

MONEY MATTERS



MCB-ARIF HABIB
Savings and Investments Limited

Fund Manager's Report

OCTOBER 2017



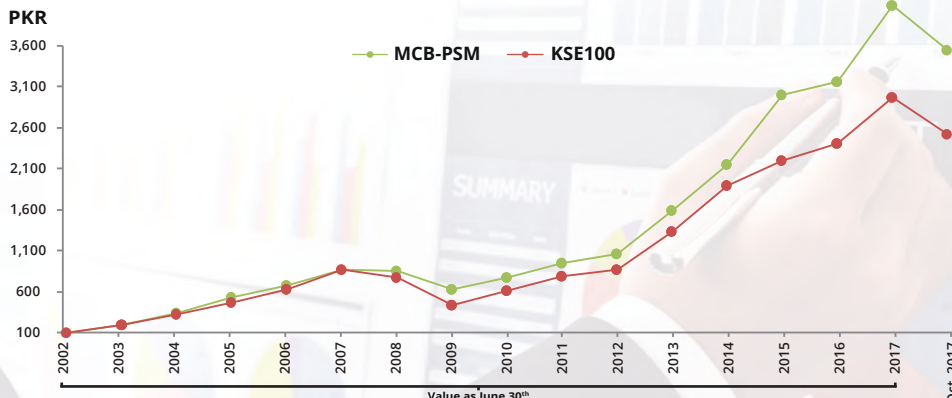
FUND PERFORMANCE



Fund Returns

Funds	YTD (FY 18)	(July 2016 to June 2017)	(July 2015 to June 2016)
Money Market Schemes			
MCB Cash Management Optimizer	5.28%	7.11%	5.77%
Pakistan Cash Management Fund	4.79%	8.34%	5.88%
Income Schemes			
MCB DCF Income Fund	4.32%	6.50%	6.23%
MCB Pakistan Sovereign Fund	4.92%	5.89%	7.30%
Pakistan Income Fund	4.52%	6.90%	6.14%
Aggressive Fixed Income Scheme			
Pakistan Income Enhancement Fund	5.79%	5.06%	8.33%
Islamic Income Scheme			
Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund)	4.36%	6.49%	5.05%
Asset Allocation Schemes			
MCB Pakistan Frequent Payout Fund	1.08%	5.54%	3.54%*
MCB Pakistan Asset Allocation Fund	-5.07%	9.54%	3.21%
Shariah Compliant Fund of Funds			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	-9.50%	0.81%**	n/a
Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017)	-2.55%	0.19%***	n/a
Balanced Scheme			
Pakistan Capital Market Fund	-8.15%	25.36%	5.17%
Equity Scheme			
MCB Pakistan Stock Market Fund	-13.40%	29.54%	5.25%
Islamic Equity Scheme			
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	-16.08%	29.97%	3.90%
Islamic Asset Allocation Schemes			
Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund)	-6.87%	27.74%	5.09%
Islamic Voluntary Pension Scheme			
Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt)	2.02%	4.46%	4.04%
Alhamra Islamic Pension Fund-Money Market (Formerly: Pakistan Islamic Pension Fund-Money Market)	2.92%	3.78%	2.36%
Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity)	-18.44%	33.21%	14.84%
Voluntary Pension Scheme			
Pakistan Pension Fund-Debt	4.24%	4.31%	7.35%
Pakistan Pension Fund-Money Market	4.31%	4.30%	4.40%
Pakistan Pension Fund-Equity	-17.04%	35.72%	10.77%

Growth in the value of Rs100 invested in MCB Pakistan Stock Market Fund (MCB-PSM) at inception (11th Mar, 2002)



	Value as at 31 st Oct 2017
PKR 100 invested in PSM	PKR 2,957
PKR 100 invested in KSE100 index	PKR 2,116

* 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 greetings from your preferred fund manager!

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

This week, we would like to highlight our shariah compliant investment options that we offer under the Alhamra Brand. Alhamra is a dedicated division created to meet the needs of our esteemed customers who may chose for certified Shariah compliant savings option.

