

News.....In brief...

Changing Places...	page 1
Reaching Islamabad	page 1

Fund Performance Reviews

Unit Trust of Pakistan (UTP)	page 2
UTP - Income Fund	page 2
UTP - Islamic Fund	page 2

Economic Snapshots

page 2

Economy.....In brief...

Regulatory updates	page 3
Financial Markets - Review March 2005	page 4
Market Outlook	page 4

Others.....

Glossary of Investment & Financial Terms	page 1
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Glossary of Investment & Financial Terms

Auditor's Report: the declaration of a professional accountant following the review of a mutual fund's financial statements. The report describes the scope and the findings of the review and is an important assurance to a lender or investor. The opinion of an auditor can be unqualified or qualified, depending on the extent of the audit performed and the auditor's confidence in the accuracy of the financial statements.

Automatic Investment Plan: a program enabling mutual fund investors to purchase or sell fund shares automatically. For example, mutual fund investors can have a fixed amount from a bank savings or checking account debited to buy fund shares on a weekly, monthly, quarterly or annual basis. Investing at regular intervals allows shareholders to benefit from cost averaging.

Average: a weighted, adjusted arithmetic mean of selected securities designed to represent the market or important segments of the market. The Dow Jones Industrial Average, the best known market average, is price-weighted.

Average Annual Compound Return: the annual rate of return, including reinvestment of distributions, earned over a specific period of time.

Averaging: an investment strategy that involves making regular investments on a specified time schedule, regardless of price or direction of the market. In the long run, the investor buys more shares when the price is lower, so that the overall cost is lower than if a constant number of shares were bought at set intervals. Also known as cost averaging.

Back End Load: an exit fee imposed on shares sold within a specified period by a mutual fund shareholder or a variable annuity contract holder. These charges are usually assessed on a sliding scale, such as 6% of amounts redeemed the first year, 5% the second year, 4% the third year, and so on. Also known as a "contingent deferred sales charge".

ABAMCO Limited

Changing Places....

Keeping in view its expanding scale of business operations, ABAMCO Limited will be shifting its offices to a new location with effect from May 1, 2005.

The new location and premises will allow it to function much easily smoothly and will be able to accommodate its increasing employee base.

The news office address is:

7th Floor, The Forum, Khayaban e Jami, Clifton.

The UAN (111-222-626), will remain the official contact number.

ABAMCO Limited

Now in Islamabad....

Continuing with its vision to come closer to its customers, ABAMCO has set up a branch in Islamabad, which was inaugurated by Mr. Salman Sheikh, Commissioner, Specialized Companies Division of the Securities & Exchange Commission of Pakistan.

The retail branch, situated at Razia Sharif Plaza, Blue Area will cater to existing investors in terms of providing them a closer and more direct means of customer service and will also be the base for retail marketing activities in Islamabad. This is the second such branch launched by ABAMCO since the first one was launched last in February at Karachi. ABAMCO also has a branch in Lahore.

The development of more branches is in process and ABAMCO will soon be opening its doors to customers directly in Gujranwala and Sialkot.

The launch of this branch has resulted in the actualization of ABAMCO's aspiration to be closer than ever to its valued clientele in order to provide them superior levels of customer support & service.

NAV Variation

Fund	Feb 28' 05	Mar 31' 05	MoM Change (%)
UTP	8,671	8,070	-6.93
UTP - IF	530.25	540.63	+1.95
UTP - ISF	709.25	667.00	-5.96

		Actual NAV	Adjusted NAV*
BBF	16.27	14.16	15.41
ASMF	20.42	16.86	18.34
ACF	18.29	15.35	16.60
AGF	37.84	33.07	35.67
ACoF	12.08	10.25	11.50

