

# Bachat Nama

Fund Manager's Report (October - 2016)





**Macro-Environment Review and Outlook**

Completing its final review, IMF expressed comfort on Pakistan's economic position and the trajectory ahead. IMF considers Pakistan is in a better fiscal position to keep fiscal deficit under control with the low inflationary trajectory also supportive. IMF also appreciated Pakistan's strengthened social safety nets, tax policy and administration reforms.

Further, S&P has raised Pakistan's long-term sovereign credit rating to "B" from "B-" with a stable outlook, citing better growth prospects and macro-economic stability having bolstered fiscal and external buffers.

Consumer Price Index (CPI) clocked in at 4.21% YoY (0.8% MoM) for the month of October, slightly above consensus estimates. This is the highest inflation since Dec'14. The inflationary pressures were driven by increase in housing & utilities (quarterly upward revision in house rents) by 4.9% YoY (1.4% MoM) and food inflation by 3.58% YoY (0.9% MoM). The recent decision of government to maintain status quo on increase in petroleum product prices would allow the inflation to curtail its upward trajectory. Inflation for the year is expected to remain below 5%. It is pertinent to note that inflation is expected to remain around 4% in the first half of FY17.

The current account deficit for month of September, 2016 clocked in at USD 161 mn registering a decrease of USD 138 mn compared to September, 2015. The imports were slightly down amounting to USD 3,216 mn. It is pertinent to note that the reversal in oil prices has weighed up on import bill. The exports declined by 7% YoY with rice and raw cotton segments contributing to the decline in particular triggered by resilience of Rupee and uncompetitiveness of products.

The foreign exchange reserves as of 21st Oct, 2016 stood at USD 24.3 billion. We expect foreign exchange reserves to remain stable in the short term backed by eminent foreign inflows.

Going forward, the current account position is expected to weaken further with the stability in oil prices and import of machinery as the CPEC projects gain pace. However, the balance of payments would be cushioned by foreign inflows through foreign direct investments and loans from multilateral agencies in short term.

**Equity Market Review and Outlook**

Amidst tense political scenario, the benchmark KSE-100 Index posted a 1.5% MoM decline to end at 39,894 points. The result season was overshadowed by political scenario with protest calls by a major political party gaining momentum besides removal of federal information minister over a controversial story claiming confrontation between civil and military leaders indicating shake up in the political system.

Foreign investors remained net buyers of USD 2 mn during the month. On the other hand, local buying of USD 24.5 mn and USD 32 mn came from NBFCs and Mutual funds respectively while individuals turned out to be net sellers of around USD 48 mn.

Liquidity of the market remained stable with average daily volumes remaining constant at 450 mn shares and value posting a jump of 14% to USD 133 mn, respectively.

Among the major sectors, Banks and Autos slightly outperformed the index. Autos continued the momentum which had been seen since past few months playing the economic growth theme of country. Banks performed well backed by improvement in core earnings relative to expectations. Chemicals sector emerged strong supported by ICI's announcement to establish first ever Morinaga infant formula manufacturing facility in Pakistan.

On the other hand, Cements and Fertilizers underperformed the market with negative returns of 6% and 2% respectively. An array of expansion announcements by cement players during the previous month and rise in international coal prices by almost 50% during the past months dragged their performance, while Fertilizer sector showed slight underperformance due to positive news flows of expected approval of fertilizer exports by ECC and the SHC declaring GIDC Act 2015 ultra vires to the constitution.

Going forward, the local bourse presents a strong case of multiple re-rating after its graduation to the MSCI Emerging Market Index. It is expected that the PSX can attract an inflow of USD300-400 million from the Emerging Market Funds. We recommend our investors to focus on the long term value offered by the local bourse through our equity funds.

