



**INFOCUS**

**FUND MANAGER'S REPORT**

**JANUARY 2014**

# INFOCUS

FUND MANAGER'S REPORT, JANUARY 2014

## Inflation eases

## ECONOMY AND CAPITAL MARKETS UPDATE

The year 2014 started on a positive note for Pakistan's economy with key economic indicators depicting some improvement. There was some respite in the monetary tightening cycle with the central bank deciding to keep interest rates unchanged in the last MPS announcement, sighting low inflation. Since then, CPI has continued to trend downwards, clocking in at 7.9% YoY for January 2014 (an increase of 0.5% MoM), as food prices declined and base effect kicked in. External account situation also improved as current account posted a USD285mn surplus for December 2013, supported by strong remittances (USD1.385billion in December) and a narrowing trade deficit (current account for 1HFY14 posted a deficit of USD1.589billion). However, despite improved current account situation, FX reserves remained under pressure due to continuous IMF loan repayments. Although FX reserves held by the central bank have declined to USD3.1bn, the situation is not particularly worrisome due to upcoming release of CSF and IMF EFF tranches. On the fiscal front, tax collection for January was commendable at PKR168 billion (+26% YoY), though cumulative tax collection for 7MFY14 (PKR 1,201billion) fell short of the target by PKR47 billion. Overall fiscal deficit of 2.2% for 1HFY14 was highly encouraging and sets a good base to achieve the full year target of 6% set by the Government. As we move ahead, continuation of foreign aid, sale of assets through the privatization process and controlled government spending will be critical towards achieving key economic targets as prescribed by the IMF program. Interest rates are expected to remain stable as inflationary pressures have subsided for the meantime while balance of payments situation also appears under control.

## Liquidity squeezes

SBP's decision to hold interest rates at 10% fueled investor enthusiasm in T-bills and PIBs towards the latter part of the month. As a result, government security auctions attracted strong participation and gave SBP the opportunity to accept much higher than target amounts in both T-bill and PIB auctions (PKR819billion against PKR650billion in T-bills and PKR200billion against PKR60billion in PIBs, accepted). This led to an abnormal increase in cut off yields on both T-bills and PIBs where secondary market yields on 10 year benchmark PIB gained 28bps in a day. As liquidity left the system, short term yields spiked, which played havoc with the interbank market where lending rates surpassed the SBP Discount rate. Consequently, SBP intervened to provide liquidity to the money market. Despite interest rate stability, PKRV and KIBOR yields remained elevated as banks struggled for liquidity. Going ahead, we expect low participation in upcoming auctions till such time that market liquidity replenishes and short term yields stabilize.

## Equities touching new highs

Equities started the New Year in positive fashion with benchmark KSE100 index gaining 6% to close at 26,784 points. Strong foreign flows (USD32mn), improved economic indicators and significant progress on the privatization front boosted investor sentiment. Government's announcement to offload some of its holding in E&P companies (PPL, OGDC) and banks (ABL, UBL, HBL) was cheered by the market. December 2013 results season kicked off with early results largely in line with expectations. The only negative for Pakistan equities stemmed from extreme volatility in international markets as the decision of the Federal Reserve to cut back on its monetary easing plan created uncertainty. Looking ahead, barring any major sell off in international markets, we anticipate the market to continue its upward journey. Strong corporate earnings announcements, foreign interest in frontier markets, and improved macro landscape are expected to drive investor sentiment over the next couple of months.

### ECONOMIC SUMMARY

	Last Reported Month	Current Month	Previous Month	YTD
CPI Inflation	January	7.91%	9.18%	8.75%
Trade Deficit (USD mn)	December	(1,205)	(1,355)	(8,354)
Remittances (USD mn)	December	1,385	1,131	7,790
Current A/C (USD mn)	December	285	(589)	(1,589)
FDI (USD mn)	December	85	47	416
Tax Collection ** (PKR bn)	January	168	214	1,201
M2 Growth*	January	-	-	4.66%
FX Reserves* (USD bn)	January	-	-	7.993

Source SBP, FBS

\* Latest monthly figures

\*\* Provisional figures

### GOVERNMENT SECURITIES

PKRV Yields (%)	6 M	1 Yr	3 Yr	5 Yr	10 Yr
January 31,2014	9.99	10.01	11.97	12.4	12.79
December 31,2013	10.13	10.23	11.84	12.43	12.8
Change (bps)	-14	-22	13	-3	-1

Source : FMA

### EQUITY MARKET PERFORMANCE

	Jan-14	Dec-13	M/M	1 Yr Low	1 Yr High
KSE - 100 Index	26,784	25,261	6.03%	17,243	27,105
Avg. Daily Vol. (mn)	311	212	46.70%	62	665
Avg. Daily Val. (USD mn)	96	82	17.07%	19	183
2013E PE(X)	10				
2013 E DY	5.3%				

Source: KSE

### FUND MANAGER'S COMMENTS

ABL Income Fund generated an annualized return of 12.68% in January '14, showing a significant improvement of 492 bps compared to previous month. The fund also outperformed the benchmark return of 10.14% by 254 bps. The spike in returns was due to valuation improvements and trading gains on PIB and TFCs portfolio. Fund size declined marginally by 2.55% during the month to close at Rs.1.526 billion.

