

# BACHAT NAMA



MCB-ARIF HABIB  
Savings and Investments Limited

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JUNE 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 June 2017. We extend our earnest gratitude to our investors for their sustained confidence on us which has been a great motivating factor for us to continuously provide you with better quality products and services.

We would like to take this opportunity to update our investor family to the steps we have taken recently aimed at assit you better.

Yesterday, the industry's first Digital Savings Centre was launched at Emporium Mall in Lahore. This will be our first dedicated digital touch point as part of many more which shall be launch over the next year. Also, fully functional branches were launched in Peshawar, which will allow us to be close to you and serve your needs more efficiently.

We are also introducing the capability to open an investment account with MCB-AH completely online. This means that a customer will not be required to fill in any paperwork to start investing with basic features and small amounts. This is a new account category, called the iSave Swift Account.

Going forward we will continue towards innovation and evolve in our effort to better serve you. We aim to lead the industry in Pakistan towards an era of "investor first" mindset.

For Investment-related queries, please call us at our Toll Free Number: 0800-62224 (0800-MCBAH) from Monday to Saturday where our friendly staff will assist you or you can email us at [info@mcbah.com](mailto:info@mcbah.com). We assure you of our best services at all times.



**Muhammad Saqib Saleem**

Chief Executive Officer

July 6, 2017

## MACRO-ENVIRONMENT REVIEW AND OUTLOOK

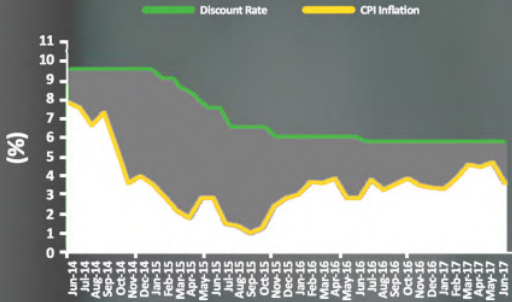
The country managed to achieve GDP growth rate of 5.28%. Unlike the previous year, agriculture sector recorded growth of 3.50%, while services sector recorded growth of 5.98%. Government continues to target disciplined progressive recovery with GDP growth target at 6% and fiscal deficit near 4%.

Large scale manufacturing sector has recorded growth of 5.41% for 10MFY17 with major contribution coming from automobiles, construction and consumer goods.

On the external front, vulnerabilities have started to materialize in the form of rising current account deficit (-USD 9billion during the period of 11MFY17), falling foreign exchange reserves (foreign exchange reserves stood at -USD 21.36 billion) and flattish remittances.

Rising pressure on Balance of Payment is expected to weigh down on stability of PKR/USD parity unless foreign inflows are secured either through Foreign Direct Investment or Debt financing.

CPI for FY 17 was recorded at 4.14% with the increase driven via food inflation, transportation cost and house rent. We expect inflation to gradually rise but remain well anchored with average of -5% in FY18.



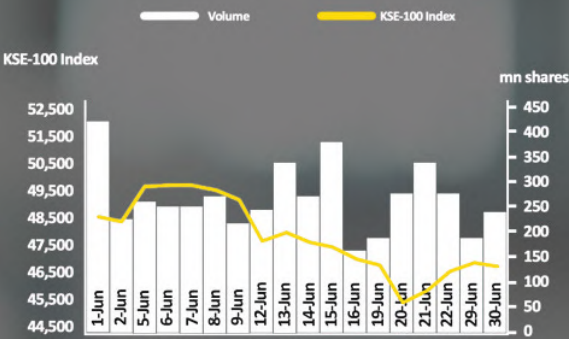
## EQUITY MARKET REVIEW AND OUTLOOK

FY17 proved to be a year full of full of events, with index witnessing wild swings after a wide range of developments including MSCI inclusion and political uncertainty. Particularly, in the months of May and June, concerns regarding JIT proceedings continued to haunt the market leading to volatile trading sessions. The index lost 8.0% during the month of June'17, however managed to post a gain of 23.2% for FY17, continuing its streak of positive returns for last 8 years. Foreigners remained net sellers, liquidating a massive USD 652 million worth of equities with majority of the selling absorbed by mutual funds (USD 575 million). Average volumes increased by -64% to 340 million shares and value traded increased by -58% to PKR 15 billion.