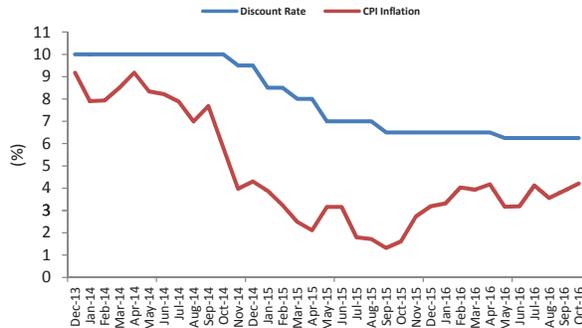
**Money Market Review and Outlook**

In first half of the month yield curve of long tenor bonds remained almost flat with trading activity being witnessed in a narrow range. In secondary market very little interest on part of major institutions were witnessed in long tenor bonds mainly due to uncertainty on political front which was evident in PIB auction as well, where against a target of PKR 100 billion a mere participation of just PKR 72 billion was observed and that too at yields above current market levels resulting in rejection of the auction by State Bank of Pakistan. However, by end of third week bond market came under pressure given the political scenario with yields of long tenor bonds increasing by 15 – 20 bps, resulting in mark to market losses in income and sovereign funds. In latest Treasury bill auction State Bank of Pakistan borrowed PKR 92 billion at cut off yields of 5.86%/5.90%/5.91% for 3, 6 and 12-month respectively. Short term market liquidity was well managed by SBP through continuous OMOs and most of the period overnight market traded near policy rate.

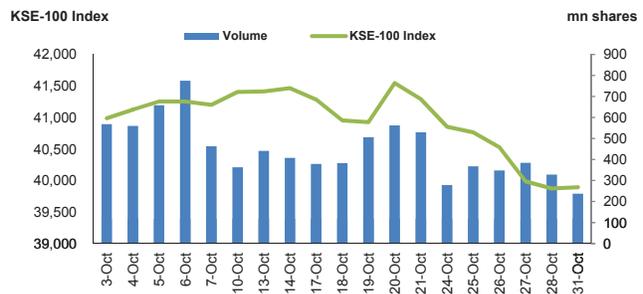
M2 witnessed an increase of -0.01% in FY16YTD to stand at PKR12.82 tn as of 21st Oct-2016. In this regard, NFA posted an increase of PKR65.243bn to PKR1071.42bn whereas NDA stood at the level of PKR11.75 tn. The government's borrowing for budgetary support stood at PKR278.13 bn vs. PKR138.91 bn in the same period last year.

Going forward market will remain cautious on back of volatility in international oil prices and deteriorating conditions on external front owing to which range bound activity is expected particularly in long tenor bonds.

Discount Rate vs. CPI Inflation



KSE During October 2016



Yield Curve



# MCB Cash Management Optimizer

October 31, 2016 NAV - PKR 102.0615



## General Information

Fund Type	An Open End Scheme
Category	Money Market Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
Stability Rating	AA(f) by PACRA (31-Dec-15)
Risk Profile	Low
Launch Date	1-Oct-09
Fund Manager	Saad Ahmed
Trustee	Central Depository Company of Pakistan Limited
Auditor	Deloitte Yousuf Adil & Co. Chartered Accountants
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Front / Back end Load*	Nil
Min. Subscription	
Growth Units	PKR 5,000
Cash Dividend Units	PKR 5,000
Income Units	PKR 100,000
Listing	Pakistan Stock Exchange
Benchmark	An Average of 3 Month deposit rates of AA and above rated scheduled banks for the period of return
Pricing Mechanism	Backward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00AM to 4:30 PM)
Leverage	Nil

\*Subject to government levies

## Investment Objective

To provide Unit-Holders competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity.

## Manager's Comment

The fund generated an annualized return of 5.37% during the month as against its benchmark return of 3.75%. The fund's exposure towards T-Bills was slightly decreased to 0.9% while exposure in cash was increased to 84.4% from 81.6% last month.

WAM of the fund decreased from 20 days to 12 days.

## Provision against WWF liability

MCB-CMOP has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.102.91 million, if the same were not made the NAV per unit of MCB-CMOP would be higher by Rs.1.4413 and YTD return would be higher by 1.44%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the quarter ended September 30, 2016 of MCB-CMOP.

Fund Facts / Technical Information	MCB CMOP	Benchmark
NAV per Unit (PKR)	102.0615	
Net Assets (PKR M)	7,288	
Weighted average time to maturity (Days)	12	
Sharpe Measure*	0.10	-1.16
Correlation*	-5%	53%
Standard Deviation	0.027	0.007
Alpha*	0.003%	-0.008%
Total expense ratio with government levy**	0.35%	
Total expense ratio without government levy	0.29%	

\*as against 3 month PKRV net of expenses

\*\* This includes 0.06% representing government levy, worker's welfare fund and SECP Fee

## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

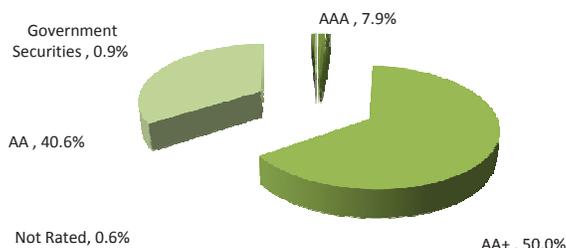
Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	84.4%	81.6%
T-Bills	0.9%	1.1%
Term Deposits with Banks	14.1%	17.0%
Others including receivables	0.6%	0.3%

Performance Information (%)	MCB CMOP	Benchmark
Year to Date Return (Annualized)	5.10%	3.84%
Month to Date Return (Annualized)	5.37%	3.75%
180 Days Return (Annualized)	5.37%	3.96%
365 Days Return (Annualized)	5.39%	4.10%
Since inception (CAGR)*	9.13%	6.50%

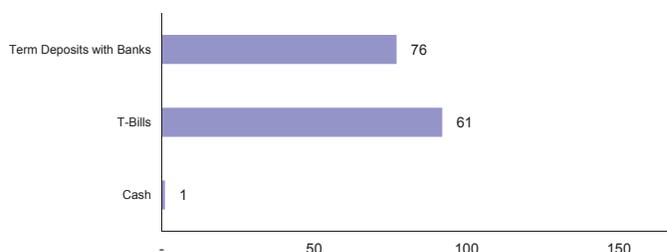
\*Adjustment of accumulated WWF since Oct 1, 2009

Annualized	2012	2013	2014	2015	2016
Benchmark (%)	6.10	5.40	7.19	6.74	4.42
MCB CMOP (%)	11.30	9.20	8.25	8.83	5.77

## Asset Quality (%age of Total Assets)



## Asset-wise Maturity (No. of Days)



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## MUFAP's Recommended Format.

# Pakistan Cash Management Fund

October 31, 2016 NAV - PKR 51.0899



## General Information

Fund Type	An Open End Scheme
Category	Money Market Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
Stability Rating	AAA(f) by PACRA (31-Dec-15)
Risk Profile	Low
Launch Date	20-March-2008
Fund Manager	Saad Ahmed
Trustee	MCB Financial Services Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets
Front / Back end Load*	0% / 0.1% if redeemed within 3 days & if converted within 30 days
Min. Subscription	A PKR 5,000 B PKR 10,000,000
Listing	Pakistan Stock Exchange
Benchmark	3-Month T-Bill return
Pricing Mechanism	Backward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

\*Subject to government levies

## Investment Objective

The objective of PCF is to deliver regular income and provide high level of liquidity, primarily from short duration government securities investments.

## Manager's Comment

The fund generated an annualized return of 5.29% during the month against its benchmark return of 5.84%. The fund decreased its cash exposure to 6.0% from 63.6% while T-Bills exposure increased to 84.9% from 36.3% last month. WAM of the fund at month end stood at 23 days.

The fund would remain vigilant towards the changes in macroeconomic variables and would continue to harvest attractive opportunities in the market.

## Provision against WWF liability

PCF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 26.88 million, if the same were not made the NAV per unit of PCF would be higher by Rs. 0.9251 and YTD return would be higher by 1.84%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2016 of PCF.

Fund Facts / Technical Information	PCF	Benchmark
NAV per Unit (PKR)	51.0899	
Net Assets (PKR M)	1,484	
Weighted average time to maturity (Days)	23	
Sharpe Measure*	0.02	0.16
Correlation*	34.1%	
Standard Deviation	0.04	0.02
Alpha*	-0.003%	
Total expense ratio with government levy**	0.27%	
Total expense ratio without government levy	0.24%	
*as against 3 month PKRV net of expenses		
**This includes 0.03% representing government levy, worker's welfare fund and SECP fee		

Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	6.0%	63.6%
T-Bills	84.9%	36.3%
Others including receivables	9.1%	0.1%

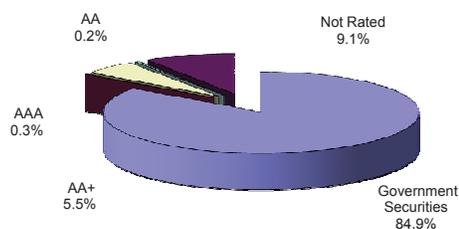
Performance Information (%)	PCF	Benchmark
Year to Date Return (Annualized)	5.22%	5.84%
Month to Date Return (Annualized)	5.29%	5.84%
180 Days Return (Annualized)	5.38%	6.04%
365 Days Return (Annualized)	5.58%	6.28%
Since inception (CAGR)	9.58%	10.65%