During the month, fund reduced its exposure in cash and TDRs while increasing exposure to T-bills, long durations PIBs and TFCs owing to which weighted average maturity of the fund increased from 856 days to 1,104 days. At month end, investment in government securities constituted 50.62% of the portfolio (T-Bills – 31.60%, PIBs – 18.89% and Ijarah 0.13%) compared to 6.38% in December. Investment in TFCs and Sukuks was also increased to 29.96% (GoP Guaranteed Instruments – 18.64% & corporate TFCs 11.32%) vs. 28.4% in previous month. Allocation of money market placements also increased to 16.07% of the fund in order to provide stability in daily returns.

Going forward, we will continue to explore investments in KIBOR linked instruments issued by corporates in order to further improve returns of the fund.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 33.833 million. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.2241 per unit.

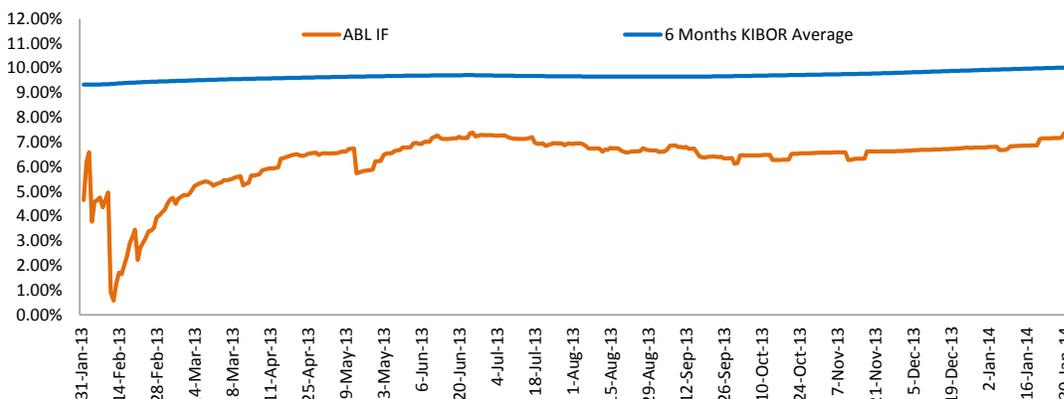
### INVESTMENT OBJECTIVE

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:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	September 20 <sup>th</sup> , 2008
Net Assets	PKR 1,526.60 mn as at January 31 <sup>st</sup> , 2014
NAV	PKR 10.1156 as at January 31 <sup>st</sup> , 2014 (Ex-dividend-Nav)
Benchmark	6 Months KIBOR Average
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Forward
Management Fees	1.5% p.a
Front-end Load	1.5 %
Trustee	Central Depository Company of Pakistan Ltd (CDC)
Auditor	K.P.M.G Taseer Hadi & Co. Chartered Accountants
Asset Manager Rating	AM2 (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

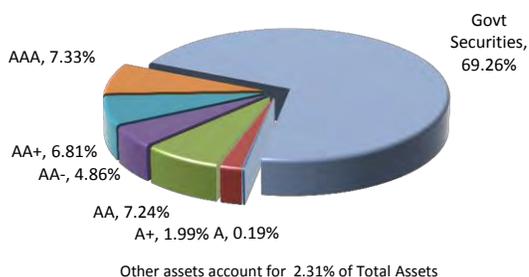
### PERFORMANCE

	ABL-IF	Benchmark
January-14	12.68%	10.14%
YTD	7.18%	9.58%

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Cash	26.08%	1.04%
Placements with Banks (TDRs)	31.06%	0.00%
Money Market Placements DFIs	6.21%	16.07%
T-Bills	0.00%	31.60%
PIBs	6.25%	18.89%
GoP Ijarah Sukuk	0.13%	0.13%
GoP Guaranteed Corp. Instruments	18.01%	18.64%
TFCs	10.37%	11.32%
Spread Transactions	0.00%	0.27%
Others Including Receivables	1.88%	2.03%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	1104

### TOP TFCs / SUKUK HOLDING (% OF TOTAL ASSETS)

	January 31 <sup>st</sup> , 14
WAPDA Sukuk	12.32%
WAPDA PPTFC	6.37%
BAFL TFC V	4.80%
SCB Ltd	4.53%
ENGRO FERTILIZER LTD-TFC (30-11-07)	2.00%

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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 gain and dividends.

### Investment Committee

#### Members:

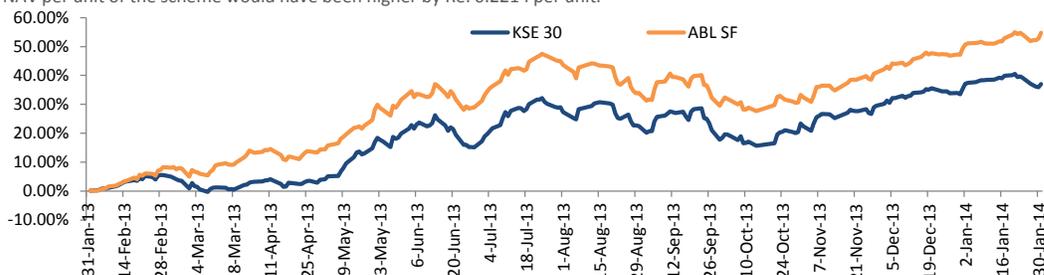
Farid A.Khan, CFA -CEO  
 Muhammad Imran - CIO  
 Faizan Saleem - Fund Manager  
 Kamran Aziz, CFA- Fund Manager  
 Abid Jamal, CFA - Head of Research

