

MONEY MATTERS



MCB-ARIF HABIB
Savings and Investments Limited

Fund Manager's Report

AUGUST 2017



DEAR INVESTORS,

Assalam-o-Alaikum and greetings from your preferred fund manager!

Thank you for taking out your time to review our Fund Manager's Report for the month of August 2017. We extend our earnest gratitude to our investors for their continuous confidence and faith in us. It is your trust which drives and motivates us to provide you with increasingly innovative products and services.

In this Fund Manager's Report we intend to address some of the concerns you as our valued investor may have regarding the performance of the market in general.

We understand that our investors might be apprehensive regarding investing right now since the stock market is at a low point. However, we would like to inform you that from a financial standpoint, if you wish to invest in a stock market fund this can be the ideal time to make the move. This is true mainly because since the cost of investment is low; more units can be bought with a certain amount than if the stock market was at a booming point. Moreover, for investors wishing to take the risk of investing in a stock market fund, our fund managers advise a long term strategy to safeguard against high volatility. If an investor is looking to reap long term returns they need not worry as their capital will grow over time despite the short term market fluctuations.

Even in an environment where investors are reluctant to risk entering the stock market, Mutual Funds provide multiple product options to gain returns on your savings. The income fund for example delivers returns primarily by investing in Government and Corporate Bonds avoiding extensive risks. Similarly, the Asset Allocation Fund shifts exposure between debt and equity market according to market conditions. In times when the market is not performing well, the fund may keep lower stock market exposure and allocate more in debt securities and vice versa.

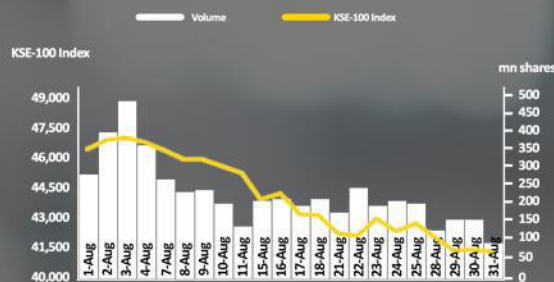
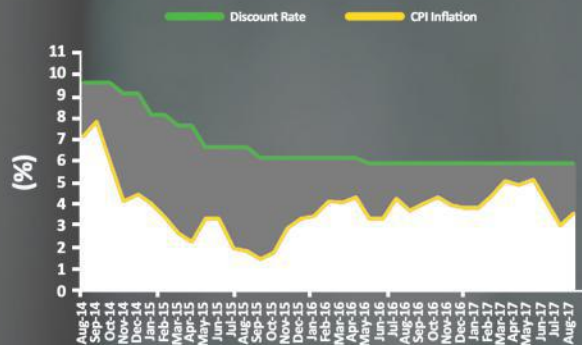
To address these concerns and others Team MCB-AH is working tirelessly. With the help of our blogs on our website as well as our 24/7 helpline, we aim to tackle the concerns of our valued investors. We can only hope that we continue to serve you better with each passing day.

For investment related queries and feel free to contact us via WhatsApp 0300-4362224 or call us on our helpline 0800-62224 to speak to one of our helpful Customer Support Officers. You can also email us your query at info@mcbah.com.



Muhammad Saqib Saleem

Chief Executive Officer



MACRO-ENVIRONMENT REVIEW AND OUTLOOK

The fiscal year continues to be blessed with ongoing benign inflation, the month of August recorded inflation of ~3.42%, taking 2MFY18 average inflation to ~3.16%. For full year FY18 we expect average inflation to remain well anchored between 4.25%-4.5%.

Monetary policy meeting is expected at the end of Sep 2017, we expect SBP to maintain discount rate at current level on the basis low inflationary pressures, growing demand and in their view, manageable balance of payment.

Large scale manufacturing sector has started reflected the ongoing economic activity from both CPEC and non CPEC related activities. In FY17 LSM recorded growth of ~5.32% with major contribution coming from automobiles, construction and consumer goods. Next year, we remain optimistic on LSM growth as Pakistan continues on its growth trajectory.

Recent data released for FY17 fiscal deficit, recorded at 5.8% of GDP, shows a worrying picture, the relied upon provincial surplus recorded a surprise deficit of ~PKR 160bn deficit. Analyst expect the deficit to further widen next fiscal year as expenditure rise due to FY18 being an election year. The situation is further compounded by soaring of current account deficit which recorded an astounding ~USD 2 bn just for the month of July 2017.