Steel sector lead the charts posting a massive return of 198%, outperforming the benchmark by 9x during the year. Robust demand supported by infrastructural activities, along with imposition of regulatory and anti-dumping duties on various steel products also provided boost to the sector. Furthermore, project announcements to boost production capacities further fueled a rally in the sector. Similarly, Auto sector also posted an astounding return of 98% during the year. The outperformance came in due to a flurry of new model launches, impressive sales volumes and announcement of tax scheme in budget.

On the flip side, Fertilizer sector remained a major laggard losing -11% due to prevalence of negative sector dynamics including inventory overhang and depressed international fertilizer prices. Similarly, Cement sector also underperformed the benchmark by 7%, as international coal prices surged by -30% YoY reaching a peak of \$100 in November 2016. Also, the economics of cartel were challenged after Cherat Cement's capacity of Northern region came online in May 2017. As a result, cement prices were reduced by 4-5% in the region causing the stock prices to remain under pressure.

Going forward we remain positive with regards to MSCI upgrade as our market is trading at a -25% discount to the general value of an Emerging Market country. We expect active foreign investors to take interest in KSE with Pakistan being continually highlighted in foreign markets because of CPEC and other infrastructure projects. Thus, we advice local investors to remain long and further add exposure at current levels.



## MONEY MARKET REVIEW AND OUTLOOK

Yield curve remained almost stable during the month. Commercial banks remained active in overnight market where majority of activity witnessed near policy rate. Participation in recent PIB auction equaled PKR 90 billion out of which 3 years PIB received majority of bids amounting -PKR 74 billion whereas 5years PIB received -PKR 7 billion and 10 years PIB received -PKR 9 billion. The target of the said auction was set at PKR 50 billion. SBP accepted PKR 75 billion out of which PKR 68 billion was accepted in 3 years PIB highlighting the fact that market is reluctant going into longer tenor bonds.

In last Treasury bill auction cut off yield for 3 and 6 months paper were maintained at previous level of 5.9910% and 6.0109% respectively, whereas cut off yield for 12 months paper was set at 6.0386%. The target for the auction was PKR 300 billion whereas participation was around PKR 420 billion out of which PKR 361 billion was accepted. Short term liquidity remained comfortable as SBP conducted regular OMOs throughout the month.

Pace of widening trade deficit remained alarmingly high which kept on diluting forex reserves keeping investors away from longer tenor securities despite attractive premium on offering. Interest in longer tenor bonds is expected to remain subdued with red flags rising relative to PKR/USD parity driven by Balance of Payments position.







## 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 (30-Dec-16)
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 7.89% as against its benchmark return of 2.37%. The fund decreased its exposure in certificate of Modaraba.

## Fund Facts / Technical Information

NAV per Unit (PKR)	101.0756
Net Assets (PKR M)	1.981
Weighted average time to maturity (Years)	1.8
Sharpe Ratio	0.14
Correlation	8.8%
Standard Deviation	0.05
Total expense ratio with government levy**	1.42%
Total expense ratio without government levy	1.12%

\*\*This includes 0.30% representing government levy, Sindh workers' welfare fund and SECP Fee.

## 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 1.92 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.0981 and YTD return would be higher by 0.1%. 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.

## Top Sukuk Holding (% of Total Assets)

Meezan Bank Limited (22-Sep-16)	5.30%
Engro Fertilizer Limited (09-Jul-14)	4.90%
Ghani Gases Limited - SUKUK (02-Feb-17)	4.80%

## 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	Jun-17	May-17
Cash	46.0%	57.7%
GoP Ijara Sukuks	27.4%	8.6%
Sukuk	14.9%	24.6%
Certificate of Musharakah	6.0%	0.0%
Certificate of Modaraba	5.0%	8.2%
Others including receivables	0.7%	0.9%

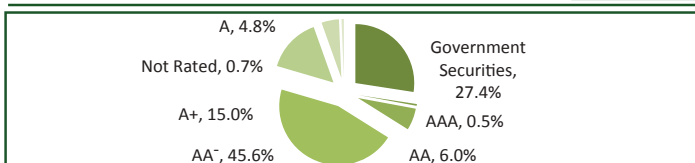
## Performance Information (%)

Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	6.49%	3.31%
Month to Date Return (Annualized)	7.89%	2.37%
180 Days Return (Annualized)	7.35%	2.66%
365 Days Return (Annualized)	6.49%	3.31%
Since inception (CAGR)	7.61%	6.34%
Average Annual Return (Geometric Mean)	5.83%	-

## Annualized

Particulars	2012	2013	2014	2015	2016
Benchmark (%)	6.6	6.30	6.09	6.29	4.42
ALHIIF (%)	10.4	8.90	8.38	6.55	5.05

## Asset Quality (%age of Total Assets)



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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	

## 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. 0.3747 and YTD return would be higher by 0.66%. 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	Jun-17	May-17
Cash	56.1%	31.8%
Stock /Equities	43.2%	66.0%
Sukuk	0.1%	0.1%
Others including receivables	0.6%	2.1%

## Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	27.74%	18.07%
Month to Date Return	-5.29%	-9.16%
180 Days Return	3.9%	-2.43%
365 Days Return	27.74%	18.07%
Since inception	305.42%	446.62%

	2012	2013	2014	2015	2016
Benchmark (%)	11.00	46.60	28.51	17.47	13.53
ALHAA (%)	15.70	28.40	18.89	35.59	5.09

## 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 -5.29% as against its benchmark return of -9.16% during the month. Exposure in equities was decreased to 43.2% as compared to 66% in the previous month while allocation in cash increased to 56.1% from 31.8% over the same period.

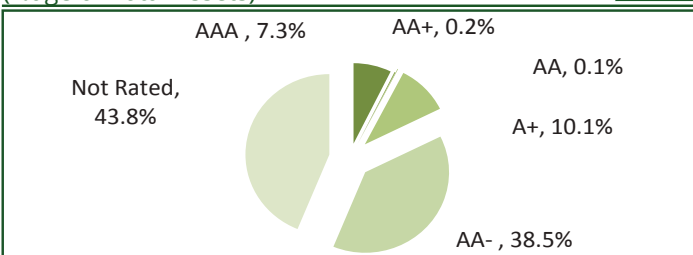
## Members of the Investment Committee

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
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)



## Top 10 Holdings (%age of Total Assets)

Company Name	Equity	Percentage
Hub Power Company Limited	Equity	5.1%
Oil and Gas Development Company Limited	Equity	3.4%
International Industries Limited	Equity	2.9%
Pak Elektron Limited	Equity	2.9%
Mari Petroleum Company Limited	Equity	2.3%
Pakistan Petroleum Limited	Equity	2.1%
Lucky Cement Limited	Equity	2.0%
Engro Corporation Limited	Equity	1.9%
K-Electric Limited	Equity	1.8%
Engro Polymer and Chemicals Limited	Equity	1.8%

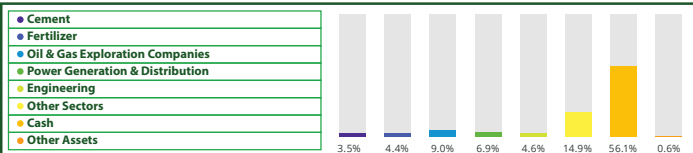
## Fund Facts / Technical Information

Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	73.0135	
Net Assets (PKR M)	1,485	
Sharpe Ratio	0.05	0.06
Beta	0.66	1.00
Correlation	83.4%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.65%
Standard Deviation	0.76	0.95
Total expense ratio with government levy**	4.03%	
Total expense ratio without government levy	3.05%	

\*prospective earnings

\*\* This includes 0.98% representing government levy, Sindh workers' welfare fund and SECP Fee

## 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 Listing	PKR 500 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

The fund posted a negative return of 6.1% in June 2017 compared to a 10.12% drop in the benchmark KMI-30 Index, as political uncertainty took its toll on the stock market. For FY17 however, the fund posted a return of 29.97%, compared to the benchmark of 18.8%, outpacing the benchmark by a healthy 11.17%. During the month, we reduced exposure in cements by 2.5% due to expected slowdown in demand amid Ramadan and monsoon season. During the month, the fund was invested in 74.2% in equities while remaining 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	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

## 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.0.0418 and YTD return would be higher by 0.44%. 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	Jun-17	May-17
Stock / Equities	74.2%	80.1%
Cash	25.2%	12.3%
Others including receivables	0.6%	7.6%