### FUND MANAGER'S COMMENTS

ABL-SF increased by 5.2% in January'14 against a 2.6% increase in KSE-30 index, which reflects an outperformance of 260 basis points. During the month, investment in the Oil & Gas sector was decreased from 29.4% to 24.4% of the portfolio, exposure in Chemicals sector was increased from 13.1% to 20.3% and allocation to Construction sector was decreased from 17.5% to 12.7%. Weight in Oil and Gas sector was reduced due to uncertain outlook on oil prices amidst weak economic data globally while exposure in Chemicals was enhanced primarily by way of increasing allocation to Engro as its chances of securing feed gas at subsidized rates improved. Exposure in construction sector was reduced to play the seasonality theme of weak off-takes. ABL-SF, as of January 2014, is 84.6% invested in equities and remaining in bank deposits.

Pakistan equity market remained relatively immune to sell-off witnessed globally in the month of January. Strong foreign inflows (US\$ 32 mn MTD) kept confidence intact at the Karachi Stock Exchange. Additional positives were the indicators on macroeconomic front with low inflation figures easing pressures on interest rates. Though certain sectors (FMCG in particular) appear heavy on valuations, we believe index heavy weight bluechip stocks offer substantial upside even on current rates. Pakistan is also benefiting from its status as frontier market, an asset class which foreigners continue to favor over emerging markets. Our strategy continues to be value picking on selective stocks/sectors, which appear relatively attractive compared to scrips and sectors that have performed in the recent rally.

The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 13.60mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.2214 per unit.



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Equity Scheme
Launch Date	June 28, 2009
Net Assets	Rs 819.05mn as at January 31 <sup>st</sup> , 2014
NAV	Rs 13.3358 as at January 31 <sup>st</sup> , 2014
Benchmark	KSE-30 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee	3% p.a.
Front -end Load	2%
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F. Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	High
Performance Ranking	MFR 3-Star (JCR VIS) (Based on one Year weighted average ranking), MFR 5-Star (JCR VIS) (Based on Two Year weighted average ranking), MFR 4-Star (JCR VIS) (Based on Three Year weighted average ranking) for periods ended June 30, 2013.
Fund Manager	Kamran Aziz, CFA
Listing	Karachi Stock Exchange

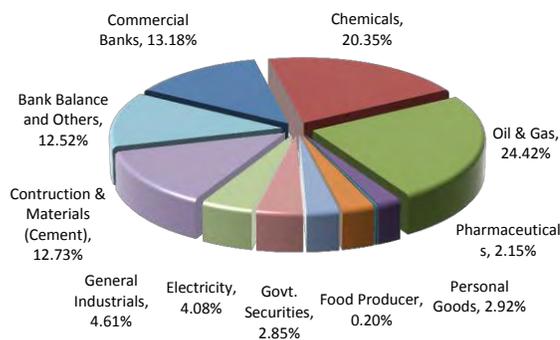
### PERFORMANCE

	ABL-SF	KSE-30
Year to Date (YTD)*	20.03%	19.06%
Trailing 12 Months*	54.77%	37.00%
Month to Date (MTD)*	5.21%	2.59%

\*Returns are net of management fee & all other expenses

ASSET ALLOCATION (% OF TOTAL ASSETS)	Dec 31st 2013	Jan 31st 2014
Stock/Equities	86.18%	84.63%
Bank Balances	7.62%	6.91%
T-Bills	3.33%	2.85%
Others	6.20%	5.61%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



TOP TEN HOLDINGS (% OF TOTAL ASSETS)	Dec 31st 2013	Jan 31st 2014
Pakistan Oilfields	8.85%	8.21%
Engro Corporation	2.58%	7.52%
Pakistan Petroleum	8.84%	6.81%
Arif Habib Corporation	0.00%	6.72%
Maple Leaf Cement	5.93%	5.45%
Pakistan State Oil Co.	6.58%	4.88%
Packages Limited	4.33%	4.61%
Hub Power Company	3.69%	3.43%
Oil & Gas Development Co.	4.87%	3.33%
Fauji Cement	4.56%	3.21%

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### INVESTMENT OBJECTIVE

To provide investors, with consistent returns with high level of liquidity, through a blend of money market and sovereign debt instruments

### Investment Committee

#### Members:

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 Muhammad Imran - CIO  
 Faizan Saleem - Fund Manager  
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 Abid Jamal, CFA - Head of Research

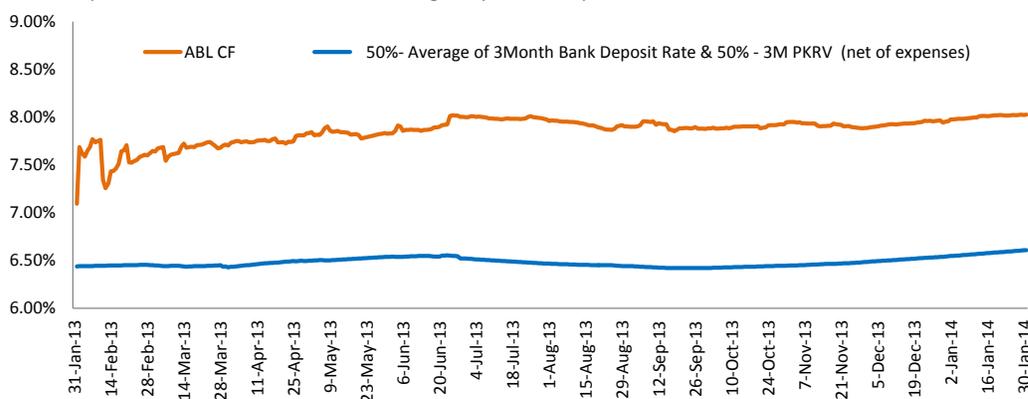
### FUND MANAGER'S COMMENTS

The New Year started on a good note for ABL Cash fund, where the fund generated an annualized return of 8.22% (improvement of 14 bps compared to previous month) versus the benchmark yield of 6.90%, thus showing an outperformance of 132 bps. On YTD basis, ABL CF return stood at 7.79% compared to benchmark yield of 6.38% - an outperformance of 141 bps.