Mutual Funds managed under the Alhamra brand have a strict Shariah compliance criteria compiled by world renowned Islamic scholars Justice (Rtd.) Muhammad Taqi Usmani, Dr. Muhammad Zubair Usmani and Dr. Ejaz Ahmed Samdani. Not only is the investment process built according to the defined criteria, but the compliance of the process is also aggressively reviewed by the same scholars. In order to help our esteemed customers in planning their investments in a way that meets their comfort level, we have also established dedicated Alhamra Savings centres in Peshawar and Quetta. The teams at these saving centres will help customers in planning their savings based on their goals while keeping in mind their financial obligations and risk capabilities.

We hope that with these initiatives our investors can start their saving and investment journey without hesitation. For any saving and investment related queries or suggestions feel free to contact us at 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

Local government along with international multilateral organizations continue to be optimistic about the GDP growth rate for the coming years, basing their case mostly on multi billion dollar CPEC projects and elimination of power deficit. However, increasing attention has begun to be directed at external accounts with specific fingers being pointed at rising current account deficit and depleting foreign exchange reserves.

During this month the government took some measures to curb the rising import bill by increasing/levying regulatory duty on ~731 non-necessary items, along with some non-tax/duty steps taken by the state bank. Although analyst 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.

Government is also planning to raise -USD 2-3bn from the international market via euro bond and sukuk to bolster the falling FX reserves, which are down -USD 4.6 bn since its peak. We believe the government will not be able to stop the hemorrhaging of reserves and eventually PKR will have to be depreciated to curb imports and provide support to exports.

Tax collection numbers for jul-oct recorded a provisional short fall of - PKR 47 bn, (PKR 1,024bn against target of PKR 1,071). We remain optimistic on governments ability to meet this annual target.

LSM numbers for 2MFY18 recorded a promising growth of 10.67%, with rising production from autos, cement and steel i.e. real sector contributing to growth. Inflation remained muted for 4MFY18, average CPI 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 Oct'17 the equity market experienced its 3rd largest drop on a monthly basis in CY17TD as index closed at 39,617 points, portraying a negative return of 6.6% MoM compared to positive return of 2.9% recorded in Sep'17. This took CY17TD/ FY18TD return to -17.1% / -14.9%. A brief recovery in investor sentiment was witnessed as a meeting held between stock brokers of the country and PM Abbasi, to revive the confidence of market participants in the equity bourse. However, stocks came under pressure again as political disturbance intensified during last week (issuance of bailable warrants for ex-PM Nawaz Sharif and Ishaq Dar). Furthermore, less than expected quarterly results dragged the index down even more.

Foreigners offloaded \$8.9 Mn worth of equities. This selling was absorbed mainly by banks (USD 32.2 Mn) and individuals (USD 17.6 Mn). Average volumes during the month dwindled to 148 Mn shares compared to 153 Mn shares in the past month, while average value traded declined to PKR 7.5 Bn from PKR 8 Bn.

Major sectors that pulled the index down were Banks, Power & Cements. Commercial Banks lost ~7.7% as quarterly earnings disappointment along with continued uncertainties over the foreign operations of some banks kept the investors at bay. Power Generation & Distribution (down 13.6% MoM) also remained a laggard given curtailment of power companies' dividends during 1st quarter as well as announcement of KEL's lower final tariff. Cement sector (down 14% MoM) continued its lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region.