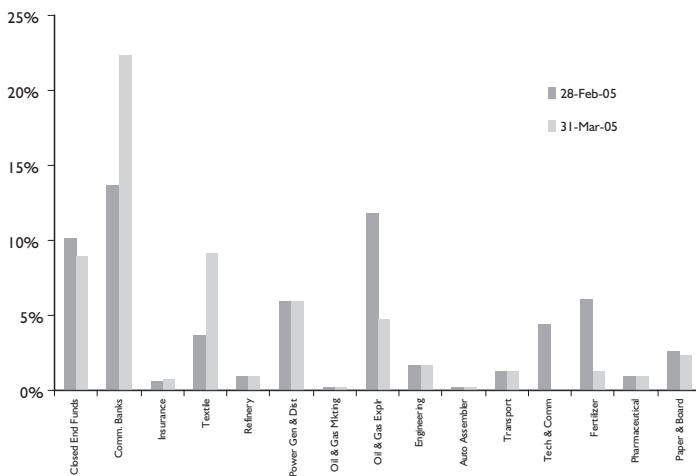
* The adjusted NAV is cumulative of the cash interim dividend paid out during the period. Since the decline in Actual NAV takes into account the dividend paid, a comparison with last month's NAV is not an accurate reflection of the funds' performance.

Unit Trust of Pakistan

Performance Review

The UTP fund ended the month of March down 6.9 %. In line with ABAMCO's asset allocation policy for March, UTP's exposure to equities was reduced from February levels to 60.8 % of NAV by the end of March. In light of the strong earnings growth in the banking sector in general, exposure to the Commercial Banking sector was increased through the addition of new holdings. The fund's position in the Textile sector was also increased owing to the attractive entry points in the sector. Holdings in the Oil and Gas Exploration, Technology and Communications, and the Fertilizer sectors were reduced based on the significant run up in prices and deterioration of long term valuations to beyond ABAMCO's fair value assessments. Investment in COT was managed through reduction in exposure to overvalued scrips and by shifting towards sectors where more value was seen.

UTP - Change in Equities by Sector, Mar 2005

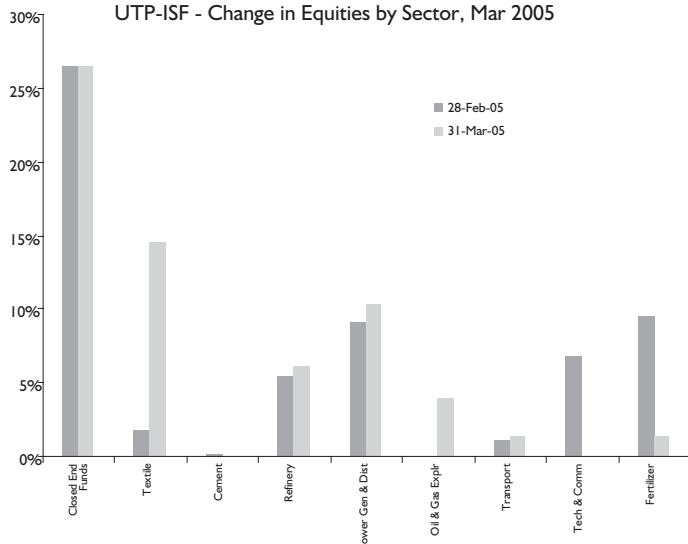


UTP-Islamic Fund

Performance Review

The UTP Islamic Fund was down 5.9 % for the month of March. The fund was given increased exposure to the Textile sector on the basis of attractive valuations. Given the high volatility in the Oil and Gas Exploration sector a short term trading position was established and a strategy of constant churning adopted to maximize gains from price dips and spikes. Holdings in Technology and Communications and the Fertilizer sectors were reduced in line with ABAMCO's changing outlook for these sectors.