During the month, we increased allocation to short-medium term treasury bills against maturities of TDRs. Consequently, weighted average maturity of the fund increased to 65 days from 29 days in the previous month. At month end, investment in Government securities comprised 94.33% of the total fund size compared to 26.60% in the previous month whereas placements with banks and DFIs declined to 4.86% of the fund (TDRs of 1.01% and placement with DFIs of 3.85%) compared to 71.03% in the previous month. Fund size dropped by 6.51% to close at PKR 16.722 bn.

Going forward, we will maintain the same duration as we expect stable interest rates in the near term. However, we will keep a close eye on key macro-economic indicators in order to shift asset allocation efficiently if and when required.

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 105.692 million, had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0632 per unit.



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Money Market Scheme
Launch Date	July 30 <sup>th</sup> , 2010
Net Assets	PKR 16,722.27 mn as at January 31 <sup>st</sup> , 2014
NAV	PKR 10.0042 as at January 31 <sup>st</sup> , 2014 (Ex-dividend)
Benchmark	50%- Average of 3Month Bank Deposit Rate & 50% - 3M PKRV (net of expenses)
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Backward
Management Fees	10% of Annualized Gross Return (subject to Upper Cap of 1.25% & Lower Cap of 1%).
Front -end Load	Nil
Trustee	Central Depository Company of Pakistan Ltd (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2 (Stable Outlook) (JCR-VIS)
Risk Profile of the Func	Low
Fund Stability Rating	AA(f) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	64.69

### PERFORMANCE

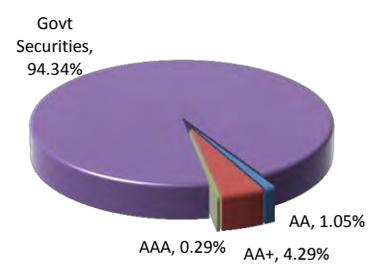
	ABL-CF	Benchmark
January-14	8.22%	6.90%
YTD	7.79%	6.38%

\*Returns are net of Management fee and all other expenses

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Cash	1.98%	0.78%
Placements with Banks (TDRs)	66.59%	1.01%
Money Market Placements	4.43%	3.85%
T-Bills	26.60%	94.33%
Others Including Receivables	0.39%	0.03%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



Other assets account for 0.03% of Total Assets

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### INVESTMENT OBJECTIVE

To provide investors, with consistent returns with high level of liquidity, through a blend of money market and sovereign debt instruments

### Investment Committee

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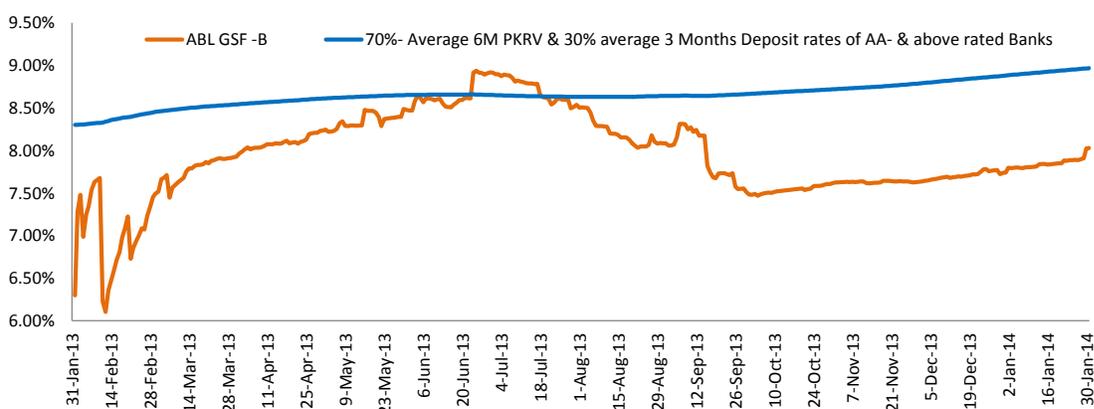
### FUND MANAGER'S COMMENTS

During the month, ABL GSF generated an annualized return of 10.44%, an improvement of 216bps over the previous month due to active duration management. The fund also beat the benchmark return of 9.15% by 129bps. WAM of the fund also increased from 55 days to 256 days due to inclusion of long bonds in the portfolio.

At month end, Government securities constituted 78.42% of the fund (T-bills 62.79% & PIBs 15.63% of total assets) compared to 71% in previous month. Money market placements, term deposits and cash constituted 12.61%, 5.26% & 3.38% respectively. ABL GSF fund size decreased marginally by 2% during the month to close at PKR 1.743 billion.