We have growing reservations on the ballooning twin deficit of the country, increasing CA deficit and depleting Foreign exchange reserves. Growing imports, falling exports, and slowing remittances are all points of concern, added to which, the political instability of the election year may hinder government's ability to raise financing for both multilateral and bilateral sources to contain deficit. FY18 will be a tough year for PKR, we foresee rising pressure on PKR/USD parity.

EQUITY MARKET REVIEW AND OUTLOOK

After Prime Minister's disqualification jolted the stock market in the first two months of FY18, Aug-17 proved to be another dreadful month for KSE100 index. Uncertainty prevailed in the market due to continuous worsening of external account along with President Trump's allegation of Pakistan of harboring terrorists. Apart from this, penalty announcement on HBL's New York branch proved to be last nail in the coffin. The benchmark index lost ~10.5% finishing the month at 41,207 pts.

Foreigners continued to offload their positions in Pakistan, liquidating USD 80.46 million worth of equities while on the local side Banks (USD 25.46 million) and Companies (USD 28 million) remained the major buyers. Average volumes increased by ~15% to 202 million shares while value traded increased by ~6 % to PKR 10.2 billion.

Amongst major sectors that have pulled the index down was cements (down 16% MTD) continuing its lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. Banks, Fertilizer and Oil & Gas declined in line with the market. In the banking space, sentiments turned out to be sour in the last 2 days of the month when HBL received a notice from New York (NY) State Department of Financial Services (DFS) seeking to impose a hefty penalty of USD 629.6 mn on the bank. Autos also continued to witness correction (~12% MoM) along with dampened sentiments due to anticipated pressure on USD-PKR parity as external account continued to deteriorate.

Going forward, we expect market to remain volatile as twin deficits continue to haunt the basic macroeconomic fundamentals. Currently, we remain skeptical on the economic direction and believe certain policy adjustments are necessary to maintain the direction of economic growth. Valuations remain in line with historical trends and adjustment in sector allocation is necessary to optimize the returns. We advice local investors to carefully watch the economic trends and build exposure on any weakness.

MONEY MARKET REVIEW AND OUTLOOK

Yield curve showed an upward trajectory during the month due to rising political uncertainty along with worsening of the twin deficits. Commercial banks remained active in overnight market where majority of activity was witnessed near policy rate whereas market activity in PIB has remained scarce. Participation in recent PIB auction equaled to a meager total of PKR 26 billion (target: PKR 100 Bn) out of which 3 years PIB received majority of bids amounting to PKR 20 Bn. On the other hand, participation in T-Bill auction remained strong amounting to PKR 530 Bn (Target: PKR 300 Bn) out of which PKR 515 billion was accepted. Like PIBs, majority of the participation was witnessed in 3-Month T-bills amounting to PKR 438bn. Short term liquidity remained comfortable as SBP conducted regular OMOs throughout the month. In the auction, cut-off yields for 3-, 6- and 12-month papers were maintained at previous levels of 5.9910%, 6.0109% and 6.0386% respectively.

Pace of widening trade deficit remained alarmingly high which kept on diluting Forex reserves and keeping investors away from longer tenor securities despite attractive premium on offering.

Furthermore, surge in import payments and slowdown in worker remittances could potentially put further pressure on current account going forward. Worsening external account will pose the biggest challenge to the economy, while the management of external flows will remain contingent on the government's capacity to fetch inflows from various sources. Looking at the prevailing scenario bond yields will remain on the rising trend in the near future as interest rates have bottomed out and are expected to move in the upward direction, albeit under a managed range.

SHARI'AH
COMPLIANT
SCHEMES



General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant (Islamic) Income Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	AA-(f) by PACRA (12-Jul-17)
Risk Profile	Low
Launch Date	20-Jun-2011
Fund Manager	Syed Mohammad Usama Iqbal
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F.Ferguson & Co. Chartered Accountants
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Front / Back end Load*	Class "A" Units: Individual ----- 1.5% Corporate ----- Nil Class "B" Units ----- 0% Bachat Units ----- Nil
Back end Load*	Class "A" Units ----- 0% Class "B" Units: 1.5% on redemption in the first (1st) year from the date of investment 1.0% on redemption in the second (2nd) year from the date of investment 0.0% on redemption after completion of two (2) years from the date of investment Bachat Units: 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment
Min. Subscription	Growth & Bachat Units ----- PKR 500 Income Units ----- PKR 100,000
Listing	Pakistan Stock Exchange
Benchmark	Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon - Fri (9:00AM to 4:30 PM)
Leverage	Nil
*Subject to government levies	

Investment Objective

To generate risk adjusted returns by investing in short, medium and long-term Shariah Compliant Fixed Income instruments.

