



BACHAT SHARIAT KE MUTABIQ

MONEY MATTERS

Fund Manager's Report
OCTOBER 2018



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY PACRA

FUND PERFORMANCE



Fund Returns

Funds	YTD (FY 19)	(July 2017 to June 2018)	(July 2016 to June 2017)
Islamic Income Scheme			
Alhamra Islamic Income Fund	6.11%	4.96%	6.49%
Alhamra Daily Dividend Fund (Inception Date: 10-Apr-2018)	6.14%	4.97%*	n/a
Shariah Compliant Fund of Funds			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	4.86%	-6.84%	0.81%**
Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017)	3.03%	-0.43%	0.19***
Islamic Equity Scheme			
Alhamra Islamic Stock Fund	1.21%	-12.00%	29.97%
Islamic Asset Allocation Scheme			
Alhamra Islamic Asset Allocation Fund	2.77%	-4.06%	27.74%
Islamic Voluntary Pension Scheme			
Alhamra Islamic Pension Fund-Debt	4.36%	2.99%	4.46%
Alhamra Islamic Pension Fund-Money Market	4.85%	3.34%	3.78%
Alhamra Islamic Pension Fund-Equity	1.36%	-12.16%	33.21%

* From April 10, 2018 to June 30, 2018
 ** 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: Islamic Income Schemes and Alhamra Islamic Pension Fund (Debt and Money Market).
 Absolute Returns for: Shariah Compliant Fund of Funds, Islamic Equity, Islamic Asset Allocation Schemes, Alhamra Islamic 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,

Thank you for taking the time out to review our Fund Manager's Report for the month of October 2018. We'd like to express our deepest gratitude to our investors for their support which motivates us to improve our services and deliver nothing but the absolute best.

Long gone are the days when mobile phone apps were considered as an unnecessary luxury. Digital transformation has been the new buzz for several years, simplifying everyone's lives. Back in the years, one could not even imagine that they can save money at their fingertips but thanks to the ever-growing realm of tech, MCB Arif Habib brings you an online saving platform, iSave. The portal enables you to invest and manage your savings with just a few taps. You can easily create your account within a few minutes and start earning returns on your savings. Hence, save yourself from the hassle of paper work as investing in your choice of fund is now a click away.

If you have any query, please feel free to contact us on our 24/7 helpline at 0800-622-24. Our investor services officers are always available to serve you, round the clock. You may also visit our website mcbah.com to learn more about our products and services.



Muhammad Saqib Saleem

Chief Executive Officer

MACRO-ENVIRONMENT REVIEW AND OUTLOOK

The wave of uncertainty lingering over the economy finally came to an end after Prime Minister successfully negotiated an economic bailout package from Saudi Arabia amounting to USD 6 billion (USD 3bn cash for balance of payment support along with USD 3bn as deferred oil import payments extendable up to 3 years). The current package will provide an immediate relief to the fragile external account along with improving the outlook of foreign direct investment in Pakistan. Alongside, the premier is also expected to visit two more friendly countries, Malaysia and China, in the first week of November.

CPI for the month of Oct'18 clocked in at 7.0% majorly due to effect of recent increase in gas prices and low base of last year. Higher international oil prices, weaker currency and upward revision in domestic electricity and gas prices is expected to jack up overall inflation figure in FY19, which is expected to average ~7.5% compared to last year inflation of 3.8%. Meanwhile, core inflation is expected to jump above 8.5%.

The external account position kept on highlighting worrisome position for the economy, yet favorable as compare to last year. Current account witnessed a deficit of USD 3.7 billion in first three months of FY19 compared to USD 3.8 billion in the same period last year. A surge in international oil prices is masking the improvement in non oil imports caused by contractionary measures, thus causing the current account deficit to remain high. Nevertheless, as of late the policy measures have started to work, as reflected from the fact that non oil imports have reduced by 11% YoY during the 1QFY19. Reserves during the month decreased by USD -1.2 billion owing to funding requirements of both the current and financial account. As of late (19th October 2018) foreign exchange reserves stood at USD 14.3 billion.