We anticipate fund returns to get a decent boost from the higher allocation towards PIB portfolio. Overall we expect interest rates to remain stable in near term due to controlled inflation and improved macroeconomic numbers.

The Scheme has maintained the provisional asset against Workers' welfare Fund's Liability to the tune of Rs. 118.177 million, Had the same not been made, the NAV per unit of the scheme would have been higher by Rs 0.6790 per unit



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Income Scheme
Launch Date	November 30 <sup>th</sup> , 2011
Net Assets	PKR 1,742.99 mn as at January 31 <sup>st</sup> , 2014
NAV	PKR 10.0154 as at January 31 <sup>st</sup> , 2014 (Ex-dividend)
Benchmark	70%- Average 6M PKRV & 30% average 3 Months Deposit rates of AA- & above rated Banks
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Forward
Management Fees	Class-A unit 0.25%, Class-B unit 1.25%
Front-end Load	1.5%
Trustee	Central Depository Company of Pakistan Ltd (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2 (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Faizan Saleem
Listing	Karachi Stock Exchange

### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	256

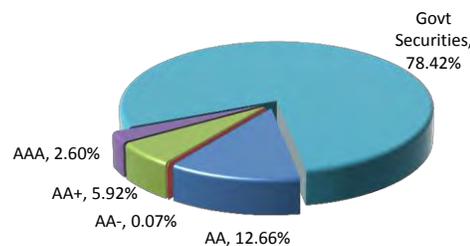
### PERFORMANCE

	ABL-GSF	Benchmark
January-14	10.44%	9.15%
YTD	7.23%	8.65%

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Cash	1.44%	3.38%
Placements with Banks (TDRs)	21.75%	5.26%
Money Market Placements DFIs	5.24%	12.61%
T-Bills	65.74%	62.79%
PIBs	5.24%	15.63%
Others Including Receivables	0.56%	0.33%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



Other assets account for 0.33% of Total Assets

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### FUND MANAGER'S COMMENTS

ABL-IIF yielded an impressive annualized return of 10.62% for the month of January 2014, an increase of 222 bps against the preceding month. The fund beat the benchmark return of 6.88% by a massive 374 bps during the month. Performance was helped by active trading as well as valuation gains on WAPDA Sukuk.

No major changes were made in the allocation and trading strategy of the fund during last month. Weightage average maturity of the fund came down slightly to 423 days compared to 447 days in previous month. At month end, the fund comprised of Govt. Guaranteed Sukuks, bank placements and deposits at 14.62%, 20.02% and 63.91% of assets respectively. Fund size increased by 4.34% to close at PKR 1.130 billion. Given the current composition of the portfolio and benign outlook on interest rates, we expect the fund to continue to post stable returns with low volatility.

The Scheme has maintained the provisional asset against Workers' welfare Fund's Liability to the tune of Rs. 5.973 million, Had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.0534 per unit.

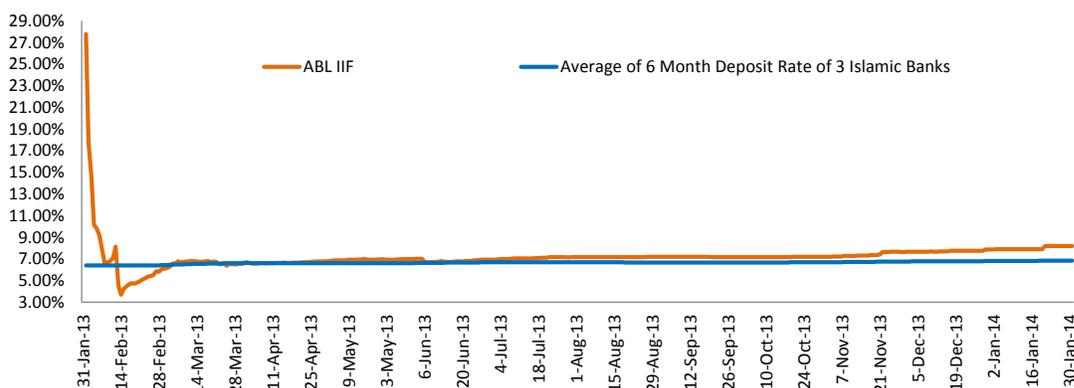
### INVESTMENT OBJECTIVE

To provide investors, with an opportunity to earn higher income over medium to long-term by investing in a diversified portfolio consisting of different Money market and debt instruments permissible under the shariah principles.

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Income Scheme
Launch Date	July 30 <sup>th</sup> , 2010
Net Assets	PKR 1,129.64 mn as at January 31 <sup>st</sup> , 2014
NAV	PKR 10.0993 as at January 31 <sup>st</sup> , 2014
Benchmark	Average of 6 Month Deposit Rate of 3 Islamic Banks
Dealing Days	As Per Banking Days
Cut-off time	4.00 pm
Pricing Mechanism	Forward
Management Fees	1% p.a
Front -end Load	1.5%
Trustee	Central Depository Company of Pakistan Ltd (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM2 (Stable Outlook) (JCR-VIS)
Risk Profile of the Fund	Low
Fund Stability Rating	A+(f) (JCR-VIS)
Fund Manager	Kamran Aziz, CFA
Listing	Karachi Stock Exchange