## Performance Information (%)

Particulars	ALHISF	Benchmark			
Year to Date Return	29.97	18.80			
Month to Date Return	-6.10	-10.12			
180 Days Return	2.93	-3.91			
365 Days Return	29.97	18.80			
Since inception	34.38	35.14			
	2012	2013	2014	2015	2016
Benchmark (%)	10.40	52.20	41.16	16.01	15.53
ALHISF(%)	14.90	32.30	31.38	19.20	3.90

## Top 10 Equity Holdings (%age of Total Assets)

Engro Corporation Limited	6.4%
Lucky Cement Limited	6.2%
Hub Power Company Limited	5.5%
Pakistan Petroleum Limited	3.6%
D.G. Khan Cement Company Limited	3.1%
Oil and Gas Development Company Limited	2.9%
Pak Elektron Limited	2.8%
International Industries Limited	2.8%
Engro Polymer & Chemicals Limited	2.6%
Mari Petroleum Company Limited	2.5%

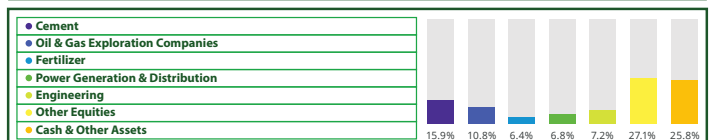
## Fund Facts / Technical Information

Particulars	ALHISF	KMI-30
NAV per Unit (PKR)	12.25	
Net Assets (PKR M)	2,915	
Price to Earning (x)*	10.97	9.80
Dividend Yield (%)	3.77	5.40
No. of Holdings	51.0	30
Weighted Avg. Market Cap. (PKR Bn)	101.80	163.3
Sharpe Ratio	0.04	0.04
Beta	0.76	0.00
Correlation	90.2%	
Max draw up	656.54%	785.16%
Max draw down	-60.10%	-16.20%
Standard Deviation	1.07	1.28
Total expense ratio with government levy**	4.09%	
Total expense ratio without government levy	3.13%	

\*prospective earnings

\*\*This includes 0.96% representing government levy, Sindh Workers' Welfare fund and SECP fee

## Sector Allocation (%age of Total Assets)



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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. 0.0167 and YTD return would be higher by 0.02%. 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	Jun-17	May-17
Cash	6.5%	52.3%
Alhamra Islamic Stock Fund	54.3%	47.2%
Alhamra Islamic Income Fund	38.8%	0.0%
GoP Ijara Sukuk	0.0%	0.0%
Others including receivables	0.4%	0.5%

## Fund Facts / Technical Information

NAV per Unit (PKR)	100.0163
Net Assets (PKR M)	1,584
Total expense ratio with government levy*	0.66%
Total expense ratio without government levy	0.53%

\*This includes 0.13% representing government levy, Sindh Workers' Welfare fund and SECP fee

## Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	0.81%	-1.34%
Month to Date Return	-3.84%	-4.83%
180 Days Return	0.73%	-1.35%
365 Days Return	NA	NA
Since inception	0.81%	-1.34%

## 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.

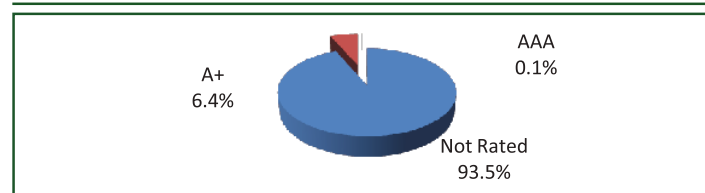
## Manager's Comment

During the month, the fund posted a return of -3.84% against its benchmark return of -4.83%. The fund decreased its exposure in cash from 52.3% to 6.5% while increased its exposure in Alhamra Islamic Stock Fund from 47.2% to 54.3%.

## 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	Senior Research Analyst
Muhammad Aitzaz Farooqui	Research Analyst

## Asset Quality (%age of Total Assets)





## 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 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 0.0033million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0.0037 and YTD return would be higher by 0.0%.

## Asset Allocation (%age of Total Assets)

Particulars	Jun-17	May-17
Cash	14.7%	0.0%
Alhamra Islamic Stock Fund	28.2%	0.0%
Alhamra Islamic Income Fund	56.8%	0.0%
GoP Ijara Sukuk	0.0%	0.0%
Others including receivables	0.3%	0.0%

## Fund Facts / Technical Information

NAV per Unit (PKR)	100.0057
Net Assets (PKR M)	87.97
Total expense ratio with government levy*	0.07%
Total expense ratio without government levy	0.05%

\*This includes 0.02% 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.