Contractionary policies, external pressures and rising gas and electricity prices have taken their toll on large scale manufacturing which posted a decline of 1.45% YoY in the first two month of FY19. Given initial plans of the ruling government some sense of policy steps can be expected, but given the precarious economic conditions, we think term measures to address twin deficits are critical. The government has cleared the air by going for an IMF program, which we believe was the need of the hour. Alongside, the government will have to address the key structural issues to tread on the path of long term sustainable economic growth.

EQUITY MARKET REVIEW AND OUTLOOK

The KSE-100 Index finally rebounded during the latter half of the month after Premier successfully negotiated a bailout package worth USD 6 billion from Saudi Arabia. The benchmark generated a positive return of -1.4% during the month, reducing the cumulative loss of 4MFY19 to --0.8%. Foreign selling continued during the month, offloading USD -86 Mn worth of equities, most of which was absorbed by Companies, Mutual Funds and Insurance companies whom bought USD 33.2/20.6/13.1 Mn respectively. During the month, volumes and values averaged around 219 Mn shares/ PKR 8 Bn, depicting a considerable increase of -58%/-43% MoM.

Cyclicals along with sectors which underperformed previously came back sharply during the month after much clarity on economic front was visible. Power, Refineries, Fertilizers and Cements posted a positive return of 9%/6%/4%/3.5% respectively. Textile sector also continued its strong momentum by posting a return of 13.0% as their earnings beat expectations. On the flip side, commercial banks underperformed owing to disappointing earnings announcement from large cap banks, particularly, HBL.

Going forward, stocks offer long term investment opportunity with rewards for patient investors. We continue to track trends in the economic indicators of the country and adjust our portfolio accordingly. Our top-down analysis favours sectors that benefit from currency depreciation and higher interest rates; however, we cannot ignore the individual company dynamics along with their prices that can play an important role in security selection.

MONEY MARKET REVIEW AND OUTLOOK

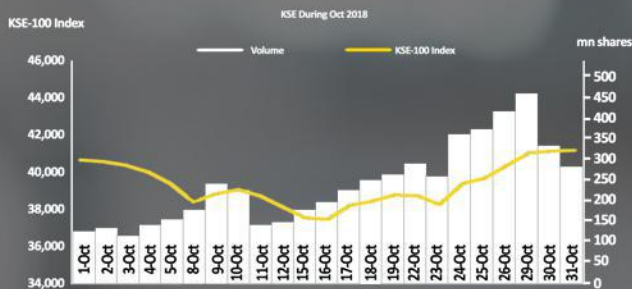
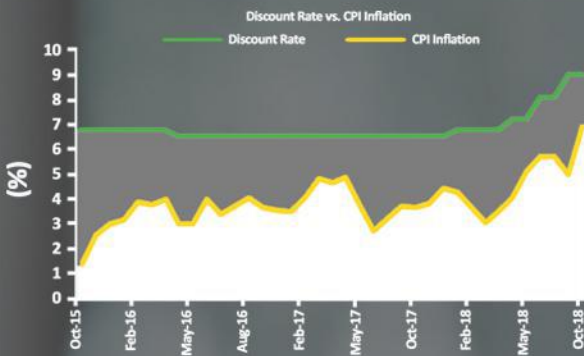
The yield curve showed an upward trajectory during the month as market players continued to expect further monetary tightening. Little to no activity was witnessed in fixed rate bond market; however, floater rate bonds witnessed trading in a narrow range. All other major activity was seen in shorter tenor T-bills owing to the expectation of rising interest rates.