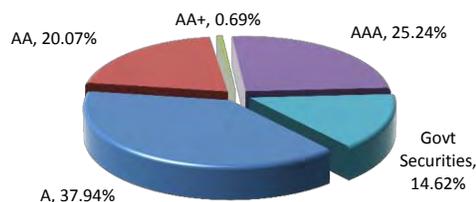
### PERFORMANCE

	ABL-IIF	Benchmark
January-14	10.62%	6.88%
YTD	8.63%	6.64%

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Cash	62.33%	63.91%
GoP Ijarah Sukuk.	0.46%	0.00%
Govt. Guaranteed Corp. Sukuk	15.08%	14.62%
Placements with Banks (TDRs)	21.02%	20.02%
Others Including Receivables	1.10%	1.44%
	100.00%	100.00%

### PORTFOLIO QUALITY (% OF TOTAL ASSETS)



Other assets account for 1.44% of Total Assets

### TECHNICAL INFORMATION

Leverage	NIL
Weighted average time to maturity of net assets	423

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### FUND MANAGER'S COMMENTS

ABL-CPF increased by 0.97% in January'14 against 0.95% increase in its benchmark, which indicates a slight outperformance. Equity portfolio was invested in Cements (0.87%), Oil & Gas (2.66%), Chemicals (1.15%), Banks (0.38%), and in Personal Goods (0.50%).

Pakistan equity market remained relatively immune to sell-off witnessed globally in the month of January. Strong foreign inflows (US\$ 32 mn MTD) kept confidence intact at the Karachi Stock Exchange. Additional positives were the indicators on macroeconomic front with low inflation figures easing pressures on interest rates. Though certain sectors (FMCG in particular) appear heavy on valuations, we believe index heavy weight bluechip stocks offer substantial upside even on current rates. Pakistan is also benefiting from its status as frontier market, an asset class which foreigners continue to favor over emerging markets. Our strategy continues to be value picking on selective stocks/sectors, which appear relatively attractive compared to scrips and sectors that have performed in the recent rally. Consequently our exposure in equities is at the maximum allocable limits.

The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 1.33mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0371 per unit.

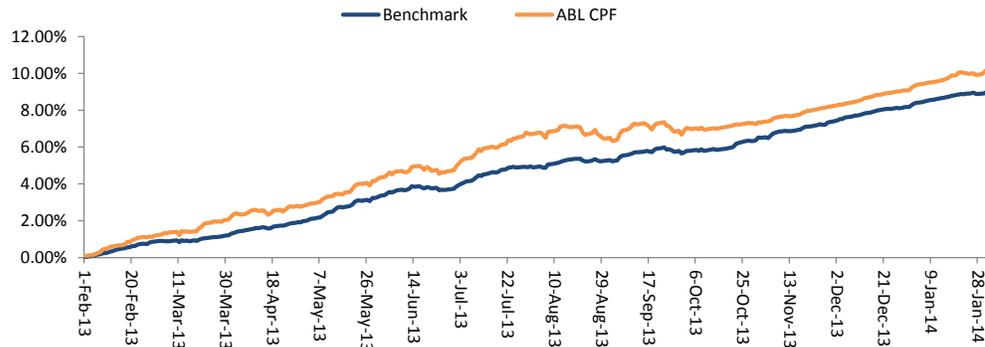
### INVESTMENT OBJECTIVE

To Protect Initial Investment Value and deliver some return with the prospect of growth in Initial Investment Value over the stipulated time period.

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA - Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Capital Protected Scheme
Launch Date	1-Jun-12
Net Assets	Rs 376.73mn as at January 31 <sup>st</sup> , 2014
NAV	Rs 10.5301 as at January 31 <sup>st</sup> , 2014
Benchmark	Weightage of Capital Protected segment in fund with 2 Year Term Deposit Rate of AA- & above rated banks and weightage of Investment segment with KSE 30 Index
Dealing Days	Dealing Days
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	1.5% p.a.
Front -end Load	1.75%
Back-end Load	Minimum 2%
Trustee	MCB Financial Services Limited
Auditor	M. Yousuf Adil Saleem & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	Low
Performance Ranking	AAA (CPF) (JCR-VIS)
Fund Manager	Kamran Aziz, CFA
Listing	Islamabad Stock Exchange

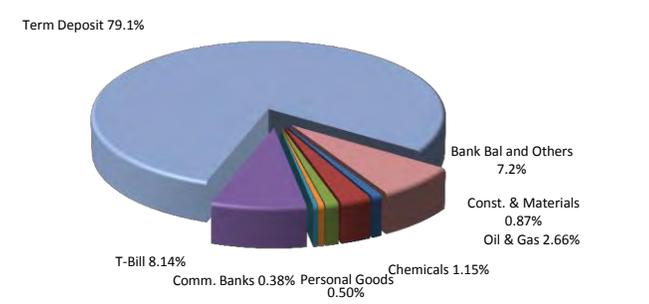
### PERFORMANCE

	ABL-CPF	Benchmark
Year to Date (YTD)*	5.17%	5.33%
Month to Date (MTD)*	0.97%	0.95%

\*Returns are net of management fee & all other expenses

ASSET ALLOCATION (% OF TOTAL ASSETS)	Dec 31st 2013	Jan 31st 2014
Stock/Equities	4.91%	5.55%
Bank Balance	4.10%	0.69%
T-Bill	7.86%	8.14%
Term Deposit	77.49%	79.11%
Others	5.63%	6.51%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



### TOP TEN HOLDINGS (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Pakistan State Oil Co.	0.00%	2.66%
Engro Corporation	0.41%	1.15%
D.G. Khan Cement	0.76%	0.87%
Kohinoor Textile	0.00%	0.50%
National Bank of Pakistan	0.37%	0.38%



Disclaimer: This publication is for informational purposes only and nothing here in 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 there on are dependent 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.