Annualized	2012	2013	2014	2015	2016
Benchmark (%)	13	10.5	9.56	9.83	6.75
PCF(%)	11.0	9.0	8.41	8.86	5.88

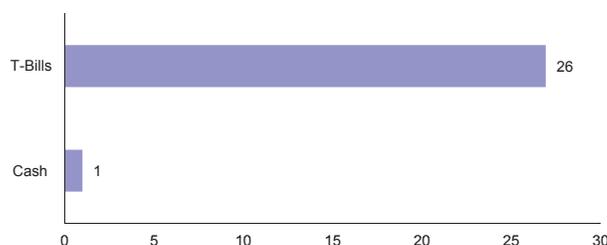
## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Asset Class Specialist-Equities
Saad Ahmed	Asset Class Specialist-Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

## Asset Quality (%age of Total Assets)



## Asset-wise Maturity (No. of Days)



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## MUFAP's Recommended Format.



## Investment Objective

To deliver superior fixed income returns by investing in an optimal mix of authorized debt instruments while taking into account capital security and liquidity considerations.

## General Information

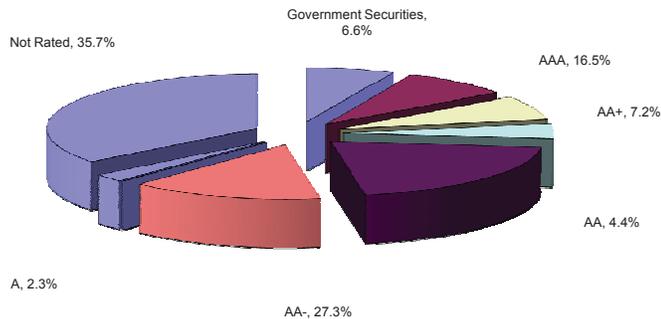
Fund Type	An Open End Scheme	
Category	Income Scheme	
Asset Manager Rating	AM2 ++ (AM Two Double Plus) by PACRA (08-Jun-16)	
Stability Rating	A+(f) by PACRA (31-Dec-15)	
Risk Profile	Low	
Launch Date	1-Mar-07	
Fund Manager	Saad Ahmed	
Trustee	Central Depository Company of Pakistan Limited	
Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
Management Fee	1.5% p.a.	
<b>Front-end Load*</b>		
Growth and Income Units:	Transaction less than or equal to Rs.15m	1.5%
	Transaction more than Rs.15m	Nil
	For Corporate	Nil
Bachat Units:	Nil	
<b>Back-end Load*</b>		
Growth & Income Units	Nil	
Bachat Units	3% if redeemed before completion of two years from the date of initial investment. 0% if redeemed after completion of two years from the date of initial investment.	
<b>Min. Subscription</b>		
Growth & Bachat Units	PKR 500	
Income Units	PKR 100,000	
Listing	Pakistan Stock Exchange	
Benchmark	75% 6 Month KIBOR + 25% 6 Month PKR	
Pricing Mechanism	Forward	
Dealing Days	Monday - Friday	
Cut off Timing	Mon-Fri (9:00AM to 4:30 PM)	
Leverage	Nil	

\*Subject to government levies

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

Habib Bank Limited	19-Feb-16	5.70%
Bank Alfalah Limited	20-Feb-13	4.60%
Askari Bank Limited	30-Sep-14	3.60%
Bank Al Habib Limited	17-Mar-16	3.40%
Bank Alfalah Limited - Floating	2-Dec-09	2.60%
Standard Chartered Bank (Pakistan) Limited	29-Jun-12	2.30%
Bank Alfalah Limited	2-Dec-09	1.20%
Engro Fertilizer Limited	9-Jul-14	0.90%
Faysal Bank Limited	27-Dec-10	0.50%
Security Leasing Corporation Limited	28-Mar-06	0.00%

## Asset Quality (%age of Total Assets)



## Manager's Comment

During the month the fund generated an annualized return of 4.81% against its benchmark return of 5.9%. The fund decreased its exposure in TBills from 3% to 1.2%. Allocation in PIBs decreased from 7.3% to 5.4%.