Auction for fixed coupon PIB bonds was held on October 17, 2018, and market remained lacklustre towards participating in it. Total participation of PKR 8.1 billion was witnessed out of which 3 and 5 years tenor received bids worth PKR 3.9 billion and 2.8 billion respectively whereas, 10 years PIB received bids worth only PKR 1.4 billion. Participation at much higher levels compelled the State Bank to reject bids of all three tenors. Auction for floater coupon PIBs was also held on October 17, 2018, in which a total participation of PKR 93 billion was witnessed. However, a similar situation of participation at much higher levels caused State Bank to reject floater PIB auction as well.

State Bank of Pakistan conducted Treasury bill auction on October 24, 2018. The auction had a total maturity of PKR 1,011 billion against which a participation of PKR 619 billion was witnessed. As a result of ongoing economic scenario market was reluctant in participating in 6 and 12 months paper and thus bids were received only in 3 months paper where SBP accepted bids worth PKR 573 billion at a cut-off yield of 8.80%.

Throughout the month overnight market remained illiquid forcing State Bank of Pakistan to conduct frequent OMO's to cater market liquidity.

Next few weeks, Pakistan would be taking key decisions with regards to funding sources and policy actions to fund the external account. With the new government exploring various options to manage its external account, actual materialization of explored plans shall be critical in setting the economic direction.





October 31, 2018

General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant (Islamic) Income Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Oct-18)
Stability Rating	AA-(f) by PACRA (30-June-18)
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 [Actual rate of Management Fee:0.85%]
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
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

Instead of fixed coupon GoP Ijara Sukuks we remained focus towards shariah compliant corporate debt instruments, which clearly outdistanced the former. Nevertheless, fund is maintaining a calculated exposure in corporate debt with a focus on issue selection. Exposure in corporate debt instruments particularly bolstered funds return relative to benchmark. The other major investment was made in shariah compliant bank deposits. The ongoing strategy will be continued until there is a comfort in taking exposure on fixed coupon GoP Ijara Sukuks.

Performance Information (%)

Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	6.11	2.73
Month to Date Return (Annualized)	6.11	2.86
180 Days Return (Annualized)	6.06	2.61
365 Days Return (Annualized)	5.57	2.55
Since inception (CAGR)	7.19	5.62
Average Annual Return (Geometric Mean)	7.02	-

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

Top Sukuk Holding (% of Total Assets)

International Brands Limited (15-Nov-17)	16.2%
Aspin Pharma (Private) Limited (30-Nov-17)	9.5%
Ghani Gases Limited (2-Feb-17)	3.6%
Engro Fertilizer Limited (9-Jul-14)	2.0%

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 5.85 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.2896 and YTD return would be higher by 0.29%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the Quarter ended September 30, 2018 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-18	Sep-18
Cash	39.6%	42.4%
GoP Ijara Sukuks	0.0%	1.3%
Sukuks	31.2%	24.3%
Shariah Compliant Commercial Papers	27.2%	21.0%
Shariah Compliant Bank Deposits	0.0%	9.6%
Others including receivables	2.0%	1.4%

Note: Amount invested by Fund of funds is PKR 621 million (29.5% of Total Assets) as of October 31, 2018.

Fund Facts / Technical Information

NAV per Unit (PKR)	103.2132
Net Assets (PKR M)	2,084
Net Assets excluding Fund of Funds (PKR M)	1,463
Weighted average time to maturity (Years)	1.22
Sharpe Ratio	-0.01
Standard Deviation	0.04
Correlation***	12.45%
Total expense ratio with government levy**	0.47%
Total expense ratio without government levy	0.36%

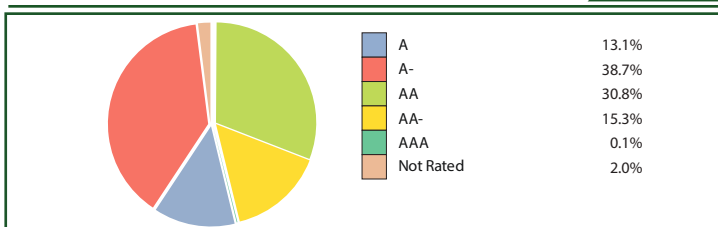
**This includes 0.11% representing government levy, Sindh Workers' Welfare Fund and SECP Fee.