Manager's Comment

During the month the fund generated an annualized return of 4.09% as against its benchmark return of 2.31%. The fund decreased its exposure in GoP Ijara Sukuks to 12.1% while increased its exposure in Certificate of Musharaka to 8.6% from 7.5%. Exposure in cash also increased from 34.7 to 41.0%.

Fund Facts / Technical Information

NAV per Unit (PKR)	101.6750
Net Assets (PKR M)	1,951
Weighted average time to maturity (Years)	2.05
Sharpe Ratio	0.14
Correlation	9.7%
Standard Deviation	0.05
Total expense ratio with government levy**	0.20%
Total expense ratio without government levy	0.16%

**This includes 0.04% representing government levy, Sindh workers' welfare fund and SECP Fee.

Top Sukuk Holding (% of Total Assets)

Dubai Islamic Bank Pakistan Limited - PPTFC	7.92%
Meezan Bank Limited (22-Sep-16)	5.30%
Ghani Gases Limited (2-Feb-17)	4.69%
Engro Fertilizer Limited (9-Jul-14)	4.35%

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIIF has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 2.2 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1145 and YTD return would be higher by 0.11%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIIF.

Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

MCBAH Shariah Supervisory Board

Justice (Rtd.) Muhammad Taqi Usmani	Chairman
Dr. Muhammad Zubair Usmani	Member
Dr. Ejaz Ahmed Samdani	Member

Asset Allocation (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	41.0%	34.7%
GoP Ijara Sukuks	12.1%	24.2%
Sukuk	22.3%	19.6%
Certificate of Musharakah	8.6%	7.5%
Certificate of Modaraba	5.1%	4.4%
Others including receivables	0.7%	0.7%
Shariah Compliant Bank Deposits	10.2%	8.9%

Performance Information (%)

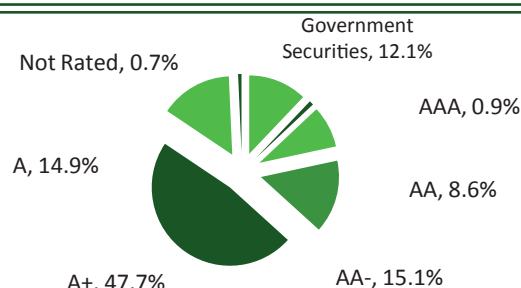
Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	3.49%	2.35%
Month to Date Return (Annualized)	4.09%	2.31%
180 Days Return (Annualized)	4.86%	2.51%
365 Days Return (Annualized)	6.26%	2.93%
Since inception (CAGR)	7.50%	6.23%
Average Annual Return (Geometric Mean)	5.11%	-

Returns are computed on the basis of NAV to NAV with dividends reinvested

Annualized

Particulars	2013	2014	2015	2016	2017
Benchmark (%)	6.30	6.09	6.29	4.42	3.31
ALHIIF (%)	8.90	8.38	6.55	5.05	6.49

Asset Quality (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format

General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	2-May-2006
Fund Manager	Awais Abdul Sattar, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	EY Ford Rhodes, Chartered Accountants
Management Fee	2% per annum of the average daily Net Assets of the scheme
Front end Load *	Type A Units: Individual 3% Corporate Nil
Back end Load*	Type B Units: Nil Type C Units (Bachat Units) : Nil Type A Units --- NIL Type B Units 3.0% for first year after investment 2.0% for second year after investment 1.0% for third year after investment NIL for redemptions after completion of 3 years from investment Type C-Bachat Units Bachat Units (Two Years): 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment. Bachat Units (Three Years): 3% if redeemed before completion of three years from the date of initial investment. 0% if redemption after completion of three years from the date of initial investment.
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI 30 Index and Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00 AM to 4:30 PM)
Leverage	Nil
	*Subject to government levies

Investment Objective

The objective of the fund is to provide medium to long term capital appreciation through investing in Shariah compliant investments in Pakistan and Internationally.

