

# MONEY MATTERS



MCB-ARIF HABIB  
Savings and Investments Limited

Fund Manager's Report

NOVEMBER 2017



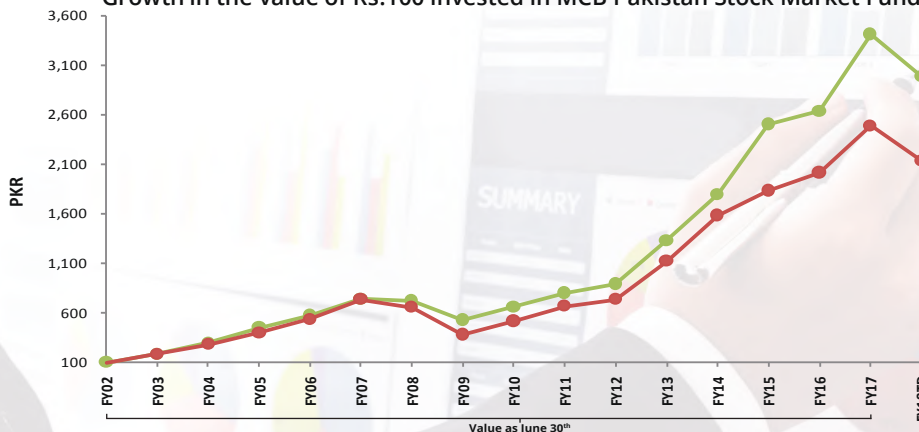
# FUND PERFORMANCE



## Fund Returns

Funds	YTD (FY 18)	(July 2016 to June 2017)	(July 2015 to June 2016)
<b>Money Market Schemes</b>			
MCB Cash Management Optimizer	5.26%	7.11%	5.77%
Pakistan Cash Management Fund	4.73%	8.34%	5.88%
<b>Income Schemes</b>			
MCB DCF Income Fund	4.39%	6.50%	6.23%
MCB Pakistan Sovereign Fund	4.98%	5.89%	7.30%
Pakistan Income Fund	4.53%	6.90%	6.14%
<b>Aggressive Fixed Income Scheme</b>			
Pakistan Income Enhancement Fund	5.60%	5.06%	8.33%
<b>Islamic Income Scheme</b>			
Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund)	4.42%	6.49%	5.05%
<b>Asset Allocation Schemes</b>			
MCB Pakistan Frequent Payout Fund	1.43%	5.54%	3.54%*
MCB Pakistan Asset Allocation Fund	-4.42%	9.54%	3.21%
<b>Shariah Compliant Fund of Funds</b>			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	-8.42%	0.81%**	n/a
Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017)	-2.16%	0.19%***	n/a
<b>Balanced Scheme</b>			
Pakistan Capital Market Fund	-7.29%	25.36%	5.17%
<b>Equity Scheme</b>			
MCB Pakistan Stock Market Fund	-12.42%	29.54%	5.25%
<b>Islamic Equity Scheme</b>			
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	-15.02%	29.97%	3.90%
<b>Islamic Asset Allocation Scheme</b>			
Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund)	-5.67%	27.74%	5.09%
<b>Islamic Voluntary Pension Scheme</b>			
Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt)	2.29%	4.46%	4.04%
Alhamra Islamic Pension Fund-Money Market (Formerly: Pakistan Islamic Pension Fund-Money Market)	3.11%	3.78%	2.36%
Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity)	-17.06%	33.21%	14.84%
<b>Voluntary Pension Scheme</b>			
Pakistan Pension Fund-Debt	4.33%	4.31%	7.35%
Pakistan Pension Fund-Money Market	4.30%	4.30%	4.40%
Pakistan Pension Fund-Equity	-15.89%	35.72%	10.77%

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



	Value as at 30 <sup>th</sup> Nov 2017
PKR 100 invested in PSM	PKR 2,990
PKR 100 invested in KSE100 index	PKR 2,136

\* 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](mailto:mcbah.qa@mcbah.com)

# DEAR INVESTORS,

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

Thank you for taking out time to review our Fund Manager's Report for the month of November 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.

