

MONEY MATTERS



MCB-ARIF HABIB
Savings and Investments Limited

Fund Manager's Report

DECEMBER 2017



FUND PERFORMANCE



Fund Returns

Funds	YTD (FY 18)	(July 2016 to June 2017)	(July 2015 to June 2016)
Money Market Schemes			
MCB Cash Management Optimizer	5.30%	7.11%	5.77%
Pakistan Cash Management Fund	4.70%	8.34%	5.88%
Income Schemes			
MCB DCF Income Fund	4.31%	6.50%	6.23%
MCB Pakistan Sovereign Fund	4.93%	5.89%	7.30%
Pakistan Income Fund	4.26%	6.90%	6.14%
Aggressive Fixed Income Scheme			
Pakistan Income Enhancement Fund	5.25%	5.06%	8.33%
Islamic Income Scheme			
Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund)	4.53%	6.49%	5.05%
Asset Allocation Schemes			
MCB Pakistan Frequent Payout Fund	1.82%	5.54%	3.54%*
MCB Pakistan Asset Allocation Fund	-4.21%	9.54%	3.21%
Shariah Compliant Fund of Funds			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	-8.25%	0.81%**	n/a
Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017)	-1.40%	0.19%***	n/a
Balanced Scheme			
Pakistan Capital Market Fund	-6.59%	25.36%	5.17%
Equity Scheme			
MCB Pakistan Stock Market Fund	-11.21%	29.54%	5.25%
Islamic Equity Scheme			
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	-14.29%	29.97%	3.90%
Islamic Asset Allocation Scheme			
Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund)	-5.00%	27.74%	5.09%
Islamic Voluntary Pension Scheme			
Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt)	2.53%	4.46%	4.04%
Alhamra Islamic Pension Fund-Money Market (Formerly: Pakistan Islamic Pension Fund-Money Market)	3.19%	3.78%	2.36%
Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity)	-16.63%	33.21%	14.84%
Voluntary Pension Scheme			
Pakistan Pension Fund-Debt	4.23%	4.31%	7.35%
Pakistan Pension Fund-Money Market	4.31%	4.30%	4.40%
Pakistan Pension Fund-Equity	-14.99%	35.72%	10.77%

Growth in the value of Rs.100 invested in MCB Pakistan Stock Market Fund (MCB-PSM) at inception (11th Mar, 2002)



	Value as at 31 st Dec 2017
PKR 100 invested in PSM	PKR 3,031
PKR 100 invested in KSE100 index	PKR 2,161

* From November 16, 2015 to June 30, 2016
 ** From December 29, 2016 to June 30, 2017
 *** From June 16, 2017, to June 30, 2017

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

Annualized Returns for: Money Market, Income, Aggressive Fixed Income, Islamic Income Schemes, Alhamra Islamic Pension Fund (Debt and Money Market), Pakistan Pension Fund (Debt and Money Market).
 Absolute Returns for: Asset Allocation, Shariah Compliant Fund of Funds, Balanced, Equity, Islamic Equity, Islamic Asset Allocation Schemes, Alhamra Islamic Pension Fund-Equity, Pakistan Pension Fund-Equity.

MCB-AH believes in providing best investment experience to our investors. Please feel free to forward your complaint/query/suggestion and we will do our best to redress the same to further improve our processes.
 For any complaint/query/suggestion, please email at mcbah.qa@mcbah.com

DEAR INVESTORS,

Assalam-o-Alaikum and Happy New Year from your preferred savings partner!

Thank you for taking out time to review our Fund Manager's Report for the month of December 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 month's letter, we would like to share with you a avant garde initiative launched by MCB-AH to educate the non-investor audience of our country on the benefits and need of savings through Mutual Funds.

In recent times we have seen Pakistanis, particularly the younger generation become more spending focused with little attention to formal savings and investments required to better plan and fulfill their dreams and mid/long term goals. With flashy and catchy marketing of e-commerce locally, there is a rising trend of more impulsive buying for life style enhancing gadgets and prêt-à-porter clothing on the go.