Manager's Comment

The fund posted a return of -5.45% as against its benchmark return of -9.79% during the month. Exposure in equities was decreased to 44.0% as compared to 52.0% in the previous month while allocation in cash increased to 55.4% from 38.0% over the same period.

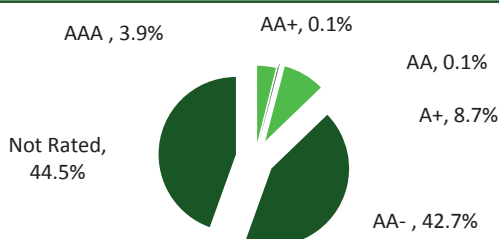
Members of the Investment Committee

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Muhammad Asim, CFA	Chief Investment Officer
Syed Abid Ali	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Awais Abdul Sattar, CFA	Senior Research Analyst
Mohammad Aitazaz Farooqui	Research Analyst

MCBAH Shariah Supervisory Board

Justice (Rtd.) Muhammad Taqi Usmani	Chairman
Dr. Muhammad Zubair Usmani	Member
Dr. Ejaz Ahmed Samdani	Member

Asset Quality - Inclusive of equity portfolio (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHAA has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 5.89 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.2357 and YTD return would be higher by 0.32%. For details investors are advised to read Note 6.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHAA.

Asset Allocation (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	55.4%	38.0%
Stock /Equities	44.0%	52.0%
Sukuk	0.1%	0.1%
Others including receivables	0.5%	9.9%

Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	-5.61%	-9.26%
Month to Date Return	-5.45%	-9.79%
180 Days Return	-6.52%	-15.06%
365 Days Return	13.25%	2.26%
Since inception	282.66%	393.03%

Returns are computed on the basis of NAV to NAV with dividends reinvested

	2013	2014	2015	2016	2017
Benchmark (%)	46.60	28.51	17.47	13.53	18.07
ALHAA (%)	28.40	18.89	35.59	5.09	27.74

Top 10 Holdings (%age of Total Assets)

Hub Power Company Limited	Equity	5.6%
Oil and Gas Development Company Limited	Equity	3.7%
Sui Northern Gas Company Limited	Equity	2.9%
Engro Corporation Limited	Equity	2.8%
Nishat Mills Limited	Equity	2.8%
Pakistan Oilfields Limited	Equity	2.7%
Pakistan Petroleum Limited	Equity	2.6%
Lucky Cement Limited	Equity	2.6%
International Industries Limited	Equity	2.1%
Mari Petroleum Company Limited	Equity	1.8%

Fund Facts / Technical Information

Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	68.9154	
Net Assets (PKR M)	1,723	
Sharpe Ratio	0.05	0.05
Beta	0.66	1.00
Correlation	83.8%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.65%
Standard Deviation	0.76%	0.96
Total expense ratio with government levy**	0.49%	
Total expense ratio without government levy	0.54%	

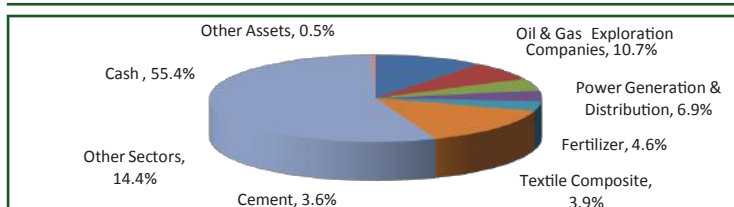
*prospective earnings

**This includes 0.06% representing government levy and SECP fee and -0.11% representing reversal of Sindh Worker's Welfare Fund.

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	551,629	1,063,557

Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format

General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant Equity Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	11-Sept-2004 (Converted into Shariah Compliant Islamic Fund with effect from July 01, 2015)
Fund Manager	Awais Abdul Sattar CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	EY Ford Rhodes, Chartered Accountants
Management Fee	2.0% p.a.
Front end Load*	Type "B" Units: Individual 3% Corporate Nil
Back end Load*	Type "C" Units Bachat Units(Two Years)-----Nil Bachat Units(Three Years)-----Nil Type "B" Units ----- Nil Type "C" Units - Bachat Units(Two Years): 3% if redeemed before completion of two (2) years from the date of initial investment. 0% if redemption after completion of two (2) years from the date of initial investment. Type "C" Units - Bachat Units(Three Years): 3% if redeemed before completion of three (3) years from the date of initial investment. 0% if redemption after completion of three (3) years from the date of initial investment.
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI-30 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon - Fri (9:00AM to 4:30 PM)
Leverage	Nil

*Subject to government levies

Investment Objective

The objective of the Fund is to provide investors long term capital appreciation from its investment in Shariah Compliant Equity Securities.