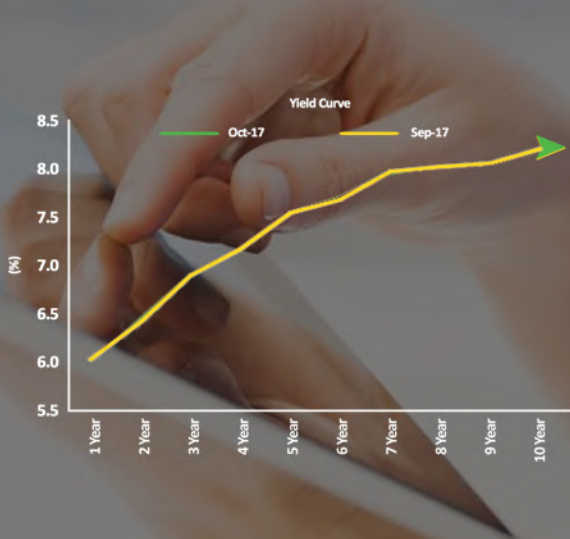
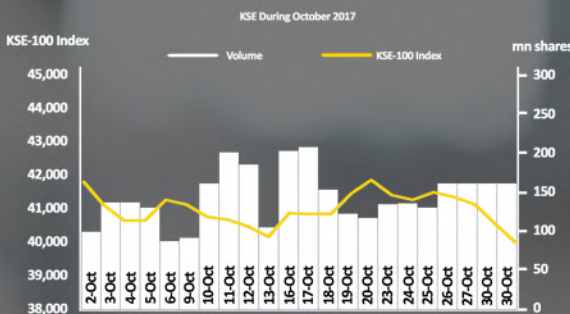
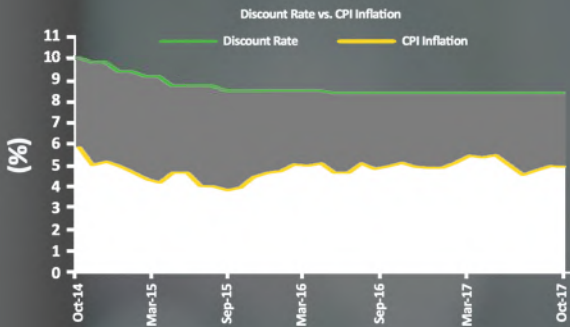
Going forward, we expect market to remain volatile albeit continuing its positive trajectory in the medium term as the pressure on external account mounts. We continue to track trends in economic indicators of the country. Given the attractive upside in fair values, where some of the sectors already incorporate expected headwinds, we consider that the current opportunity can be capitalized by building into positions and gradual increase in 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, forex reserves, exchange rate and CPEC would likely remain the key drivers.

MONEY MARKET REVIEW AND OUTLOOK

Yield Curve remained flat throughout the month of October 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 . The PIB auction on October 18, 2017 managed to pull meager participation of PKR 25 billion. 3 year PIB received majority bids amounting to PKR 22 billion, followed by PKR 1.5 billion in 5 year PIB and PKR 1.6 billion in 10 year PIB. Insignificant amount of participation and at 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, 12 month T-bill bids were rejected. T-bill maturity was PKR 699 billion whereas target of the auction was PKR 650 billion. The market witnessed huge participation in 3 month T-bill amounting to PKR 929 billion. SBP accepted PKR 699 billion in 3 months whereas PKR 26 billion was accepted in 6 months T-bills. 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 fragile due to widening current account deficit which is needed to be bridged through a mix of foreign direct investments, remittances, 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 5.17% as against its benchmark return of 2.51%. The fund increased its exposure in GoP Ijara Sukuks and Certificate of Musharaka to 1.9% and 9.4% respectively Exposure in cash decreased from 65.5% to 51.6%.

Fund Facts / Technical Information

NAV per Unit (PKR)	102.5617
Net Assets (PKR M)	2,828
Net Assets excluding Fund of Funds (PKR M)	1,712
Weighted average time to maturity (Years)	1.5
Sharpe Ratio	0.14
Correlation	9.7%
Standard Deviation	0.05
Total expense ratio with government levy**	0.40%
Total expense ratio without government levy	0.30%

**This includes 0.10% representing government levy, Sindh workers' welfare fund and SECP Fee.

Top Sukuk Holding (% of Total Assets)

International Brands Limited	12.0%
Dubai Islamic Bank Pakistan Limited	3.8%
Meezan Bank Limited (22-Sep-16)	3.6%
Ghani Gases Limited (2-Feb-17)	3.2%
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 2.66 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.0964 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	Oct-17	Sep-17
Cash	51.6%	65.5%
GoP Ijara Sukuks	1.9%	0.1%
Sukuk	25.6%	16.3%
Certificate of Musharakah	9.4%	6.3%
Certificate of Modaraba	3.5%	3.7%
Others including receivables	1.0%	0.7%
Shariah Compliant Bank Deposits	7.0%	7.4%

Note: Amount invested by Fund of funds is PKR 1,116 million (38.9% of Total Assets) as of October 31, 2017.