To create awareness and inculcate a savings culture, we have developed a series of simple web and cinema videos, the first of their kind in the local industry, and an informative website page. The key objective is to explain why it's essential for everyone belonging to any stage in life to save and invest and how Mutual Funds can be a suitable solutions.

While Mutual Funds have been around in Pakistan for over 50 years and the asset management industry activating in the private sector from early 2000s, they have not attracted a sizable customer base primarily due to knowledge gap which has over time fueled a number of myths and barriers. Mutual Funds are rarely discussed as a tool for short term or long term investment with majority having misconception that it is for the risk-taking, rich and sophisticated only.

Mutual funds are truly a democratic investing option suitable for the common man via small regular contributions or mass affluent with lumpsum contributions. With a myriad of investing strategies both in Islamic and conventional framework, different funds for different risk appetites are available that offer professional management under the watchful regulatory eye of the SECP with easy liquidity (open-end schemes) and legal tax savings. With these web series MCB-Arif Habib takes up a challenge to remove these misconceptions and make Mutual Funds a common avenue for earning better returns.

With Millennials at the center of this campaign, we aim to on-board them via iSave, Pakistan's first digital saving solution, providing them on the go investment management on their fingertips anytime, anywhere, a preferred need of this client segment. With these continued efforts over the year we as a company hope to benefit the industry as a whole while assisting young Pakistanis plan their expenditures wisely while saving for life's more important milestones at their convenience - Mutual Funds Zaroori Hai!

To know more about the campaign visit mcbah.com/whysave. For any queries or suggestions feel free to contact us via WhatsApp 0300-4362224, call us on our 24/7 helpline 0800-622-24 or email us at info@mcbah.com to speak to one of our helpful Customer Support Officers.



Muhammad Saqib Saleem

Chief Executive Officer



MACRO-ENVIRONMENT REVIEW AND OUTLOOK

CY17 was a year of mixed blessing for Pakistan in terms of economy, while the GDP growth indicators remained strong supported by heartening LSM numbers and inflation remained benign, the twin deficit (Current and Fiscal) emerged as headache for economic policy makers. The overvalued USD PKR parity was much deliberated and debated on economical and political forums, and after much waiting the currency was very strategically devalued by 5% in Dec. Going forward we see further depletion in reserves subsequently putting more pressure on currency, hence we believe further devaluation needs to take place to curtail unnecessary imports and provide support to exports.

CY18 will be a crucial year for us on both economic and political front. Mismanagement / inability in controlling current account deficit and depleting reserves may very well lead us back to the door of IMF or a atleast lead us to another bond issue to meet the financing gap. Politics will likely drive economic decision since this is an election year , "Vote friendly " economic policies could further compound economic ailments. We see monetary tightening taking place in CY18 as SBP will try to maintain real interest rates in light of rising inflation (backed by rupee devaluation and rising oil prices). On the GDP growth we remain complacent as the groundwork has been laid the last two years, the effect of any slowdown should be felt CY19 onwards.

EQUITY MARKET REVIEW AND OUTLOOK

Amidst political uncertainty, economic headwinds in the shape of widening of Current Account Deficit (CAD) and a mix of positive and negative news flows in the market, KSE-100 index took a breather generating a positive return of 1.15% during the last month of CY17 to close at 40,471 points. This took FYTD/CY17 return to --13%/-15% respectively. The most anticipated events dominated the month's proceedings includes 1) Rupee Depreciation 2) Appointment of Mr. Miftah Ismail as Adviser to the PM on Finance, Revenue and Economic Affairs.

Foreigners offloaded USD 4.3 mn worth of equities. This selling was absorbed mainly by insurance companies (USD 25 mn) and mutual funds (USD 17.9 mn). Average volumes during the month increased to 151.3 mn shares compared to 112.2 mn shares in the past month, while average value traded increased to PKR 6.6 bn from PKR 6.1 bn.