Manager's Comment

Recent political turmoil coupled with deteriorating current account deficit took its toll on the market, which led Fund's NAV to take a hit of 9.8% in August 2017. This however was 2.14% lower than the benchmark KMI-30 Index, which dropped by 11.9%. Amid deteriorating current account situation during the month, we increased exposure in Textiles (by 4.0%) and E&Ps (by 2.8%) and reduced exposure in Cements (by 4.3%) on account of falling cement prices and seasonal demand slowdown in monsoon season. The Fund was 80.7% invested in Equities while the remaining was in cash and cash equivalent.

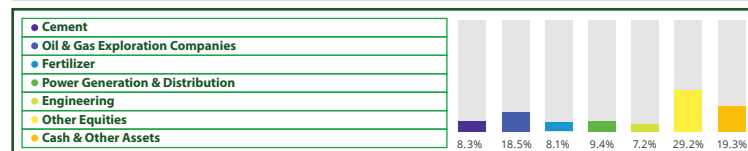
Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
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Saad Ahmed	Asset Class Specialist - Fixed Income
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Awais Abdul Sattar, CFA	Senior Research Analyst
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MCBAH Shariah Supervisory Board

Justice (Rtd.) Muhammad Taqi Usmani	Chairman
Dr. Muhammad Zubair Usmani	Member
Dr. Ejaz Ahmed Samdani	Member

Sector Allocation (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers' Welfare Funds' liability to the tune of Rs.3.31 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs.0.0113 and YTD return would be higher by 0.09%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHISF.

Asset Allocation (%age of Total Assets)

Particulars	Jul-17	Jul-17
Stock / Equities	80.7%	71.3%
Cash	19.1%	15.7%
Others including receivables	0.2%	13.0%

Performance Information (%)

Particulars	ALHISF	Benchmark
Year to Date Return	-11.35%	-11.31%
Month to Date Return	-9.80%	-11.94%
180 Days Return	-14.07%	-18.01%
365 Days Return	7.34%	0.44%
Since inception	19.13%	19.85%

Returns are computed on the basis of NAV to NAV with dividends reinvested

	2013	2014	2015	2016	2017
Benchmark (%)	52.20	41.16	16.01	15.53	18.80
ALHISF(%)	32.30	31.38	19.20	3.90	29.97

Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	8.2%
Oil and Gas Development Company Limited	5.8%
Lucky Cement Limited	5.7%
Engro Corporation Limited	5.2%
Pakistan Petroleum Limited	5.0%
Sui Northern Gas Company Limited	4.9%
Pakistan Oilfields Limited	4.6%
International Industries Limited	3.6%
Mari Petroleum Company Limited	3.1%
Nishat Mills Limited	3.0%

Fund Facts / Technical Information

Particulars	ALHISF	KMI-30
NAV per Unit (PKR)	10.86	
Net Assets (PKR M)	3,180	
Price to Earning (x)*	9.23	9.60
Dividend Yield (%)	5.30	5.60
No. of Holdings	52	30
Weighted Avg. Market Cap. (PKR Bn)	106.67	178.5
Sharpe Ratio	0.03	0.04
Beta	0.76	0.00
Correlation	90.4%	
Max draw up	656.54%	785.16%
Max draw down	-60.06%	-23.75%
Standard Deviation	1.08	1.29
Total expense ratio with government levy**	0.43%	
Total expense ratio without government levy	0.59%	

*prospective earnings

**This includes 0.06% representing government levy, and SECP fee and -0.22% representing reversal of Sindh Worker's Welfare Fund.