UTP-ISF - Change in Equities by Sector, Mar 2005



Economic Indicators

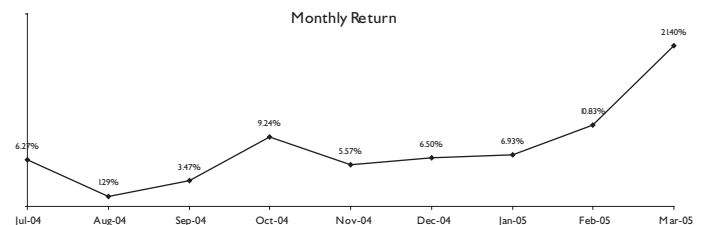
Indicator	Position	Updated
GDP Growth	6.4%	
Industrial growth	13.4%	
Agricultural growth	2.6%	
Services sector growth	5.2%	
Fiscal Deficit (% of GDP)	3.3%	
Investment to GDP	18.1%	
Unemployment rate	8.3%	
Per capita income (USD)	652.00	
Average bank lending rate	6.2%	Oct '04
SBP Discount Rate	9.0%	Apr 12 '05
FX Reserves (USD bn)	12.76	Apr 2, '05
Total external debt (USD bn)	36.20	
Total internal debt (PKR bn)	2,028.40	
CPI Inflation	9.9%	

UTP-Income Fund

Performance Review

UTP-IF performance - March 2005 was a record month with the UTP-IF outperforming its peers and giving a monthly return of 21.40%. This was primarily due to higher spreads in the Ready/Futures market, high COT volume and a relatively ill-liquid money market. Our portfolio shift to spread transactions increased, thereby giving such a high return. Little interest was shown in the TFC market, with no new issuances March.

Outlook - Given the current volatility in the KSE100, lower volumes in spread transactions, continuous phase out of COT, and a liquid money market, we expect to maintain a high single digit return.



Regulatory Updates

SECP imposes Rs5.1m fines:

KARACHI: The Commissioner (Specialized Companies Division) of the Securities and Exchange Commission of Pakistan (SECP) has imposed an aggregate penalty of over Rs5.1 million on three different companies for violating the relevant rules in the conduct. of their businesses.

A penalty of Rs2.4 million was imposed on Asia Leasing Limited and its directors for violating Rule 7 of Non-Banking Finance Companies (NBFC) which states that an NBFC shall maintain such books of account and other records as shall depict a true and fair picture of its state of affairs.

A penalty of Rs. 350,000 on the directors of Pakistan industrial and Commercial Leasing Ltd (PICL) for violation of Rule 15 of the NBFC which states that the total investment in equities shall not exceed the total net worth of the company.

A total penalty of Rs300,000 on all the directors of Dadabhoj Modaraba Management (Pvt.) Ltd for failure to submit quarterly accounts within the stipulated time period.

SECP penalises modaraba company:

The Securities and Exchange Commission of Pakistan (SECP) has penalised the chief executive and directors of ART Modaraba Management (Pvt.) Limited a management company of Second Tri-Star Modaraba (STM), for failure to submit STM's third quarter's accounts, with the SECP within the stipulated period.

Other Stories...

LSE, ISE approve merger to form NSE:

The Board of Directors of the Islamabad Stock Exchange approved the proposed merger of Islamabad Stock Exchange and Lahore Stock Exchange on Wednesday, March 16, 2005.

The board of directors of ISE has also accorded approval to a proposal for creation of a new company that would run the affairs of National Stock Exchange. Both the bourses would be merged into one entity to be named as National Stock Exchange.

Indian, European companies offer Stock market surveillance system to SECP:

Some Indian and European companies have offered a modern stock market surveillance and monitoring system to Securities and Exchange Commission of Pakistan (SECP).

The system, that includes modern technology, equipment, software and other related materials, would help the SECP to further tighten its control over stock market, strengthen its capacity to effectively monitor the market activity and keep an eye on insider-trading, brokers exposure, performance of exchanges, manipulation, of equities, and other market abuses. This was revealed by the Chairman of the SECP Dr. Tariq Hassan during a discussion with journalists.

Global Mutual Fund News

4 Firms fined USD81m over mutual funds

NEW YORK: US regulators on March 23, 2005 fined Citigroup Inc., American Express Inc., J.P. Morgan Chase & Co. and Putnam Investments a combined \$81.25 million for failing to provide customers with necessary information about mutual funds.