Positive contribution to the index was led by i) Cements (+4.6%) mainly due to steep correction in the previous months and halt of construction work on a 7,300 tpd capacity expansion by Maple Leaf Cement, following an order issued by the Environmental Protection Agency (EPA), Government of Punjab. , ii) E &Ps (+4.4%) in the wake of rising oil prices given positive outcome of OPEC meeting and regional oil supply disruptions and iii) Commercial banks (+4.3%) because of rupee depreciation and increase in yields of government securities iv) Fertilizer (+1.8%) on the back of strong offtake numbers, declining inventories and stable international urea prices. Major sectors that dragged the index down were Refineries (-14.3% MoM) and OMCs (-4.4% MoM) continuing the bearish streak of the previous month when the Prime Minister announced to close down FO based power plants. Refineries operated at suboptimal capacities in this month as well.

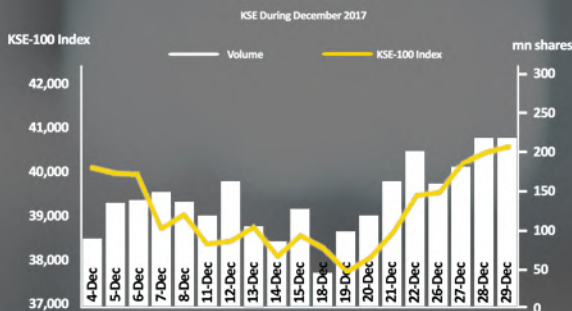
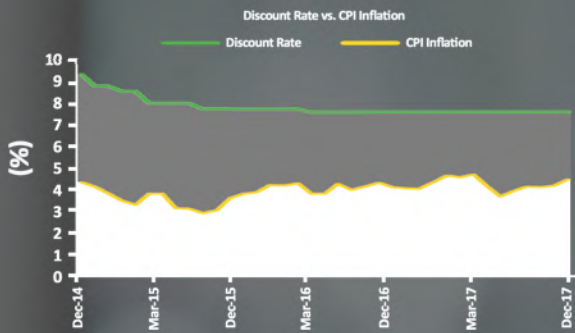
Going forward, we expect market to remain volatile owing to a few shaky macroeconomic indicators. We continue to track trends in economic indicators of the country. Given the attractive upside in fair values, where some of the sectors already incorporate expected headwinds, we consider that the current opportunity can be capitalized by building into positions and gradually increasing investments. While we reiterate our view of limited downside in stock market, in the interim; we believe the road to general elections scheduled next year may continue to test patience of equity investors. Elections & political activity, and CPEC would likely remain the key drivers.

MONEY MARKET REVIEW AND OUTLOOK

The bond Yield Curve showed an upward trend due to currency devaluation, increase in oil prices locally and internationally and anticipation by the market for a possible rate hike in discount rate by the second half of FY18. Overnight market and short term T-bill market witnessed increase in trading yield near year end due to scarcity of liquidity in the market as banks were borrowing at a very attractive rate due to banking year end. The previous month witnessed a stable trend. The PIB auction on December 14, 2017 further clarified this since a total participation of PKR 6billion was witnessed , where 3 year PIB received majority bids amounting to PKR 3.6Billion. PKR 0.527billion in 5 year PIB and PKR 2.29billion in 10 year PIB. Insignificant amount of participation resulted in the auction being rejected.

In last Treasury bill auction cut off yield for 3 was maintained at previous level of 5.9910% whereas 6month and 12month T-bill was rejected. T-bill maturity was PKR 491billion whereas target of the auction was PKR 550billion. The market witnessed minimal participation in 3 month-bill amounting to PKR 195 billion, however no participation was witnessed in 6month and 12 month T-bill auction. SBP accepted a total of PKR 100 billion in which entire amount was accepted in 3 months . SBP on the other end conducted regular OMOs to keep market liquidity intact.

Going forward a confluence of policy measures is needed to sustain macroeconomic stability , which should primarily focus on addressing external woes. Balance of payment position is already quite fragile due to weak financial inflows and widening current account deficit which needed to be bridge through a mix of external borrowing , commercial loans and issuance of dollar denominated bonds/Sukuks . Considering aforementioned factors major concentration will remain towards short dated instruments as any interest in long tenor bonds in near term is highly unlikely.