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,037,297	1,981,440

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MUFAP's Recommended Format



General Information

Plan Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Plan
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch	Date 29-Dec-16
Fund Manager	Syed Abid Ali
Trustee	MCB Financial Services Limited
Auditor	A.F. Ferguson & Co. Chartered Accountants
Management Fee	1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited.
Front end Load*	Individuals 3% Corporate Nil
Back end Load*	Nil
Contingent Load*	3%
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Thurs (9:00 AM to 4:30 PM)
Leverage	Nil

*Subject to government levies

Investment Objective

Alhamra Islamic Active Allocation Plan-I is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

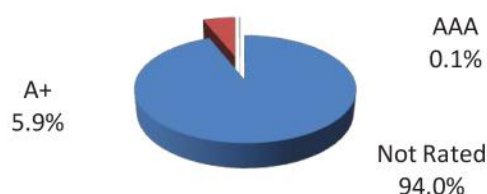
Manager's Comment

During the month, the fund posted a return of -6.0% against its benchmark return of -7.47%. The fund slightly increased its exposure in cash and Alhamra Islamic Stock Fund.

Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Syed Abid Ali	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Awais Abdul Sattar, CFA	Senior Research Analyst
Muhammad Aitazaz Farooqui	Research Analyst

Asset Quality (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIAAP-I has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.00 million, if the same were not made the NAV per unit of ALHIAAP-I would be higher by Rs. 0.0000 and YTD return would be higher by 0.00%. For details investors are advised to read Note 5.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIAAP-I.

Asset Allocation (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	6.0%	5.6%
Alhamra Islamic Stock Fund	68.9%	64.1%
Alhamra Islamic Income Fund	24.8%	30.0%
GoP Ijara Sukuk	0.0%	0.0%
Others including receivables	0.3%	0.3%

Fund Facts / Technical Information

NAV per Unit (PKR)	93.5920
Net Assets (PKR M)	1,467
Total expense ratio with government levy*	-0.03%
Total expense ratio without government levy	0.08%

*This includes 0.02% representing government levy and SECP fee and -0.13% representing reversal of Sindh Worker's Welfare Fund.

Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	-6.42%	-7.03%
Month to Date Return	-6.00%	-7.47%
180 Days Return	-7.78%	-9.66%
365 Days Return	NA	NA
Since inception	-5.66%	-8.27%

2017	
Benchmark (%)	-1.34%
ALHIAAP-I	0.81%

Returns are computed on the basis of NAV to NAV with dividends reinvested

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MUFAP's Recommended Format

General Information

Plan Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Plan
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	16-June-17
Fund Manager	Syed Abid Ali
Trustee	MCB Financial Services Limited
Auditor	A.F. Ferguson & Co. Chartered Accountants
Management Fee	1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited
Front end Load*	Individuals 3% Corporate Nil
Back end Load*	Nil
Contingent Load*	3% if redeemed within twelve months from the date of Investment 1% if redeemed after twelve months and before twenty four months from the date of Investment.
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Thurs (9:00 AM to 4:30 PM)
Leverage	Nil

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability
ALHIAAP-II has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0 million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0 and YTD return would be higher by 0%.

Asset Allocation (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	7.0%	24.9%
Alhamra Islamic Stock Fund	48.1%	39.8%
Alhamra Islamic Income Fund	44.9%	35.3%
Others including receivables	0.0%	0.0%

Fund Facts / Technical Information

NAV per Unit (PKR)	97.5019
Net Assets (PKR M)	561
Total expense ratio with government levy*	-0.01%
Total expense ratio without government levy	0.06%

*This includes 0.02% representing government levy and SECP fee and -0.09% representing reversal of Sindh Worker's Welfare Fund.

Investment Objective

Alhamra Islamic Active Allocation Plan-II is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

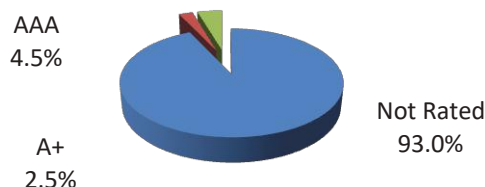
Manager's Comment

During the month, the fund posted a return of -2.71% against its benchmark return of -4.58%. The fund was 7.0% invested in cash and 48.1% in Alhamra Islamic Stock Fund.

Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Syed Abid Ali	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Awais Abdul Sattar, CFA	Senior Research Analyst
Muhammad Aitazaz Farooqui	Research Analyst

Asset Quality (%age of Total Assets)



Performance Information (%)

Particulars	ALHIAAP- II	Benchmark
Year to Date Return	-2.50%	-4.25%
Month to Date Return	-2.71%	-4.58%
180 Days Return	0.00%	0.00%
365 Days Return	0.00%	0.00%
Since inception	-2.32%	-4.15%

	2017
Benchmark (%)	0.10%
ALHIAAP-II (%)	0.19%

Returns are computed on the basis of NAV to NAV with dividends reinvested

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MUFAP's Recommended Format

General Information

Fund Type	An Open End Scheme
Category	Islamic Voluntary Pension Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (23-Jun-17)
Stability Rating	Not Applicable
Launch Date	15-Nov-07
Fund Manager	Awais Abdul Sattar, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	Deloitte Yousuf Adil & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load*	3% / 0%
Min. Subscription	PKR 500
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon - Fri (9:00 AM to 5:00 PM)
Leverage	Nil

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIPF-EQ has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.53 million, if the same were not made the NAV per unit would be higher by Rs. 1.9310 per unit and YTD return would be higher by 0.33%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

ALHIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.33 million, if the same were not made the NAV per unit would be higher by Rs. 0.3068 per unit and YTD return would be higher by 0.16%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.10 million, if the same were not made the NAV per unit would be higher by Rs. 0.2374 and YTD return would be higher by 0.14%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

Investment Objective

The investment objective of the fund is to seek steady returns with a moderate risk for investors by investing in a portfolio of equity, short medium term debt and money market instruments.

Manager's Comment

Equity sub-fund generated return of -11.36% during the month. Overall allocation in equity was increased.

Debt sub-fund generated a return of 1.95% during the month. GOP Ijara Sukuk exposure was decreased.

Money Market sub-fund generated a return of 2.77% during the month. The exposure in cash was decreased.

ALHIPF -Money Market (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	58.4%	71.9%
GoP Ijara Sukuk	23.0%	9.6%
Certificate of Modaraba	17.5%	17.6%
Others including receivables	1.1%	0.9%

ALHIPF -Debt (%age of Total Assets)

Particulars	Aug-17	Jul-17
Cash	45.6%	17.6%
GoP Ijara Sukuk	29.3%	57.3%
Others including receivables	1.1%	0.9%
TFCs	8.2%	8.3%
Certificate of Modaraba	15.8%	15.9%

MCBAH Shariah Supervisory Board

Justice (Rtd.) Muhammad Taqi Usmani	Chairman
Dr. Muhammad Zubair Usmani	Member
Dr. Ejaz Ahmed Samdani	Member

Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Syed Abid Ali	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Awais Abdul Sattar, CFA	Senior Research Analyst
Muhammad Aitazaz Farooqui	Research Analyst

ALHIPF -Equity (%age of Total Assets)

Particulars	Aug-17	Jul-17
Oil & Gas Exploration Companies	20.6%	18.5%
Cement	11.9%	13.0%
Power Generation & Distribution	9.2%	9.1%
Fertilizer	6.5%	6.7%
Paper & Board	5.0%	3.4%
Other equity sectors	37.7%	31.2%
Cash	8.3%	6.7%
Others including receivables	0.8%	11.4%

Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	9.2%
Lucky Cement Limited	7.5%
Engro Corporation Limited	6.5%
Oil & Gas Development Company Limited	5.8%
Pakistan Petroleum Limited	5.0%
Pakistan Oil Fields Limited	5.0%
Mari Petroleum Company Limited	1.8%
Sui Northern Gas Company Limited	4.2%
International Industries Limited	3.4%
Kohinoor Textile Mills Limited	2.4%

Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	-12.99	0.40	2.33
Month to Date Return (%)	-11.36	1.95	2.77
Since inception (%)	407.72	6.93	5.82
Net Assets (PKR M)	402.32	206.41	73.49
NAV (Rs. Per unit)	508.74	193.76	174.72

Returns are computed on the basis of NAV to NAV with dividends reinvested

	2013	2014	2015	2016	2017
ALHIPF - EQ*	41.80	42.10	39.53	14.84	33.21
ALHIPF - DT**	6.80	8.22	4.76	4.04	4.46
ALHIPF - MM**	7.70	6.86	4.80	2.36	3.78