*** as against Benchmark

Annualized

Particulars	2014	2015	2016	2017	2018
Benchmark (%)	6.09	6.29	4.42	3.31	2.44
ALHIIF(%)	8.38	6.55	5.05	6.49	4.96

Asset Quality (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format



October 31, 2018

General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant (Islamic) Income Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Oct-18)
Stability Rating	Not Applicable
Risk Profile	Low
Launch Date	10-Apr-18
Fund Manager	Saad Ahmed
Trustee	Central Depository Company of Pakistan Limited
Auditor	Deloitte Yousuf Adil & Co., Chartered Accountants
Management Fee	20% of the gross earnings subject to a minimum of 0.25% of the average daily net assets and maximum of 1.5% of the average daily net assets of the scheme. [Actual rate of Management Fee: 1.51%]
Front end Load*	Individuals ----- Nil Corporate ----- Nil
Back end Load*	Nil
Min. Subscription	PKR 500
Listing	Not Listed
Benchmark	Six (6) months of average deposit rates of three (3) A rated Scheduled Islamic Banks or Islamic window of Conventional Banks as selected by MUFAP.
Pricing Mechanism	Backward
Dealing Days	Online Investment, Redemption & Conversion... Monday - Sunday Investment, Redemption & Conversion through Physical Form... Monday - Friday
Cut off Timing	Online Investment, Redemption & Conversion... 11:59:59 PM Online Conversion of Backward Pricing Fund(s)... 4:30 PM Investment, Redemption & Conversion through Physical Form... 4:30 PM
Leverage	Nil
*Subject to government levies	

Investment Objective

The scheme is aimed at meeting investors' short to medium term investment requirements. The scheme seeks to provide investors' a daily dividend through investment in Shariah Compliant instruments.

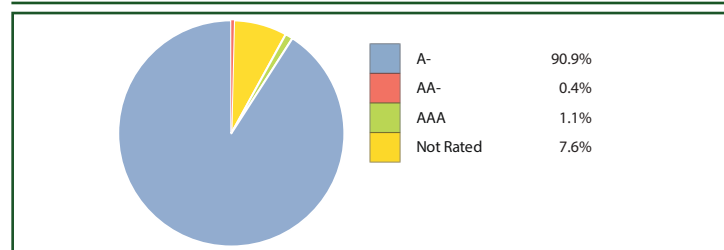
Manager's Comment

Considering nature of the fund shortest duration avenues were selected for investment purpose. The fund positioning with respect to shortest duration instrument namely shariah compliant bank deposits contributed positively to performance versus the benchmark. The fund would continue focusing on generating a dependable shariah compliant monthly income for its investors.

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

Asset Quality (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHDDF has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.08 million, if the same were not made the NAV per unit of ALHDDF would be higher by Rs. 0.0526 and YTD return would be higher by 0.05%. For details, investors are advised to read note 6.1 of the latest Financial Statements for the Quarter ended September 30, 2018 of ALHDDF.

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-18	Sep-18
Cash	92.4%	97.5%
Others including receivables	7.6%	2.5%

Fund Facts / Technical Information

NAV per Unit (PKR)	100.0000
Net Assets (PKR M)	157
Weighted Average time to maturity (Days)	1.0
Total expense ratio with government levy**	0.58%
Total expense ratio without government levy	0.48%
**This includes 0.1% representing government levy, Sindh Worker's Welfare Fund and SECP fee	

Performance Information (%)

Particulars	ALHDDF	Benchmark
Year to Date Return	6.14	2.72
Month to Date Return	6.49	2.86
180 Days Return	5.88	2.61
365 Days Return	-	-
Since inception	5.71	2.58

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

Annualized

Particulars	2018*
Benchmark (%)	2.36%
ALHDDF (%)	4.97%

*From April 10, 2018 to June 30, 2018.