You would be pleased to know that in the month of November 2017, MCB Arif Habib Savings and Investments completed its adoption of Global Investment Performance Standards (GIPS). GIPS is a set of standardized, industry-wide ethical principles that guide investment firms on how to calculate and present their investment results to clients in a consistent and transparent manner.

In October we also opened our 13th investment center in Multan at the famous United Mall on Abdali Road. If you are based in Multan, we invite you to visit us and start your savings and investments journey with one of our wealth advisors.

To facilitate your payments we have also entered into a strategic partnership with 1Link Guarantee Limited. 1Link is a transaction switch that is connected to all banks and allows you to make bill payments across Pakistan through ATMs and is the platform that allows you to withdraw cash from any ATM in Pakistan, irrespective of the bank you have an account with.

We hope that with these initiatives our investors can start their saving and investment journey without hesitation. 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](mailto:info@mcbah.com) to speak to one of our helpful Customer Support Officers.



**Muhammad Saqib Saleem**

Chief Executive Officer



## MACRO-ENVIRONMENT REVIEW AND OUTLOOK

The big news this month was the successful euro (USD 1 billion) and sukuk (USD 1.5 billion) issue of USD 2.5 billion by the local government at a very attractive rates of 6.875% and 5.625% respectively. This inflow has provided temporary relief to our dwindling foreign currency reserves and temporarily improve import cover to -3.5 months and delay the foreseen devaluation of the local currency.

Another major breakthrough this month was the proclamation by the government that electricity deficit has been eradicated as RLNG and coal power plants came online leading to a shutdown of expansive furnace oil plants. We believe this will have a positive impact on LSM growth in the future as electricity supply improves. LSM numbers for 1QFY18 recorded a promising growth of 7.93%, with rising production from autos, cement and steel i.e. real sector contributing to growth.

During the last month, the government took some measures to curb the rising import bill by increasing/levying regulatory duty (RD) on ~731 non-necessary items, along with some non-tax/duty steps taken by the state bank. Lahore high court has recently given an stay on the imposition of RD. Although, analysts believe that the imposition of additional RD will have limited impact on the quantum of imports, we will be closing observing the data and updating our estimates accordingly.

Tax collection numbers for Jul-Nov recorded a provisional short fall of - PKR 61 bn, (PKR 1,302bn against target of PKR 1,363). We remain optimistic on governments ability to meet this annual target given the current growth run rate of - 20%.

Lastly, SBP largely inline with market expectations maintained status quo on the discount rate, inline with muted current infaltion (5MFY18 average CPI for the period was recorded at 3.59%, and we expect a benign outlook to hold for the entire year. In house estimates are that inflation will remain below 4.5% for FY18.

PI for the period was recorded at 3.50% and we expect a benign outlook to hold for the entire year. In-house estimates are that inflation will remain below 4.5% for FY18.

## EQUITY MARKET REVIEW AND OUTLOOK

During the outgoing month, local equity market's performance remained muted due to uncertainty over political and economic front. Resultantly, benchmark KSE-100 index was up by mere 1% MoM (+393pts) closing at 40,010 points and taking CY17TD/ FY18TD return to -10.4%/-17.0%. Heated political atmosphere amid protests & sit-ins all over the country and media blackout added to already shaken investor confidence. The market also felt jitters after MSCI's semi-annual review(15th Nov 2017) reduced Pakistan's weight in EM Index, and Engro Corporation was downgraded from MSCI EM Standard Index to MSCI Small Cap Index and removed PSMC, Shell & Ferozsons from Small Cap Index. Since the announcement date, the market lost ~800 points wiping off the gain in first 15 days of the month. Economic headwinds in the shape of widening of Current Account Deficit (CAD) also kept the investors at bay.

Foreigners offloaded USD 51.9 Mn worth of equities. This selling was absorbed mainly by insurance companies (USD 19.8 Mn) and mutual funds (USD 9 Mn). Average volumes during the month dwindled to 112.2 Mn shares compared to 148 Mn shares in the past month, while average value traded declined to PKR 6.1 Bn from PKR 7.5 Bn.