* Total Return

** Annualized return

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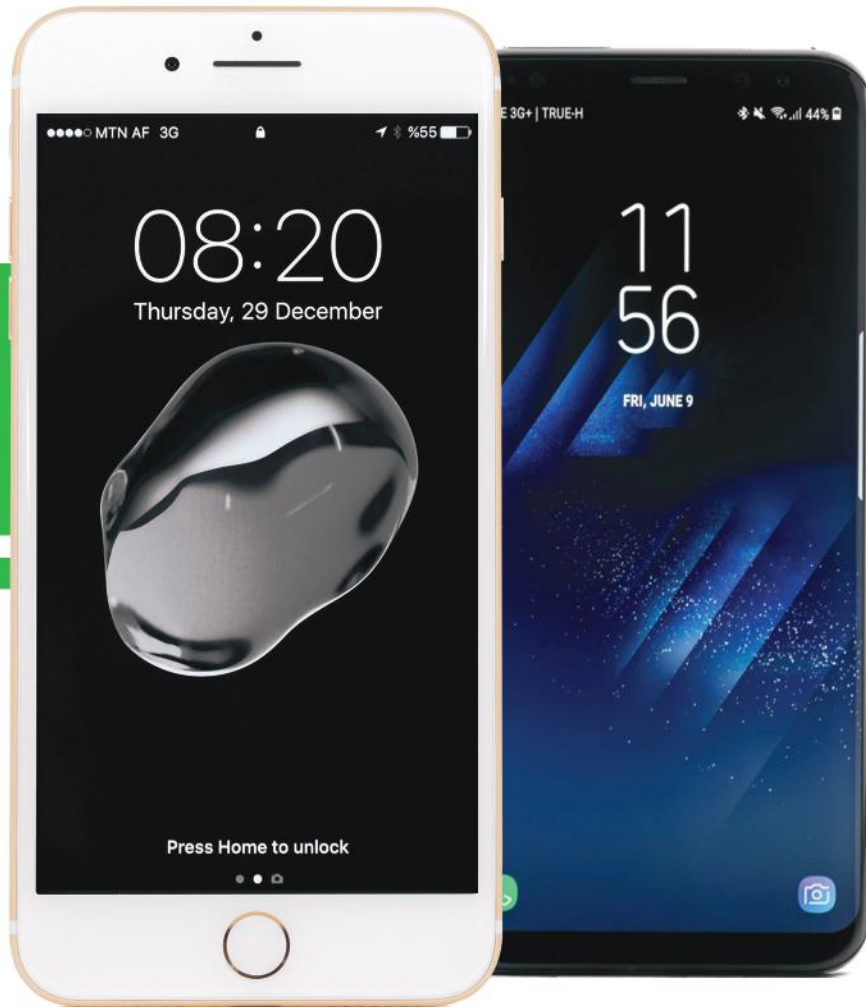
FUND PERFORMANCE

Absolute Returns

Funds	YTD (FY 18)	(July 2016 to June 2017)	(July 2015 to June 2016)
Money Market Schemes			
MCB Cash Management Optimizer	5.22%	7.11%	5.77%
Pakistan Cash Management Fund	4.82%	8.34%	5.88%
Income Schemes			
MCB DCF Income Fund	4.21%	6.50%	6.23%
MCB Pakistan Sovereign Fund	4.88%	5.89%	7.30%
Pakistan Income Fund	4.47%	6.90%	6.14%
Aggressive Fixed Income Scheme			
Pakistan Income Enhancement Fund	5.04%	5.06%	8.33%
Islamic Income Scheme			
Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund)	3.49%	6.49%	5.05%
Asset Allocation Schemes			
MCB Pakistan Frequent Payout Fund	0.46%	5.54%	3.54%
MCB Pakistan Asset Allocation Fund	-3.21%	9.54%	3.21%
Shariah Compliant Fund of Funds			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	-6.42%	0.81%	n/a
Alhamra Islamic Active Allocation Plan-II (Inception Date: 16-Jun-2017)	-2.50%	0.19%	n/a
Balanced Scheme			
Pakistan Capital Market Fund	-5.98%	25.36%	5.17%
Equity Schemes			
MCB Pakistan Stock Market Fund	-9.68%	29.54%	5.25%
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	-11.35%	29.97%	3.90%
Islamic Asset Allocation Schemes			
Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund)	-5.61%	27.74%	5.09%
Islamic Voluntary Pension Scheme			
Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt)	0.40%	4.46%	4.04%
Alhamra Islamic Pension Fund-MM (Formerly: Pakistan Islamic Pension Fund-MM)	2.33%	3.78%	2.36%
Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity)	-12.99%	33.21%	14.84%
Voluntary Pension Scheme			
Pakistan Pension Fund-Debt	3.89%	4.31%	7.35%
Pakistan Pension Fund-MM	4.29%	4.30%	4.40%
Pakistan Pension Fund-Equity	-12.89%	35.72%	10.77%



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