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MUFAP's Recommended Format



October 31, 2018

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 (08-Oct-18)
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
Back end Load*	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 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 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 2.36% in October 2018 compared to a 2.89% rise in its benchmark, resulting an underperformance by 53 basis points. During the month we increased exposure in Cements as recent price correction had opened up opportunities in the sector. For E&Ps on the other hand, we reduced exposure to realize gain. At the month end the fund was 52.3% invested in equities, while the rest was in cash and cash equivalent.

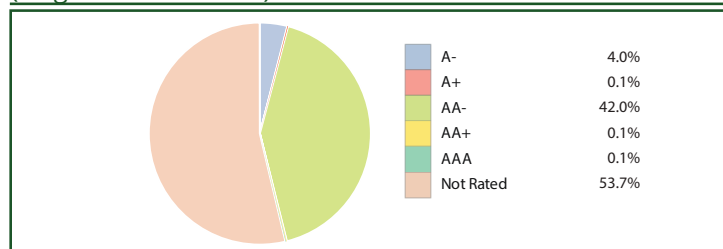
Members of the Investment Committee

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



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHAA has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 9.74 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.1774 and YTD return would be higher by 0.25%. For details investors are advised to read Note 12.1 of the latest Financial Statements for quarter ended September 30, 2018 of ALHAA.

Asset Allocation (%age of Total Assets)

Particulars	Oct-18	Sep-18
Cash	46.2%	42.2%
Stock /Equities	52.3%	49.6%
Others including receivables	1.5%	1.3%
Shariah Compliant Bank Deposits	0.0%	6.9%

Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	2.77	0.91
Month to Date Return	2.36	2.89
180 Days Return	-0.55	-4.22
365 Days Return	5.87	4.94
Since inception	299.72	407.67

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

Particulars	2014	2015	2016	2017	2018
Benchmark (%)	28.51	17.47	13.53	18.07	-7.96
ALHAA (%)	18.89	35.59	5.09	27.74	-4.06

Top 10 Holdings (%age of Total Assets)

Particulars	Equity	%
Oil and Gas Development Company Limited	Equity	5.5%
Pakistan Petroleum Limited	Equity	4.6%
Engro Fertilizers Limited	Equity	4.5%
Lucky Cement Limited	Equity	4.3%
Pakistan Oilfields Limited	Equity	4.3%
Hub Power Company Limited	Equity	4.1%
Engro Corporation Limited	Equity	3.5%
Engro Polymer and Chemicals Limited	Equity	3.4%
Pakistan State Oil Company Limited	Equity	2.4%
Meezan Bank Limited	Equity	2.2%

Fund Facts / Technical Information

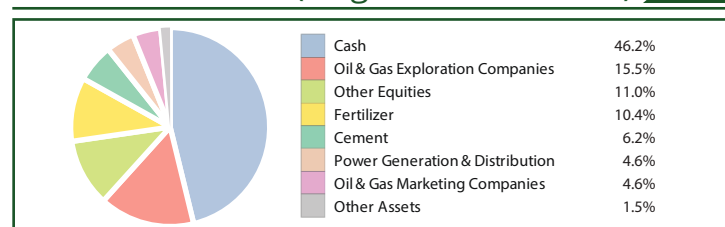
Particulars	ALHAA
NAV per Unit (PKR)	71.9876
Net Assets (PKR M)	3,951
Sharpe Ratio	0.04
Beta	0.64
Standard Deviation	0.74
Correlation***	81.94%
Total expense ratio with government levy**	1.16%
Total expense ratio without government levy	0.97%

**This includes 0.19% representing government levy, Sindh Worker's Welfare Fund and SECP fee
*** as against Benchmark

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,299,345	5,101,942

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 (08-Oct-18)
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
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 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
Pricing Mechanism	KMI-30 Index
Dealing Days	Forward
Cut off Timing	Monday - Friday
Leverage	Mon - Fri (9:00AM to 4:30 PM)
	Nil
	*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 11.89 million ,if the same were not made the NAV per unit of ALHISF would be higher by Rs. 0.0335 and YTD return would be higher by 0.31% .For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHISF.