Performance Information (%)

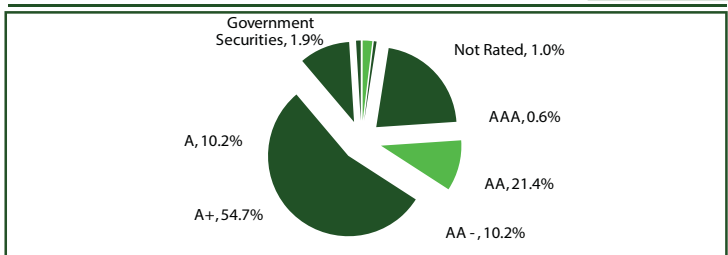
Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	4.36%	2.39%
Month to Date Return (Annualized)	5.17%	2.51%
180 Days Return (Annualized)	4.93%	2.39%
365 Days Return (Annualized)	6.27%	2.60%
Since inception (CAGR)	7.44%	6.13%
Average Annual Return (Geometric Mean)	7.00	

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
Back end Load*	Type C Units (Bachat Units) : Nil Type A Units --- NIL Type B Units 3.0% for first year after investment 2.0% for second year after investment 1.0% for third year after investment NIL for redemptions after completion of 3 years from investment Type C-Bachat Units Bachat Units (Two Years): 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment. Bachat Units (Three Years): 3% if redeemed before completion of three years from the date of initial investment. 0% if redemption after completion of three years from the date of initial investment.
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI 30 Index and Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00 AM to 4:30 PM)
Leverage	Nil
	*Subject to government levies

Investment Objective

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

Manager's Comment

The fund posted a return of -2.00% as against its benchmark return of -4.30% during the month. Exposure in equities was slightly increased to 46.20% as compared to 44.1% in the previous month while allocation in cash slightly decreased to 49.7% from 55.10%.

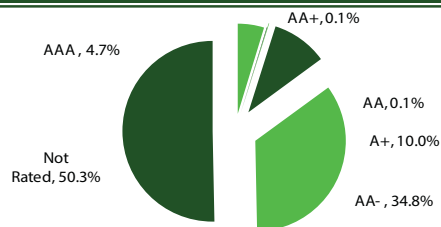
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Awais Abdul Sattar, CFA	Head of Research
Mohammad Aitazaz Farooqui	Research Analyst

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 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 Oil Pakistan Limited has been merged into Byco Petroleum Limited which does not have Entity/Issuer Rating therefore, investment in Sukuk of Byco Oil Pakistan Limited becomes a non-compliant security for ALHAA. The Fund Manager of ALHAA will divest this investment once it will be inducted into CDC account of ALHAA.

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MUFAP's Recommended Format

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. 0.2580 and YTD return would be higher by 0.35%. 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	Oct-17	Sep-17
Cash	49.7%	55.1%
Stock/Equities	46.2%	44.1%
Sukuk	0.0%	0.1%
Others including receivables	4.1%	0.7%

Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	-6.87%	-11.50%
Month to Date Return	-2.00%	-4.30%
180 Days Return	-8.53%	-16.48%
365 Days Return	13.11%	3.62%
Since inception	277.55%	383.75%