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 end Load*	Class "A" Units: Individual: 1.5% Corporate: Nil Class "B" Units: 0%
Back end Load*	Bachat Units: Nil 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 4.99% as against its benchmark return of 2.61%. The fund decreased its exposure in Sukuks and Certificate of Musharaka to 29.2% and 17.8% respectively. Exposure in cash decreased from 35.1% to 29.5%.

Fund Facts / Technical Information

NAV per Unit (PKR)	103.3855
Net Assets (PKR M)	2,898
Net Assets excluding Fund of Funds (PKR M)	1,679
Weighted average time to maturity (Years)	1.6
Sharpe Ratio	0.15
Correlation	10.0%
Standard Deviation	0.05
Total expense ratio with government levy*	0.59%
Total expense ratio without government levy	0.46%

*This includes 0.13% representing government levy, Sindh workers' welfare fund and SECP Fee.

Top Sukuk Holding (% of Total Assets)

International Brands Limited - Sukuk	11.8%
Aspin Pharma (Private) Limited - Sukuk	6.9%
Meezan Bank Limited (22-Sep-16)	3.6%
Ghani Gases Limited (2-Feb-17)	3.0%
Engro Fertilizer Limited (9-Jul-14)	2.9%
Dubai Islamic Bank Pakistan Limited (14-Jul-17)	1.1%

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 3.13 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1116 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 quarter ended September 30, 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	Head of Research

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	Dec-17	Nov-17
Cash	29.5%	35.1%
GoP Ijara Sukuks	1.8%	1.9%
Sukuk	29.2%	32.9%
Certificate of Musharakah	17.8%	18.3%
Certificate of Modaraba	8.6%	3.5%
Others including receivables	1.2%	1.2%
Shariah Compliant Bank Deposits	6.9%	7.1%
Shariah Compliant Commercial Papers	5.0%	0.0%

Note: Amount invested by Fund of funds is PKR 1,219 million (41.8% of Total Assets as of December 31, 2017).

Performance Information (%)

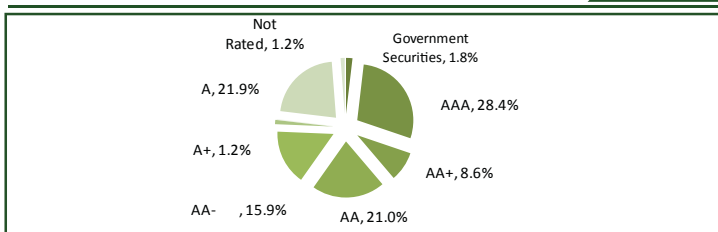
Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	4.53%	2.46%
Month to Date Return (Annualized)	4.99%	2.61%
180 Days Return (Annualized)	4.82%	2.46%
365 Days Return (Annualized)	6.02%	2.56%
Since inception (CAGR)	7.38%	6.04%
Average Annual Return (Geometric Mean)	7.16	

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

Annual Historical Returns

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

This publication is for informational purposes only and nothing herein 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 thereon are dependant on forces and factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.

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 Type B Units: Nil Type C Units (Bachat Units) : Nil Type A Units --- NIL Type B Units
Back end Load*	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

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 7.62 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.2197 and YTD return would be higher by 0.30%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHAA

Asset Allocation (%age of Total Assets)

Particulars	Dec-17	Nov-17
Cash	50.7%	50.3%
Stock /Equities	44.8%	45.2%
Sukuk	0.0%	0.0%
Others including receivables	1.0%	0.9%
Shariah Compliant Bank Deposits	3.5%	3.6%

Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	-5.00%	-10.10%
Month to Date Return	0.71%	0.63%
180 Days Return	-3.60%	-8.68%
365 Days Return	-1.76%	-12.28%
Since inception	285.16%	391.44%

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)

Pakistan Oilfields Limited	Equity	5.2%
Engro Corporation Limited	Equity	4.9%
Oil and Gas Development Company Limited	Equity	4.7%
Pakistan Petroleum Limited	Equity	4.2%
Lucky Cement Limited	Equity	3.3%
Hub Power Company Limited	Equity	3.2%
Engro Fertilizers Limited	Equity	2.4%
Nishat Mills Limited	Equity	2.2%
D. G. Khan Cement Limited	Equity	2.0%
International Industries Limited	Equity	1.6%

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 0.71% as against its benchmark return of 0.63% during the month. Exposure in equities was slightly decreased to 44.8% as compared to 45.2% in the previous month while allocation in cash slightly increased to 50.7% from 50.3%.