Asset Allocation (%age of Total Assets)

Particulars	Oct-18	Sep-18
Stock / Equities	87.6%	91.1%
Cash	6.3%	7.4%
Others including receivables	6.1%	1.5%

Note: Amount invested by fund of funds is PKR 1,567 million (40.0% of Total Assets) as of October 31, 2018.

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, CFA	Senior Research Analyst

MCBAH Shariah Supervisory Board

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

Top 10 Equity Holdings (%age of Total Assets)

Engro Fertilizers Limited	9.7%
Pakistan Petroleum Limited	8.9%
Oil and Gas Development Company Limited	8.4%
Pakistan Oilfields Limited	6.4%
Pakistan State Oil Company Limited	5.5%
Engro Polymer and Chemicals Limited	5.0%
Engro Corporation Limited	4.9%
Maple Leaf Cement Company Limited	4.6%
Hub Power Company Limited	4.2%
Sui Northern Gas Pipelines Limited	3.5%

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 3.12% in October 2018 compared to a 3.62% rise in its benchmark, resulting an underperformance by 50 basis points. During the month we increased exposure in Oil and Gas Marketing sector as recent price correction had opened up opportunities there. For E&Ps on the other hand, we reduced exposure to realize gain. At the month end the fund was 87.6% invested in equities, while the rest was in cash and cash equivalent.

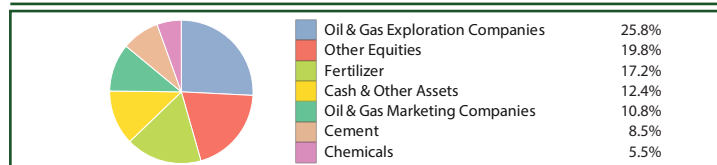
Performance Information

Particulars	ALHISF	Benchmark
Year to Date Return	1.21	0.95
Month to Date Return	3.12	3.62
180 Days Return	-4.63	-5.48
365 Days Return	6.13	6.60
Since inception	19.68	23.34

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

Particulars	2014	2015	2016	2017	2018
Benchmark (%)	41.16	16.01	15.53	18.80	-9.59
ALHISF (%)	31.38	19.20	3.90	29.97	-12.00

Sector Allocation (%age of Total Assets)



Fund Facts / Technical Information

Particulars	ALHISF	KMI-30
NAV per Unit (PKR)	10.91	
Net Assets (PKR M)	3,868	
Net Assets excluding fund of funds(PKR M)	2,301	
Price to Earning (x)*	8.90	8.40
Dividend Yield (%)	6.86	7.10
No. of Holdings	44	30
Weighted Avg. Market Cap. (PKR Bn)	145.00	193.0
Sharpe Ratio	0.01	0.01
Beta	0.79	1.00
Correlation**	93.80%	
Standard Deviation	0.95	1.12
Total expense ratio with government levy***	1.27%	
Total expense ratio without government levy	1.09%	

*prospective earnings

** as against Benchmark

***This includes 0.18% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,122,394	4,603,695

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

Plan Type	An Open End Scheme	
Category	Shariah Compliant Islamic Asset Allocation Plan	
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Oct-18)	
Stability Rating	Not Applicable	
Risk Profile	Moderate to High	
Launch Date	29-Dec-16	
Fund Manager	Syed Abid Ali	
Trustee	MCB Financial Services Limited	
Auditor	A.F. Ferguson & Co. Chartered Accountants	
Management Fee	1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited.	
Front end Load*	Individuals	3%
	Corporate	Nil
Back end Load*	Nil	
Contingent Load*	3%	
Min. Subscription	PKR 500	
Listing	Pakistan Stock Exchange	
Benchmark	KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme	
Pricing Mechanism	Forward	
Dealing Days	Monday - Friday	
Cut off Timing	Mon-Thurs (9:00 AM to 4:30 PM)	
Leverage	Nil	