Major sectors that pushed the index up were E&Ps (+6.0% MoM) and Engineering (+5.8% MoM). E&Ps surged due to increase in average oil prices (+8 MoM) on expectations of oil cut extension in OPEC's Vienna meeting on 30th Nov 2017. Major sectors that dragged the index down were OMCs (-6.4% MoM) and Refineries (-6.5% MoM) due to announcement by the Prime Minister to close down FO based power plants. Refinery throughput during the month declined to -70% .

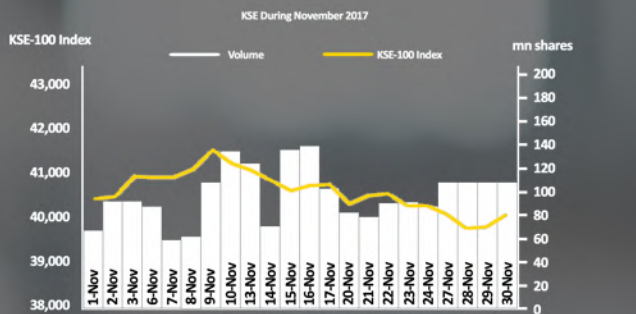
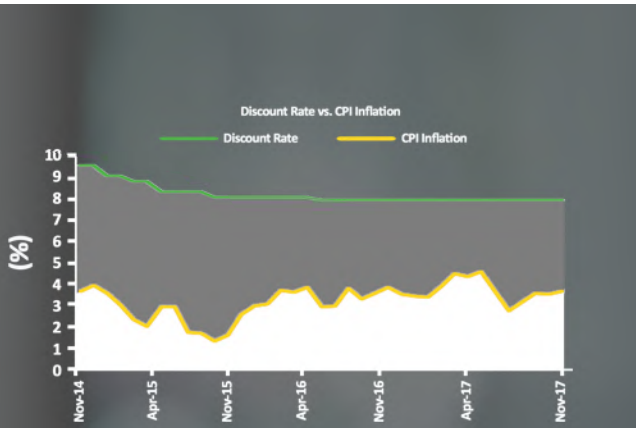
Going forward, we expect market to remain volatile owing to a few shaky macroeconomic indicators. We continue to track trends in economic indicators of the country. Given the attractive upside in fair values, where some of the sectors already incorporate expected headwinds, we consider that the current 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

Yield Curve remained flat throughout the month of November 2017. The market established the fact that major market participants are unwilling to participate in longer tenor treasury securities at current yields, due to expectation of interest rate reversal on back of deteriorating trade deficit. The PIB auction on November 15, 2017 further support this view as total participation of PKR 24 billion was witnessed , where 3 year PIB received majority bids amounting to PKR 19.4 billion, whereas PKR 2.1 billion and PKR 2.8 billion was received in 10 year PIB. Insignificant amount of participation and higher level from last cut off resulted in auction being rejected.

In last Treasury bill auction, cut off yield for 3 and 6 months paper were maintained at previous level of 5.9910%, 6.0109% whereas 12month T-bill cut was rejected. T-bill maturity was PKR 529 billion whereas target of the auction was PKR 550 billion. The market witnessed huge participation in 3 month-bill amounting to PKR 778 billion, PKR 104 billion in 6 Month T-bill however no participation was witnessed in 12 month T-bill auction. SBP accepted PKR 520 billion in 3 months whereas PKR 104 billion was accepted in 6 months T-bills. SBP on the other end conducted regular OMOs to keep market liquidity intact.

State bank of Pakistan released monetary policy keeping discount rate intact at 5.75 bps. While inflation remains benign, concerns over rising current account deficit (CAD) are likely to keep interest rates unchanged. Considering aforementioned factors major concentration will remain towards short dated instruments.



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% 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 Forward
Pricing Mechanism	Monday - Friday
Dealing Days	Mon - Fri (9:00AM to 4:30 PM)
Cut off Timing	Nil
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 4.59% as against its benchmark return of 2.57%. The fund increased its exposure in Sukuks and Certificate of Musharaka to 32.9% and 18.3% respectively. Exposure in cash decreased from 51.6% to 35.1%.