### INVESTMENT OBJECTIVE

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

### FUND MANAGER'S COMMENTS

ABL-ISF increased by 3.7% in January '14 against 4.1% jump in the benchmark KMI-30 index, which reflects a slight underperformance of 40 basis points. During the month, exposure in Oil & Gas sector was increased from 31.5% to 37.2% of the portfolio, exposure in Chemicals sector raised from 12.7% to 13.3% and allocation to Construction sector was enhanced from 15.7% to 17.0%. Weights in most sectors appear enhanced compared to last month due to large after market-hours investment received on closing of previous month. ABL-ISF as of January 2014 was 85.2% invested in equities and remaining in bank deposits.

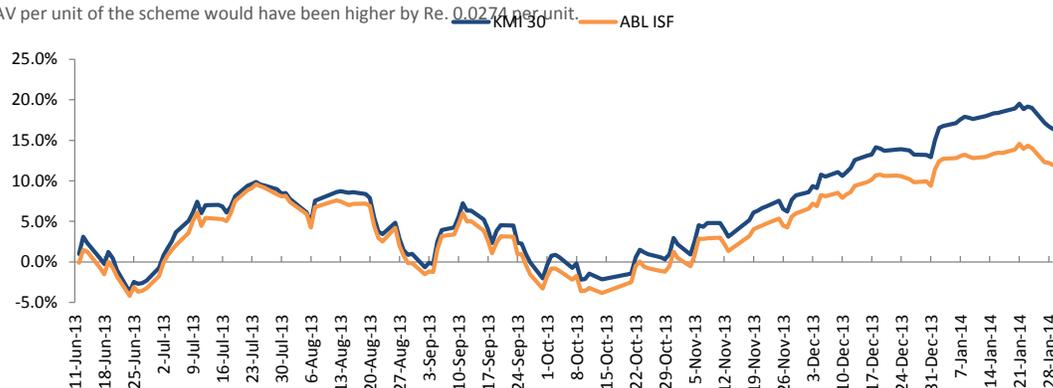
Pakistan equity market remained relatively immune to sell-off witnessed globally in the month of January. Strong foreign inflows (US\$ 32 mn MTD) kept confidence intact at the Karachi Stock Exchange. Additional positives were the indicators on macroeconomic front with low inflation figures easing pressures on interest rates. Though certain sectors (FMCG in particular) appear heavy on valuations, we believe index heavy weight bluechip stocks offer substantial upside even on current rates. Pakistan is also benefiting from its status as frontier market, an asset class which foreigners continue to favor over emerging markets. Our strategy continues to be value picking on selective stocks/sectors, which appear relatively attractive compared to scrips and sectors that have performed in the recent rally.

The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 2.82mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0274 per unit.

### Investment Committee

#### Members:

- Farid A.Khan, CFA - CEO
- Muhammad Imran - CIO
- Faizan Saleem - Fund Manager
- Kamran Aziz, CFA- Fund Manager
- Abid Jamal, CFA - Head of Research



### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Equity Scheme
Launch Date	June 12, 2013
Net Assets	Rs <b>1,166.68mn</b> as at January 31 <sup>st</sup> , 2014
NAV	Rs <b>11.3421</b> as at January 31 <sup>st</sup> , 2014
Benchmark	KMI-30 Index
Dealing Days	As Per Local Stock Exchanges
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	3% p.a.
Front-end Load	2%
Trustee	MCB Financial Services Limited
Auditor	KPMG Taseer Hadi & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	High
Performance Ranking	N/A
Fund Manager	Kamran Aziz, CFA
Listing	Karachi Stock Exchange

### PERFORMANCE

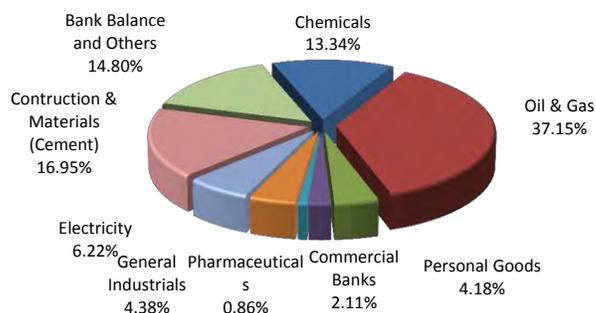
	ABL-ISF	KMI-30
Year to Date (YTD)*	17.22%	20.35%
Month to Date (MTD)*	3.70%	4.14%

\*Returns are net of management fee & all other expenses

### ASSET ALLOCATION (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Stock/Equities	77.54%	85.20%
Bank Balances	21.62%	13.09%
Others	0.84%	1.71%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



### TOP TEN HOLDINGS (% OF TOTAL ASSETS)

	Dec 31st 2013	Jan 31st 2014
Pakistan Oilfields	8.62%	12.13%
Pakistan Petroleum	10.77%	9.89%
Fauji Fertilizer Company	10.18%	9.57%
Oil & Gas Development Co.	5.89%	7.12%
Pakistan State Oil Co.	6.26%	6.76%
Hub Power Company	7.62%	6.22%
D.G.K.Cement	4.89%	6.21%
Maple Leaf Cement	4.83%	5.86%
Packages Limited	3.21%	4.38%
Nishat Mills	4.38%	4.18%