*Subject to government levies

Investment Objective

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

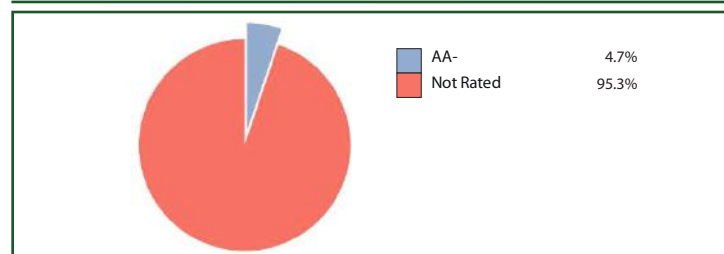
Manager's Comment

During the month, the Nav of the fund increased by 4.83%. Exposure in Alhamra Islamic Stock Fund was increased.

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, CFA	Senior Research Analyst

Asset Quality (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIAAP-I has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 1.65 million, if the same were not made the NAV per unit of ALHIAAP-1 would be higher by Rs. 0.1100 and YTD return would be higher by 0.12%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2018 of ALHIAAF.

Asset Allocation (%age of Total Assets)

Particulars	Oct-18	Sep-18
Cash	4.7%	5.3%
Alhamra Islamic Stock Fund	70.5%	42.3%
Alhamra Islamic Income Fund	24.7%	52.3%
Others including receivables	0.1%	0.1%

Fund Facts / Technical Information

NAV per Unit (PKR)	97.7028
Net Assets (PKR M)	1,464
Total expense ratio with government levy*	0.29%
Total expense ratio without government levy	0.15%

*This includes 0.14% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	4.86	0.92
Month to Date Return	4.83	1.51
180 Days Return	2.09	-1.94
365 Days Return	7.94	4.24
Since inception	-1.52	-5.99

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

Absolute

Particulars	2017*	2018
Benchmark (%)	-1.34	-5.59
ALHIAAP-I (%)	0.81	-6.84

*From December 29, 2016 to June 30, 2017.



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 (08-Oct-18)
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 0.66 million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0.0839 and YTD return would be higher by 0.08%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2018 of ALHIAAF.

Asset Allocation (%age of Total Assets)

Particulars	Oct-18	Sep-18
Cash	1.2%	1.8%
Alhamra Islamic Stock Fund	66.5%	43.6%
Alhamra Islamic Income Fund	32.3%	54.6%

Fund Facts / Technical Information

NAV per Unit (PKR)	102.3830
Net Assets (PKR M)	800
Total expense ratio with government levy*	0.19%
Total expense ratio without government levy	0.08%

*This includes 0.11% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Investment Objective

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

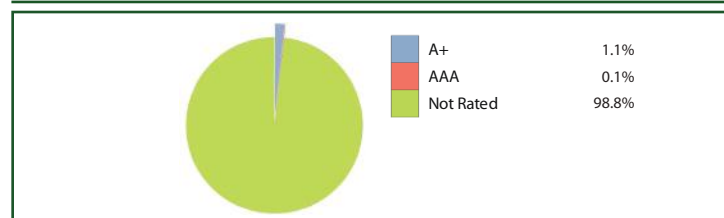
Manager's Comment

During the month, the Nav of the fund increased by 3.03%. Exposure in Alhamra Islamic Stock Fund was increased.

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, CFA	Senior Research Analyst

Asset Quality (%age of Total Assets)



Performance Information (%)

Particulars	ALHIAAP- II	Benchmark
Year to Date Return	3.03	0.93
Month to Date Return	3.03	1.57
180 Days Return	0.47	-1.96
365 Days Return	5.27	2.56
Since inception	2.77	-0.76

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

Absolute

Particulars	2017*	2018
Benchmark (%)	0.10	-1.77
ALHIAAP-II (%)	0.19	-0.43

*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 (08-Oct-18)
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 has decreased exposure in equities relative to last month.