## Fund Facts / Technical Information

NAV per Unit (PKR)	102.9489
Net Assets (PKR M)	2,799
Net Assets excluding Fund of Funds (PKR M)	1,625
Weighted average time to maturity (Years)	1.9
Sharpe Ratio	0.15
Correlation	10.0%
Standard Deviation	0.05
Total expense ratio with government levy*	0.49%
Total expense ratio without government levy	0.38%

\*This includes 0.11% representing government levy, Sindh workers' welfare fund and SECP Fee.

## Top Sukuk Holding (% of Total Assets)

International Brands Limited	12.2%
Aspin Pharma (Private) Limited	7.1%
Dubai Islamic Bank Pakistan Limited (14-Jul-17)	3.8%
Meezan Bank Limited (22-Sep-16)	3.7%
Ghani Gases Limited (2-Feb-17)	3.1%
Engro Fertilizer Limited (9-Jul-14)	3.0%

## 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 2.87 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1057 and YTD return would be higher by 0.10%. 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	Nov-17	Oct-17
Cash	35.1%	51.6%
GoP Ijara Sukuks	1.9%	1.9%
Sukuk	32.9%	25.6%
Certificate of Musharakah	18.3%	9.4%
Certificate of Modaraba	3.5%	3.5%
Others including receivables	1.2%	1.0%
Shariah Compliant Bank Deposits	7.1%	7.0%

Note: Amount invested by Fund of funds is PKR 1,174 million (41.5% of Total Assets as of November 30, 2017).

## Performance Information (%)

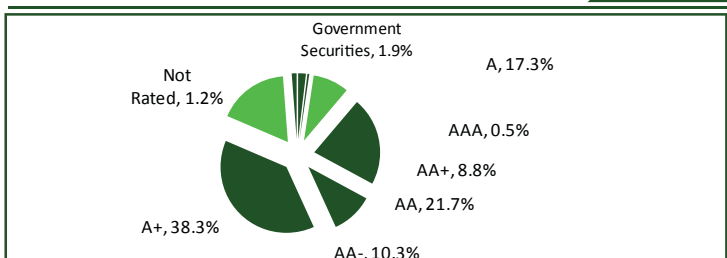
Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	4.42%	2.43%
Month to Date Return (Annualized)	4.59%	2.57%
180 Days Return (Annualized)	5.02%	2.42%
365 Days Return (Annualized)	6.14%	2.58%
Since inception (CAGR)	7.41%	6.09%
Average Annual Return (Geometric Mean)	7.11	

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 dependent 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. 0.2352 and YTD return would be higher by 0.32%. 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	Nov-17	Oct-17
Cash	50.3%	49.7%
Stock /Equities	45.2%	46.2%
Sukuk	0.0%	0.0%
Others including receivables	0.9%	4.1%
Certificate of Musharika	3.6%	0.0%

## Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	-5.67%	-10.66%
Month to Date Return	1.30%	0.95%
180 Days Return	-8.01%	-15.55%
365 Days Return	7.76%	-1.54%
Since inception	282.44%	388.35%

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	7.5%
Engro Corporation Limited	Equity	6.5%
Oil and Gas Development Company Limited	Equity	5.2%
Hub Power Company Limited	Equity	3.5%
Lucky Cement Limited	Equity	3.2%
Pakistan Petroleum Limited	Equity	2.7%
Engro Fertilizers Limited	Equity	2.4%
Nishat Mills Limited	Equity	2.1%
International Industries Limited	Equity	1.8%
Engro Polymer and Chemicals Limited	Equity	1.7%

## 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 1.30% as against its benchmark return of 0.95% during the month. Exposure in equities was slightly decreased to 45.20% as compared to 46.2% in the previous month while allocation in cash slightly increased to 50.3% from 49.7%.