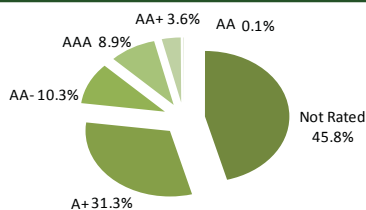
Members of the Investment Committee

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	Head of Research
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)



DISCLOSURE

The Fund Manager of ALHAA had invested in Sukuk of Byco Petroleum Pakistan Limited [Formerly Byco Oil Pakistan Limited] on January 17, 2017. On that date there was no requirement of Entity / Issuer Rating for debt securities in the Offering Document of ALHAA. However, replacement Offering Document of ALHAA published on May 03, 2017 introduced minimum Entity / Issuer Rating of A- (A minus) in case of Sukuks. Since Byco Petroleum Pakistan Limited [Formerly Byco Oil Pakistan Limited] does not have Entity / Issuer rating therefore, investment in Sukuk of Byco Petroleum Pakistan Limited [Formerly Byco Oil Pakistan Limited] becomes a non-compliant security for ALHAA. The Fund Manager of ALHAA is monitoring the situation and it will be disposed off on priority basis.

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MUFAP's Recommended Format

Fund Facts / Technical Information

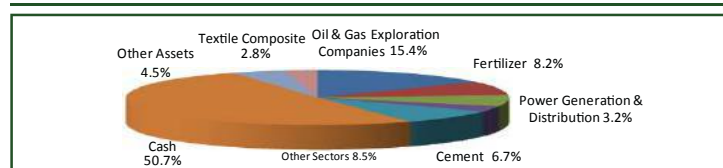
Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	69.3656	
Net Assets (PKR M)	2,406	
Sharpe Ratio	0.04	0.05
Beta	0.66	1.00
Correlation	84.0%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.6%
Standard Deviation	0.75	0.96
Total expense ratio with government levy*	1.77%	
Total expense ratio without government levy	1.58%	

** This includes 0.19% representing government levy Sindh Worker's Welfare Fund and SECP fee.

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	790,227	3,884,894

Sector Allocation (%age of Total Assets)





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	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 Type "C" Units Bachat Units(Two Years): Nil Bachat Units(Three Years): Nil
Back end Load*	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	

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers' Welfare Funds' liability to the tune of Rs.9.95 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs.0.0337 and YTD return would be higher by 0.28%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHISF.

Asset Allocation (%age of Total Assets)

Particulars	Dec-17	Nov-17
Stock / Equities	84.3%	75.6%
Cash	12.6%	20.2%
Others including receivables	3.1%	4.2%

Note: Amount invested by fund of funds is PKR 910 million (28.3% of Total Assets) as of December 31, 2017.

Performance Information (%)

Particulars	ALHISF	Benchmark
Year to Date Return	-14.29%	-12.71%
Month to Date Return	0.86%	0.76%
180 Days Return	-12.43%	-10.89%
365 Days Return	-11.77%	-16.12%
Since inception	15.19%	17.97%

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

Annual Historical Returns

Particulars	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)

Pakistan Oilfields Limited	8.5%
Pakistan Petroleum Limited	7.3%
Oil and Gas Development Company Limited	6.2%
Lucky Cement Limited	4.9%
Engro Corporation Limited	4.7%
Hub Power Company Limited	4.6%
Nishat Mills Limited	3.6%
Mari Petroleum Company Limited	3.1%
Meezan Bank Limited	3.1%
D. G. Khan Cement Company Limited	2.9%

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

NAV of the Fund increased by 0.9% during December, an outperformance of 10 basis points in comparison to the 0.8% MoM rise in its benchmark. For fiscal year to date, the fund dropped 14.3% compared to benchmark of 12.7%, resulting in an outperformance of 159 basis points. During the month, we increased exposure in cements by 7.9% as steep price correction in the sector brought valuations to attractive levels. Exposure in Power Generation was decreased by 1.5% amid negativity surrounding FO based power plants. The fund was 84.3% invested in equities, while the rest in cash and cash equivalent.