Debt sub-fund has increased exposure in Cash.

Money Market sub-fund reduced exposure in Cash and moved the funds to better earning assets.

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, CFA	Senior Research Analyst

Top 10 Equity Holdings (%age of Total Assets)-Equity Sub Fund

Engro Fertilizers Limited	8.0%
Pakistan Petroleum Limited	7.4%
Hub Power Company Limited	6.7%
Oil & Gas Development Company Limited	6.3%
Engro Corporation Limited	5.8%
Pakistan Oil Fields Limited	4.9%
Engro Polymer and Chemicals Limited	4.5%
Lucky Cement Limited	3.9%
Systems Limited	3.8%
Sui Northern Gas Pipelines Limited	3.3%

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. 2.49 million, if the same were not made the NAV per unit would be higher by Rs. 2.5908 per unit and YTD return would be higher by 0.50%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF-DT.

ALHIPF-DT has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.54 million, if the same were not made the NAV per unit would be higher by Rs. 0.4421 per unit and YTD return would be higher by 0.22%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.19 million, if the same were not made the NAV per unit would be higher by Rs. 0.3622 per unit and YTD return would be higher by 0.20%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF.

ALHIPF -Money Market (%age of Total Assets)

Particulars	Oct-18	Sep-18
Cash	15.6%	56.9%
Others including receivables	2.6%	1.0%
Commercial Paper	4.1%	4.4%
GoP Ijara Sukuk	77.7%	2.3%
Shariah Compliant Bank Deposits	0.0%	35.4%

ALHIPF -Debt (%age of Total Assets)

Particulars	Oct-18	Sep-18
Sukuk	10.5%	10.9%
Cash	25.8%	19.1%
Others including receivables	2.0%	1.2%
Commercial Paper	7.9%	8.1%
GoP Ijara Sukuk	53.8%	25.2%
Shariah Compliant Bank Deposits	0.0%	35.5%

ALHIPF -Equity (%age of Total Assets)

Particulars	Oct-18	Sep-18
Fertilizer	15.2%	14.3%
Cement	8.0%	6.5%
Other equity sectors	31.8%	32.5%
Oil & Gas Exploration Companies	21.7%	26.7%
Power Generation & Distribution	6.7%	6.6%
Oil & Gas Marketing Companies	6.1%	5.0%
Cash	8.0%	6.6%
Others including receivables	2.5%	1.8%

Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	1.36	4.36	4.85
Month to Date Return (%)	2.64	5.20	5.50
Since inception (%)	419.54	6.60	5.62
Net Assets (PKR M)	499.84	245.13	93.76
NAV (Rs. Per unit)	520.58	202.34	182.78

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

Particulars	2014	2015	2016	2017	2018
ALHIPF - EQ*	42.10	39.53	14.84	33.21	-12.16
ALHIPF - DT**	8.22	4.76	4.04	4.46	2.99
ALHIPF - MM**	6.86	4.80	2.36	3.78	3.34

* Total Return ** Annualized return

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Six Reasons To Be On iSave



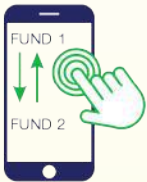
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GENERATE YOUR ACCOUNT STATEMENT

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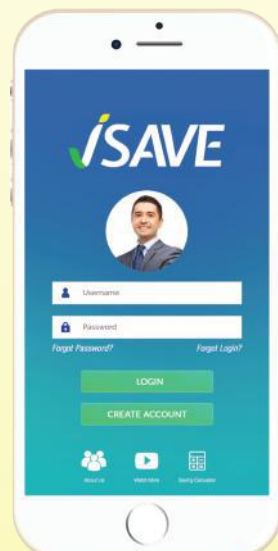
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