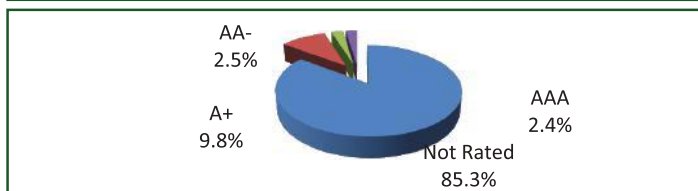
## Manager's Comment

During the month, the fund posted a return of 0.19% against its benchmark return of 0.10%. The fund was 14.7% invested in cash, 28.2% in Alhamra Islamic Stock Fund, and 56.8% in Alhamra Islamic Income 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	0.19%	0.10%
Month to Date Return	0.19%	0.10%
180 Days Return	0.00%	0.00%
365 Days Return	0.00%	0.00%
Since inception	0.19%	0.10%

Note: Cash and Cash Equivalents of ALHIAAP-II exceeded its allowed limit of 10% as mentioned in its offering Document and was at 14.77% of total net assets of ALHIAAP-II. This breach of limit occurred due to fresh investment.





## 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

## 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 -7.02% during the month. Overall allocation in equity was increased.

Debt sub-fund generated a return of 10.27% during the month. GOP Ijara Sukuk exposure was increased.

Money Market sub-fund generated a return of 6.25% during the month. The exposure in cash was decreased.

## 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
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## Top 10 Equity Holdings (%age of Total Assets)

Hub Power Company Limited	8.6%
Lucky Cement Limited	7.4%
Engro Corporation Limited	6.2%
Mari Petroleum Company Limited	4.7%
Pakistan Petroleum Limited	3.9%
Cherat Cement Company Limited	3.8%
Oil & Gas Development Company Limited	3.5%
Pakistan Oil Fields Limited	3.3%
Pak Electron Limited	3.1%
International Industries Limited	3.0%

## Others

### Provision against Sindh Workers' Welfare Fund's liability

PIPF-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. 3.0323 per unit and YTD return would be higher by 0.69%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

PIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.32 million, if the same were not made the NAV per unit would be higher by Rs. 0.3065 per unit and YTD return would be higher by 0.17%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

PIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.09 million, if the same were not made the NAV per unit would be higher by Rs. 0.2244 and YTD return would be higher by 0.13%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

## PIPF -Money Market (%age of Total Assets)

Particulars	Jun-17	May-17
Cash	51.3%	58.9%
GoP Ijara Sukuk	30.3%	22.2%
Certificate of Modaraba	17.7%	17.9%
Others including receivables	0.7%	1.0%

## PIPF -Debt (%age of Total Assets)

Particulars	Jun-17	May-17
Cash	9.0%	25.1%
GoP Ijara Sukuk	68.3%	50.4%
Others including receivables	0.6%	1.7%
TFCs	6.0%	6.2%
Certificate of Modaraba	16.1%	16.6%

## PIPF -Equity (%age of Total Assets)

Particulars	Jun-17	May-17
Cement	19.2%	15.5%
Oil & Gas Exploration Companies	15.4%	15.4%
Automobile Assembler	8.6%	8.4%
Power Generation & Distribution	7.0%	7.1%
Fertilizer	6.2%	6.5%
Other equity sectors	34.6%	33.3%
Cash	7.9%	13.0%
Others including receivables	1.1%	0.8%

## Performance Information & Net Assets

Particulars	PIPF-EQ*	PIPF-DT**	PIPF-MM**
Year to Date Return (%)	33.21	4.46	3.78
Month to Date Return (%)	-7.02	10.27	6.25
Since inception (%)	483.52	7.05	5.88
Net Assets (PKR M)	453.27	202.96	72.67
NAV (Rs. Per unit)	584.69	196.63	174.03
	<b>2012</b>	<b>2013</b>	<b>2014</b>
PIPF - EQ*	24.70	41.80	42.10
PIPF - DT**	8.40	6.80	8.22
PIPF - MM**	8.30	7.70	6.86

\* Total Return

\*\* Annualized return

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