The Securities and Exchange Commission imposed fines of \$40 million on Putnam, a unit of Marsh & McLennan Cos., and \$20 million on Citigroup Global Markets Inc. for not disclosing payments to promote certain funds, resulting in conflicts of interest. Citigroup also improperly steered investors to higher-cost fund shares, the SEC said.

Meanwhile, the NASD said it fined American Express Financial Advisors \$13 million, Citigroup Global Markets \$6.25 million and Chase Investment Services \$2 million for steering investors to costlier. funds. They also agreed to plans to reimburse more than 50,000 households.

The firms neither admitted nor denied wrongdoing. Putnam had agreed in principle to settle with the SEC in November.

Pakistani mutual fund industry grows by 135%:

The mutual funds industry during the past one decade has recorded tremendous growth where its net assets grew by 135 percent with introduction of reforms.

Delegates from mutual industry of Pakistan made a presentation at the 10th Asia Oceania regional meeting from March 7 to 11, 2005, organized by the International Investment Funds Association (IIFA), which was hosted, by Investment Company Association of the Philippines (ICAP).

Thirty-one delegates attended the meeting from 11 countries including Pakistan. The 11 countries were Australia, Bangladesh, China, Hong Kong, India, Japan, Korea, Singapore, Taiwan, Pakistan and Philippines. Last year, India had hosted the conference.

Merrill Lynch MD visits KSE:

The worlds' leading capital market fund managers Merrill Lynch has shown interest in the booming stock market in Pakistan especially asset management and mutual fund industry.

In this regard, Merrill Lynch Managing Director for Europe, Middle east & Asia Pacific David Graham paid a visit to the Karachi Stock Exchange and met the Chairman Mr. Yasin Lakhani on March 9, 2005.

Mr. Lakhani said that the visit of Merrill Lynch team to Pakistani stock market was on the international radar and foreign fund managers now wanted to take the benefits of this fast growing market.

He said that Merrill Lynch team was very much satisfied with the risk management, settlement procedures of the KSE and the management of listed companies.

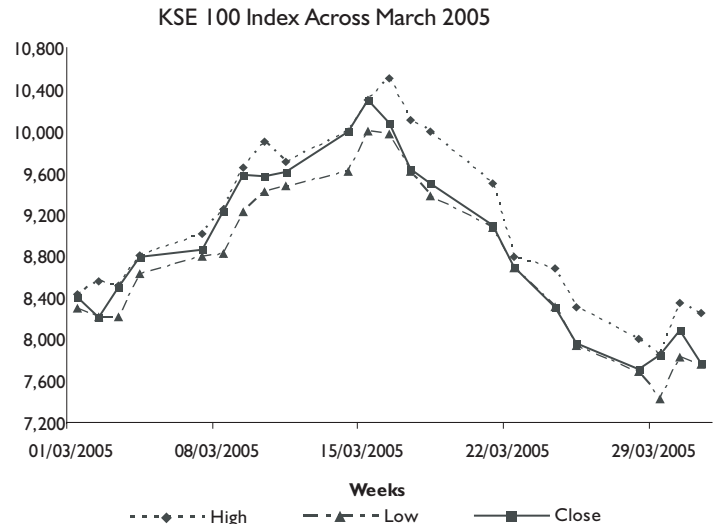
NYSE praises KSE performance:

The Chairman and Chief Executive of New York Stock Exchange, Hon Thain was reported to have remarked that achievement of \$40 billion market capitalization by Karachi Stock Exchange (KSE) was a significant value for an emerging capital market.

A press release issued by the KSE on Thursday, March 10, 2005, stated that the comment from the NYSE chairman came in response to information conveyed by the KSE MD, Moin M. Fudda, who attended the Annual International Exchange Globalization & Clearing Forum held in New York. Mr Thain complimented KSE for outstanding performance and particularly surpassing the, turnover of 1 billion shares, to which he believed, was by far the highest turnover for Stock Exchange in the developing market", the pres release said.