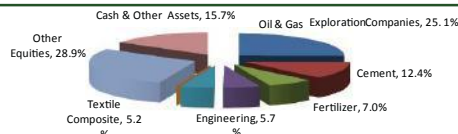
Members of the Investment Committee

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

Sector Allocation (%age of Total Assets)



Fund Facts / Technical Information

Particulars	ALHISF	KMI-30
NAV per Unit (PKR)	10.50	
Net Assets (PKR M)	3,102	
Net Assets excluding fund of funds (PKRM)	2,192	
Price to Earning (x)*	9.57	9.40
Dividend Yield (%)	5.26	5.26
No. of Holdings	49	30
Weighted Avg. Market Cap. (PKR Bn)	119.56	188.2
Sharpe Ratio	0.03	0.04
Beta	0.76	1.00
Correlation	90.6%	
Max draw up	656.54%	785.16%
Max draw down	-60.06%	-29.2%
Standard Deviation	1.08	1.29
Total expense ratio with government levy**	1.89%	
Total expense ratio without government levy	1.70%	

*prospective earnings

**This includes 0.16% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,004,908	5,997,754

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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

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 0.26 million, if the same were not made the NAV per unit of ALHIAAP-1 would be higher by Rs. 0.0171 and YTD return would be higher by 0.02%. For details investors are advised to read Note 9.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIAAF.

Asset Allocation (%age of Total Assets)

Particulars	Dec-17	Nov-17
Cash	5.2%	5.5%
Alhamra Islamic Stock Fund	45.2%	55.0%
Alhamra Islamic Income Fund	49.4%	39.2%
Others including receivables	0.2%	0.3%

Fund Facts / Technical Information

NAV per Unit (PKR)	91.7649
Net Assets (PKR M)	1,414
Total expense ratio with government levy*	0.29%
Total expense ratio without government levy	0.22%

**This includes 0.07% representing government levy, Sindh Workers' Welfare fund and SECP fee

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.

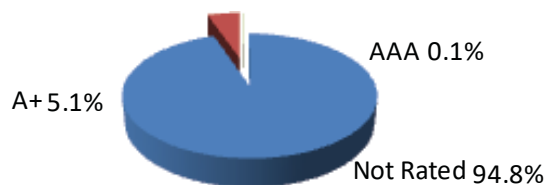
Manager's Comment

During the month, the fund posted a return of 0.19% against its benchmark return of 0.49%. The fund slightly decreased its exposure in cash to 5.2% and increase in Alhamra Islamic Income Fund to 49.4%.

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	Head of Research
Muhammad Aitazaz Farooqui	Research Analyst

Asset Quality (%age of Total Assets)



Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	-8.25%	-7.45%
Month to Date Return	0.19%	0.49%
180 Days Return	-7.16%	-6.45%
365 Days Return	-7.56%	-8.71%
Since inception	-7.50%	-8.69%

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

Annual Historical Returns

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

* From December 29, 2016 to June 30, 2017

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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 Listing	PKR 500
Benchmark	Pakistan Stock Exchange 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 0.0033 million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0.0004 and YTD return would be higher by 0%. For details investors are advised to read Note 9.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIAAF.