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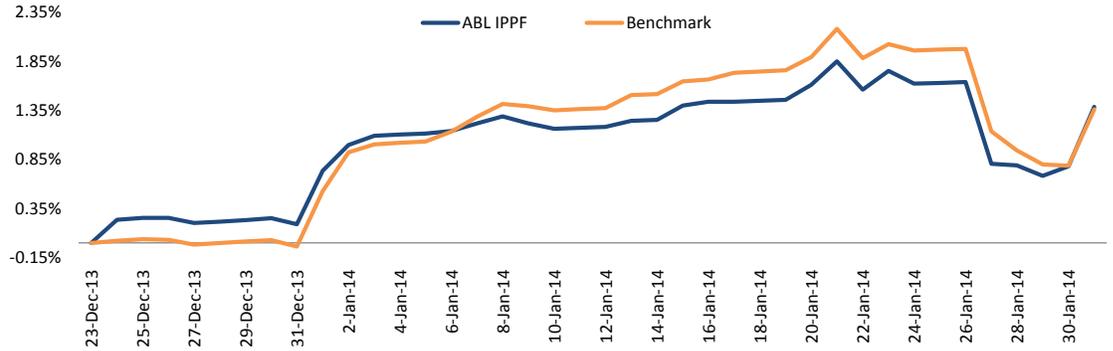
Disclaimer: This publication is for informational purposes only and nothing here in should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends /returns there on 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.

### FUND MANAGER'S COMMENTS

The fund gained 1.2% against benchmark return of 1.4%, which reflects a slight underperformance of 20 basis points during the period under review. Variance from the benchmark was primarily on account of underperformance of the underlying asset (ABL ISF). Using a gradient of 3.5 times under the CPPI methodology for principal preservation, equity allocation of the fund was set at 52.9% with rest of the funds deployed in Islamic Banks.

Pakistan equity market remained relatively immune to sell-off witnessed globally in the month of January. Strong foreign inflows (US\$ 32 mn MTD) kept confidence intact at the Karachi Stock Exchange. Additional positives were the indicators on macroeconomic front with low inflation figures easing pressures on interest rates. Though certain sectors (FMCG in particular) appear heavy on valuations, we believe index heavy weight bluechip stocks offer substantial upside even on current rates. Pakistan is also benefiting from its status as frontier market, an asset class which foreigners continue to favor over emerging markets. Our strategy continues to be value picking on selective stocks/sectors, which appear relatively attractive compared to scrips and sectors that have performed in the recent rally.

The scheme has maintained the provision against Workers' Welfare Fund's liability to the tune of Rs. 0.2857mn. Had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0028 per unit.



### INVESTMENT OBJECTIVE

To provide higher risk adjusted return through dynamic asset allocation between Shariah Compliant Equity & Income/Money Market Scheme while preserving the principal at maturity.

### Investment Committee Members:

Farid A.Khan, CFA - CEO  
 Muhammad Imran - CIO  
 Faizan Saleem - Fund Manager  
 Kamran Aziz, CFA - Fund Manager  
 Abid Jamal, CFA - Head of Research

### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Shariah Compliant Fund of Funds Scheme
Launch Date	24-Dec-13
Net Assets	Rs 1024.73 mn as at January 31 <sup>st</sup> , 2014
NAV	Rs 10.1386 as at January 31 <sup>st</sup> , 2014
Benchmark	Weighted Average Daily Return of KMI - 30 Index and 3M Deposit Rates of AA- & above rated Islamic Banks based on Fund's actual participation in Equity & Income/Money Market Component
Dealing Days	As per Local Stock Exchange/ Banking Days
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fees	Nil (1% Management Fee p.a. Applicable on investments made in funds managed by other AMCs)
Front -end Load	0%-2%
Back-end Load	Maximum 2%
Trustee	MCB Financial Services Limited
Auditors	M/S. A.F. Ferguson & Co, Chartered Accountants
Asset Manager Rating	AM2 (JCR-VIS) (Stable outlook)
Risk Profile of the Fund	Low
Performance Ranking	N/A
Fund Manager	Muhammad Imran
Listing	Islamabad Stock exchange

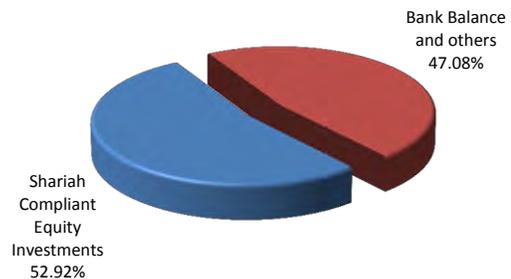
### PERFORMANCE

	ABL-IPPF	Benchmark
Year to Date (YTD)*	1.39%	1.36%
Month to Date (MTD)*	1.19%	1.40%

\*Returns are net of management fee & all other expenses

ASSET ALLOCATION (% OF TOTAL ASSETS)	Dec 31st 2013	Jan 31st 2014
Shariah Compliant Equity Scheme	28.61%	52.92%
Bank Balances	70.57%	45.90%
Others	0.82%	1.18%
Leverage	NIL	NIL

### SECTOR ALLOCATION (% OF TOTAL ASSETS)



TOP HOLDINGS (% OF TOTAL ASSETS)	Dec 31st 2013	Jan 31st 2014
ABL Islamic Stock Fund	28.61%	52.92%