Financial Markets Review - March 2005

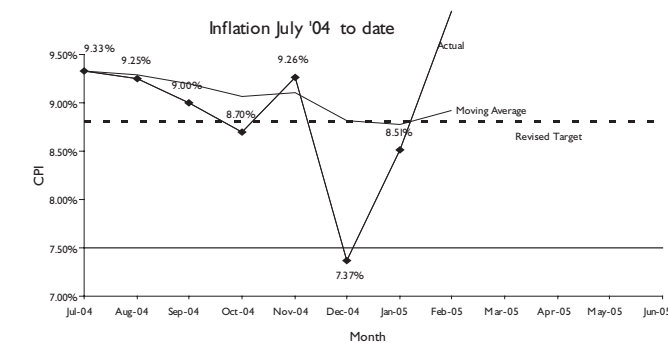
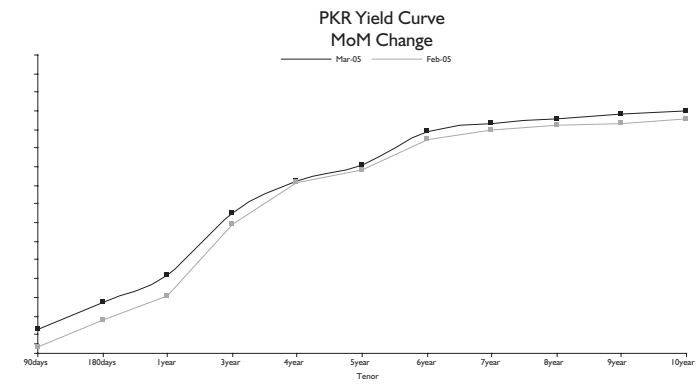
KSE loses 490 points...: March 2005 proved to be an extremely volatile month for the Karachi Stock Exchange as it saw both its worst ever crisis as well as historic heights during the month. The month started with the continuation of the bullish sentiments which prevailed throughout February and the index rose to a historic level of 10,303 during the first 15 days, an increase of 2043 point or 25%. OGDC and PTCL, the index heavy weights were the major contributors to this unfathomable rise as their share prices rose by 61% & 29% respectively. PTCL's run-up was based on higher price expectation in the privatization process and OGDC's price shot up on pure speculation on the size of the expected oil and gas discoveries. This bullish rally which started in January 2005 finally came to a halt during the second half of the month and that too in the worst possible manner. During the last two weeks the index shed approx. 2600 point or 26% ending the month with 490 points down to 7770 from 8260 at the end of February. Prices of all the major socks including OGDC, PPL, PSO & PTCL took a battering and a serious settlement crisis was developed as small investors had heavily invested in futures stocks and were not able to sell them because there were no buyers. The crisis was eventually solved by bank & brokerage houses which provided the required funding and helped avoid the settlement crisis.



Money Market: State bank continued with its policy of gradual rise in the interest rates in order to curtail inflation which stood at 9.95% as of February 2005. In the auction conducted by State bank on 31st March, cutoff yield on the benchmark 6 month T-bill rate was raised by 49 basis points to 5.69%. Cutoff yields on 3 month and 12 month T-bills were also raised by 27 and 46 basis points respectively to 5.01% and 5.95%. Badla rates at the Karachi Stock Exchange remained at its cap of 18% in the first half; however it was raised to 24% during the end of the month in order to attract more funds from banks and brokerage houses so as to solve the futures settlement crisis. Going forward we will continue to see gradual hike in the interest rates as inflationary pressures continue to prevail in the country.

Future Outlook: The major correction that took place at KSE during the month has brought the prices of some of the stocks at very attractive levels. Companies in the cement, fertilizers and banking sectors have tremendous growth potential and hence they will continue to show solid earnings in future. News on the economic side is also very positive with GDP growth expected to be more than 7% this year. However rising inflation and consequently interest rates and record high oil prices can put pressure on the growth in the medium to long term.

Foreign Exchange Market: The Rupee remained stable against dollar in the month of March despite huge trade deficit and record high oil prices. State bank's policy of using its own reserves for oil payments kept the unnecessary currency speculation in check. The dollar traded at an average of 59.365 during the month with a high of 59.41 and a low of 59.30.



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