Asset Allocation (%age of Total Assets)

Particulars	Dec-17	Nov-17
Cash	6.1%	6.2%
Alhamra Islamic Stock Fund	32.0%	19.8%
Alhamra Islamic Income Fund	61.8%	74.0%
Others including receivables	0.1%	0.0%

Fund Facts / Technical Information

NAV per Unit (PKR)	98.6072
Net Assets (PKR M)	841
Total expense ratio with government levy*	0.21%
Total expense ratio without government levy	0.14%

**This includes 0.07% representing government levy, Sindh Workers' Welfare fund and SECP fee

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 0.77% against its benchmark return of 0.31%. The fund was 6.1% invested in cash and 32% 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	Head of Research
Muhammad Aitazaz Farooqui	Research Analyst

Asset Quality (%age of Total Assets)



Performance Information (%)

Particulars	ALHIAAP- II	Benchmark
Year to Date Return	-1.40%	-2.72%
Month to Date Return	0.77%	0.31%
180 Days Return	-0.76%	-2.18%
365 Days Return	N/A	N/A
Since inception	-1.22%	-2.61%

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

Annual Historical Returns

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

* From June 16, 2017 to June 30, 2017.

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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. 2.35 million, if the same were not made the NAV per unit would be higher by Rs. 2.9451 per unit and YTD return would be higher by 0.50%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIPF.

ALHIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.38 million, if the same were not made the NAV per unit would be higher by Rs. 0.3469 per unit and YTD return would be higher by 0.18%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.12 million, if the same were not made the NAV per unit would be higher by Rs. 0.2673 and YTD return would be higher by 0.15%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 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 0.51% during the month. Overall allocation in equity was increased.

Debt sub-fund generated a return of 3.67% during the month. GOP Ijara Sukuk exposure was almost remain the same.

Money Market sub-fund generated a return of 3.54% during the month. The exposure in cash was increased.

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	Head of Research
Muhammad Aitazaz Farooqui	Research Analyst

Top 10 Equity Holdings (%age of Total Assets)

Engro Corporation Limited	9.4%
Oil & Gas Development Company Limited	7.8%
Pakistan Petroleum Limited	7.1%
Pakistan Oilfields Limited	6.4%
Lucky Cement Limited	5.1%
Mari Petroleum Company Limited	4.9%
Hub Power Company Limited	4.2%
Engro Fertilizers Limited	3.5%
Meezan Bank Limited	2.9%
International Industries Limited	2.6%

ALHIPF - Money Market (%age of Total Assets)

Particulars	Dec-17	Nov-17
Cash	52.8%	50.3%
GoP Ijara Sukuk	11.4%	11.9%
Certificate of Modaraba	17.5%	18.4%
Others including receivables	0.8%	1.0%
Shariah Compliant Bank Deposits	17.5%	18.4%

ALHIPF - Debt (%age of Total Assets)

Particulars	Dec-17	Nov-17
Cash	35.9%	36.9%
GoP Ijara Sukuk	28.2%	28.6%
Others including receivables	1.4%	1.8%
TFCs	12.4%	12.6%
Certificate of Modaraba	15.3%	15.4%
Shariah Compliant Bank Deposits	4.6%	4.7%
Commercial Paper	2.2%	0.0%

ALHIPF - Equity (%age of Total Assets)

Particulars	Dec-17	Nov-17
Oil & Gas Exploration Companies	26.2%	25.9%
Fertilizer	12.9%	12.2%
Cement	7.6%	5.1%
Paper & Board	4.5%	4.5%
Power Generation & Distribution	4.2%	3.3%
Other equity sectors	33.3%	32.1%
Cash	10.1%	15.7%
Others including receivables	1.2%	1.2%

Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	-16.63	2.53	3.19
Month to Date Return (%)	0.51	3.67	3.54
Since inception (%)	386.47	6.83	5.74
Net Assets (PKR M)	389.05	214.26	79.11
NAV (Rs. Per unit)	487.44	196.10	176.83

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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MCB-ARIF HABIB
Savings and Investments Limited

AM2++
by PACRA



FLAGSHIP STOCK MARKET FUND

**COMPLETES ITS 15 YEARS OF PROVIDING EXCEPTIONAL
GROWTH TO OUR TRUSTED CLIENTS**

Disclaimer: All investments in mutual fund are subject to market risks. Past performance is not necessarily indicative of the future results. Please read the Offering Document to understand the investment policies and the risks involved.