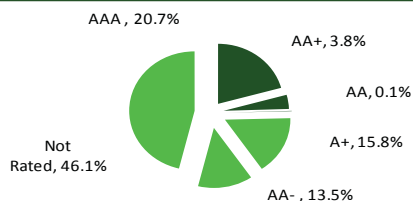
## Members of the Investment Committee

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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## Fund Facts / Technical Information

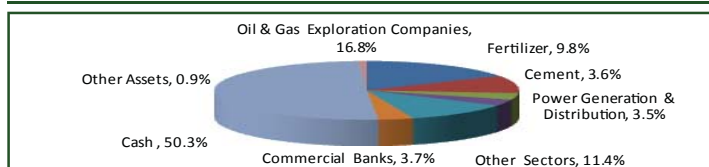
Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	68.8759	
Net Assets (PKR M)	2,232	
Sharpe Ratio	0.04	0.05
Beta	0.66	1.00
Correlation	83.9%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.6%
Standard Deviation	0.75	0.96
Total expense ratio with government levy*	1.49%	
Total expense ratio without government levy	1.32%	

\*\* This includes 0.17% representing government levy Sindh Worker's Welfare Fund and SECP fee.

## Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	712,765	3,094,667

## Sector Allocation (%age of Total Assets)



## 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	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 intial 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
Benchmark	Pakistan Stock Exchange 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.0.0338 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	Nov-17	Oct-17
Stock / Equities	75.6%	77.2%
Cash	20.2%	20.6%
Others including receivables	4.2%	2.2%

Note: Amount invested by fund of funds is PKR 945 million (28.9% of Total Assets) as of November 30, 2017.

## Performance Information (%)

Particulars	ALHISF	Benchmark
Year to Date Return	-15.02%	-13.36%
Month to Date Return	1.26%	1.19%
180 Days Return	-17.34%	-18.63%
365 Days Return	-2.98%	-4.67%
Since inception	14.20%	17.08%

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	8.0%
Oil and Gas Development Company Limited	7.5%
Engro Corporation Limited	7.2%
Hub Power Company Limited	6.1%
Pakistan Petroleum Limited	5.5%
Lucky Cement Limited	3.4%
Nishat Mills Limited	3.4%
Engro Polymer and Chemicals Limited	3.2%
Mari Petroleum Company Limited	3.2%
International Industries Limited	3.0%

## 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 return of 1.26% in November 2017 compared to 1.19% increase in the benchmark KSE-100 Index, resulting in an outperformance of 7 basis points. During the month, we increased our exposure in the Fertilizer sector and trimmed our exposure in the Power sector owing to shutdown of the furnace oil based power plants. The Fund at the month end was invested 75.6% in equities and remaining in cash & cash equivalent.

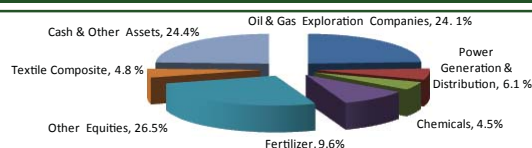
## Members of the Investment Committee

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)	10.41	
Net Assets (PKR M)	3,065	
Net Assets excluding fund of funds (PKRM)	2,119	
Price to Earning (x)*	9.73	11.09
Dividend Yield (%)	5.51	5.48
No. of Holdings	48	30
Weighted Avg. Market Cap. (PKR Bn)	119.56	181.5
Sharpe Ratio	0.03	0.04
Beta	0.76	0.00
Correlation	90.6%	
Max draw up	656.54%	785.16%
Max draw down	-60.06%	-27.31%
Standard Deviation	1.08	1.29
Total expense ratio with government levy**	1.58%	
Total expense ratio without government levy	1.42%	

\*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
	1,032,178	4,992,846

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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	Nov-17	Oct-17
Cash	5.5%	6.1%
Alhamra Islamic Stock Fund	55.0%	61.4%
Alhamra Islamic Income Fund	39.2%	32.2%
Others including receivables	0.3%	0.3%

## Fund Facts / Technical Information

NAV per Unit (PKR)	91.5927
Net Assets (PKR M)	1,415
Total expense ratio with government levy*	0.24%
Total expense ratio without government levy	0.19%

\*\*This includes 0.05% 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 1.19% against its benchmark return of 0.76%. The fund slightly decreased its exposure in cash to 5.5% and increase in Alhamra Islamic Income Fund to 39.2%.

