP's directive that led to a decline in NAVs of funds having exposure in TFCs. We are happy to report that your fund did not face similar problems as it currently has no exposure in TFCs. Although TFC yields have become attractive, but due to marketability and pricing risks ABL-IF is still wary of such investments.

### CONTACT US:

Helpline 0800 ABL-AM (0800 225 26)  
UAN: (021) 111-ABL-AMC (111-225-262)  
Email: [contactus@ablmc.com](mailto:contactus@ablmc.com)  
Website: [www.ablmc.com](http://www.ablmc.com)

ABL Asset Management  
Discover the potential