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	6.7%
Pakistan Petroleum Limited	Equity	6.0%
Oil and Gas Development Company Limited	Equity	5.2%
Hub Power Company Limited	Equity	4.3%
Lucky Cement Limited	Equity	3.7%
Engro Fertilizers Limited	Equity	2.8%
Engro Corporation Limited	Equity	2.3%
Nishat Mills Limited	Equity	2.3%
Engro Polymer and Chemicals Limited	Equity	1.9%
International Industries Limited	Equity	1.8%

Fund Facts / Technical Information

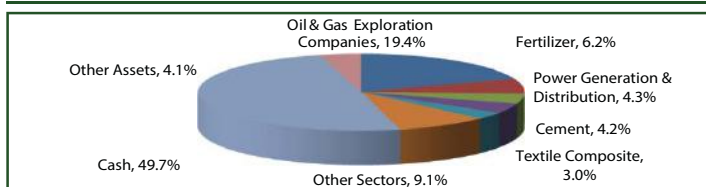
Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	67.9952	
Net Assets (PKR M)	2,009	
Sharpe Ratio	0.04	0.05
Beta	0.66	1.00
Correlation	83.9%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.6%
Standard Deviation	0.76	0.96
Total expense ratio with government levy*	1.21%	
Total expense ratio without government levy	1.08%	

*This includes 0.13% representing government levy, Sindh Worker's Welfare Fund and SECP fee.

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	706,552	2,381,902

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 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.0.0336 and YTD return would be higher by 0.27%. 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	Oct-17	Sep-17
Stock / Equities	77.2%	83.6%
Cash	20.6%	15.3%
Others including receivables	2.2%	1.1%

Note: Amount invested by Fund of funds is PKR 983 million (31.6% of Total Assets) as of October 31,2017.

Performance Information (%)

Particulars	ALHISF	Benchmark
Year to Date Return	-16.08%	-14.38%
Month to Date Return	-5.51%	-5.80%
180 Days Return	-18.48%	-19.87%
365 Days Return	2.51%	0.98%
Since inception	12.77%	15.71%

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)

Hub Power Company Limited	7.7%
Pakistan Oilfields Limited	7.6%
Oil and Gas Development Company Limited	7.1%
Pakistan Petroleum Limited	7.1%
Engro Fertilizers Limited	3.9%
Engro Corporation Limited	3.7%
Engro Polymer and Chemicals Limited	3.3%
Nishat Mills Limited	3.3%
Mari Petroleum Company Limited	3.2%
Lucky Cement Limited	3.1%

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 drop of 5.5% in October 2017 compared to 5.8% decline in the benchmark KMI-30 Index, resulting in an outperformance of 29 basis points. During the month, we reduced exposure in the Oil & Gas Marketing and Power Sector as result of unattractive lower than expected financial performance and emergence of regulatory risks for Karachi Electric. Exposure in E&Ps and Fertilizers on the other hand, was increased on account of improving price and demand dynamics. The Fund at the month end was invested 77.2% in equities and remaining in cash & cash equivalent.

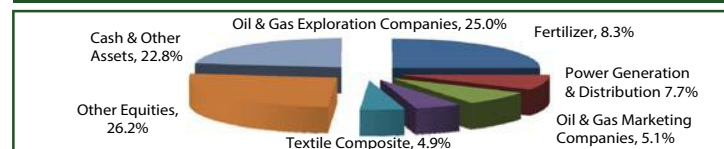
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Saad Ahmed	Asset Class Specialist - Fixed Income
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Awais Abdul Sattar, CFA	Head of Research
Mohammad Aitazaz Farooqi	Research Analyst

MCBAH Shariah Supervisory Board

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Dr. Muhammad Zubair Usmani	Member
Dr. Ejaz Ahmed Samdani	Member

Sector Allocation (%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

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,001,763	3,960,669



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. 0.0170 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	Oct-17	Sep-17
Cash	6.1%	5.5%
Alhamra Islamic Stock Fund	61.4%	62.4%
Alhamra Islamic Income Fund	32.2%	31.8%
Others including receivables	0.3%	0.3%

Fund Facts / Technical Information

NAV per Unit (PKR)	90.5127
Net Assets (PKR M)	1,407
Total expense ratio with government levy*	0.19%
Total expense ratio without government levy	0.15%

*This includes 0.04% representing government levy, Sindh Workers' Welfare Fund and SECP fee.

Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	-9.50%	-8.60%
Month to Date Return	-3.33%	-3.33%
180 Days Return	-11.33%	-10.95%
365 Days Return	N/A	N/A
Since inception	-8.77%	-9.82%

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.

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 -3.33% against its benchmark return of -3.33%. The fund slightly increased its exposure in cash and 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	Head of Research
Muhammad Aitazaz 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	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Thurs (9:00 AM to 4:30 PM)
Leverage	Nil

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability
ALHIAAP-II has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.0033 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	Oct-17	Sep-17
Cash	6.3%	6.5%
Alhamra Islamic Stock Fund	14.2%	8.8%
Alhamra Islamic Income Fund	79.4%	84.7%
Others including receivables	0.1%	0.0%

Fund Facts / Technical Information

NAV per Unit (PKR)	97.4570
Net Assets (PKR M)	832
Total expense ratio with government levy*	0.14%
Total expense ratio without government levy	0.10%

*This includes 0.04% representing government levy, Sindh Worker's 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.

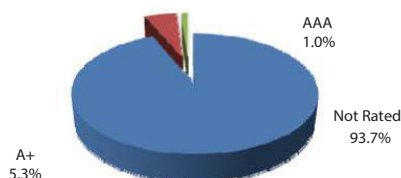
Manager's Comment

During the month, the fund posted a return of -0.18% against its benchmark return of -0.26%. The fund was 6.3% invested in cash and 14.2% 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	-2.55%	-3.34%
Month to Date Return	-0.18%	-0.26%
180 Days Return	N/A	N/A
365 Days Return	N/A	N/A
Since inception	-2.37%	-3.24%

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.



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 -5.60% during the month. Overall allocation in equity was decreased.

Debt sub-fund generated a return of 4.00% during the month. GOP Ijara Sukuk exposure was almost remain the same.

Money Market sub-fund generated a return of 3.16% during the month. The exposure in cash was almost the same.

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)

Hub Power Company Limited	8.9%
Oil & Gas Development Company Limited	8.7%
Pakistan Oilfields Limited	7.9%
Pakistan Petroleum Limited	7.5%
Engro Corporation Limited	6.8%
Mari Petroleum Company Limited	5.1%
Lucky Cement Limited	4.1%
Meezan Bank Limited	3.0%
Engro Fertilizers Limited	2.9%
International Industries Limited	2.5%

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. 2.9390 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. 0.35 million, if the same were not made the NAV per unit would be higher by Rs. 0.3269 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. 0.2550 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	Oct-17	Sep-17
Cash	71.5%	71.1%
GoP Ijara Sukuk	9.3%	9.5%
Certificate of Modaraba	18.5%	18.8%
Others including receivables	0.7%	0.6%

ALHIPF - Debt (%age of Total Assets)

Particulars	Oct-17	Sep-17
Cash	43.8%	45.5%
GoP Ijara Sukuk	28.7%	29.2%
Others including receivables	1.6%	1.3%
TFCs	10.4%	8.2%
Certificate of Modaraba	15.5%	15.8%

ALHIPF - Equity (%age of Total Assets)

Particulars	Oct-17	Sep-17
Oil & Gas Exploration Companies	29.2%	26.0%
Fertilizer	9.7%	7.1%
Power Generation & Distribution	8.9%	9.2%
Cement	5.6%	8.7%
Paper & Board	4.8%	4.8%
Other equity sectors	30.2%	37.3%
Cash	5.1%	5.4%
Others including receivables	6.5%	1.5%

Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	-18.44	2.02	2.92
Month to Date Return (%)	-5.60	4.00	3.16
Since inception (%)	375.94	6.88	5.78
Net Assets (PKR M)	381.43	210.58	75.06
NAV (Rs. Per unit)	476.89	194.95	175.74

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++
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