## 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	-8.42%	-7.91%
Month to Date Return	1.19%	0.76%
180 Days Return	-10.50%	-10.49%
365 Days Return	N/A	N/A
Since inception	-7.68%	-9.14%

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	Nov-17	Oct-17
Cash	6.2%	6.3%
Alhamra Islamic Stock Fund	19.8%	14.2%
Alhamra Islamic Income Fund	74.0%	79.4%
Others including receivables	0.0%	0.1%

## Fund Facts / Technical Information

NAV per Unit (PKR)	97.8494
Net Assets (PKR M)	834
Total expense ratio with government levy*	0.18%
Total expense ratio without government levy	0.12%

\*\*This includes 0.06% 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.

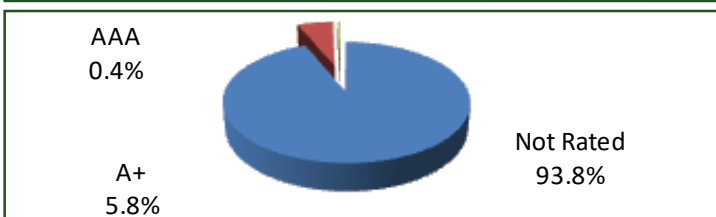
## Manager's Comment

During the month, the fund posted a return of 0.40% against its benchmark return of 0.33%. The fund was 6.2% invested in cash and 19.8% 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	-2.16%	-3.02%
Month to Date Return	0.40%	0.33%
180 Days Return	N/A	N/A
365 Days Return	N/A	N/A
Since inception	-1.97%	-2.92%

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

## 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 1.69% during the month. Overall allocation in equity was decreased.

Debt sub-fund generated a return of 3.37% during the month. GOP Ijara Sukuk exposure was almost remain the same.

Money Market sub-fund generated a return of 3.88% 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
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	8.9%
Pakistan Oilfields Limited	7.5%
Oil & Gas Development Company Limited	7.2%
Pakistan Petroleum Limited	6.4%
Mari Petroleum Company Limited	4.9%
Hub Power Company Limited	4.3%
Lucky Cement Limited	3.8%
Engro Fertilizers Limited	3.3%
Meezan Bank Limited	2.8%
International Industries Limited	2.7%

## 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. 2.9365 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. 0.37 million, if the same were not made the NAV per unit would be higher by Rs. 0.3370 per unit and YTD return would be higher by 0.17%. 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. 0.11 million, if the same were not made the NAV per unit would be higher by Rs. 0.2663 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.

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

Particulars	Nov-17	Oct-17
Cash	50.3%	71.5%
GoP Ijara Sukuk	11.9%	9.3%
Certificate of Modaraba	18.4%	18.5%
Others including receivables	1.0%	0.7%
Shariah Compliant Bank Deposits	18.4%	0.0%

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

Particulars	Nov-17	Oct-17
Cash	36.9%	43.8%
GoP Ijara Sukuk	28.6%	28.7%
Others including receivables	1.8%	1.6%
TFCs	12.6%	10.4%
Certificate of Modaraba	15.4%	15.5%
Shariah Compliant Bank Deposits	4.7%	0.0%

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

Particulars	Nov-17	Oct-17
Oil & Gas Exploration Companies	25.9%	29.2%
Fertilizer	12.2%	9.7%
Cement	5.1%	5.6%
Paper & Board	4.5%	4.8%
Power Generation & Distribution	4.3%	8.9%
Other equity sectors	31.1%	30.2%
Cash	15.7%	5.1%
Others including receivables	1.2%	6.5%

## Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	-17.06	2.29	3.11
Month to Date Return (%)	1.69	3.37	3.88
Since inception (%)	383.98	6.85	5.76
Net Assets (PKR M)	388.20	211.80	75.33
NAV (Rs. Per unit)	484.95	195.49	176.30

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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