## Provision against WWF liability

MCB-DCFIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 121.19 million, if the same were not made the NAV per unit of MCB-DCFIF would be higher by Rs. 1.7739 and YTD return would be higher by 1.67%. For details investors are advised to read Note 6.2 of the latest Financial Statements for the quarter ended September 30, 2016 of MCB-DCFIF.

## Performance Information (%)

	MCB-DCFIF	Benchmark
Year to Date Return (Annualized)	4.57%	5.88%
Month to Date Return (Annualized)	4.81%	5.90%
180 Days Return (Annualized)	5.02%	6.27%
365 Days Return (Annualized)	4.82%	6.43%
Since inception (CAGR) **	10.15%	10.80%

Annualized	2012	2013	2014	2015	2016
Benchmark (%)	12.2	9.3	9.57	10.57	7.01
MCB-DCFIF (%)	10.8	9.8	10.79	12.64	6.23

\*\*One off hit of 4% due to SECP directive on TFCs' portfolio

Adjustment of accumulated WWF since July 1, 2008

## Asset Allocation (%age of Total Assets)

	Oct-16	Sep-16
Cash	19.1%	30.0%
Term Deposits with Banks	13.8%	11.7%
PIBs	5.4%	7.3%
TFCs	24.8%	24.4%
Spread Transactions	10.4%	12.4%
T-Bills	1.2%	3.0%
Others including receivables	25.3%	11.2%

## Fund Facts / Technical Information

NAV per Unit (PKR)	107.6775
Net Assets (PKR M)	7,356
Weighted average time to maturity (Years)	1.9
Duration (Years)	2.1
Sharpe Measure*	0.04
Correlation*	4.6%
Standard Deviation	0.10
Alpha*	0.004%
Total expense ratio with government levy**	0.76%
Total expense ratio without government levy	0.67%

\*as against benchmark

\*\*This includes 0.09% representing government levy, worker's welfare fund and SECP fee

## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Asset Class Specialist-Equities
Saad Ahmed	Asset Class Specialist-Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment before provision	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Saudi Pak Leasing Company Limited - TFC	4.86	1.80	1.80	-	0.00%	0.00%
Security Leasing Corporation Limited - Sukuk	4.44	1.56	1.56	-	0.00%	0.00%
Security Leasing Corporation Limited - TFC	5.33	3.15	3.11	0.04	0.00%	0.00%
New Allied Electronics Industries - TFC	21.98	21.98	21.98	-	0.00%	0.00%
New Allied Electronics Industries - Sukuk	35.00	35.00	35.00	-	0.00%	0.00%

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## MUFAP's Recommended Format.

# Pakistan Income Fund

October 31, 2016 NAV - PKR 54.44



## Investment Objective

The objective of the Fund is to deliver returns primarily from debt and fixed income investments without taking excessive risk.

## General Information

Fund Type	An Open End Scheme
Category	Income Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus ) by PACRA (08-Jun-16)
Stability Rating	A+(f) by PACRA (31-Dec-15)
Risk Profile	Low
Launch Date	11-Mar-2002
Fund Manager	Syed Mohammad Usama Iqbal
<b>Trustee</b>	<b>Central Depository Company of Pakistan Limited</b>
Auditor	A.F.Ferguson & Co., Chartered Accountants
Management Fee	1.5% p.a
Front end Load*	- For Individual - 2% - For Corporate - Nil
Back-end load*	Nil
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	75% KIBOR (6Month) + 25% PKRV (3Month)
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

## Manager's Comment

During the month the fund posted an annualized return of 5.21% against its benchmark return of 5.92%. Weighted Average Time to Maturity of the Fund stood at 1.6 years. Exposure in Cash was decreased from 57.0% to 51.1% while exposure in PIBs also decreased from 5.6% to 0.9%.

## Provision against WWF liability

PIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 24.33 million, if the same were not made the NAV per unit of PIF would be higher by Rs. 1.2370 and YTD return would be higher by 2.31%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2016 of PIF.

Performance Information (%)	PIF	Benchmark
Year to Date Return (Annualized)	4.59%	5.91%
Month to Date Return (Annualized)	5.21%	5.92%
180 Days Return (Annualized)	4.77%	6.25%
365 Days Return (Annualized)	4.54%	6.42%
Since inception (CAGR)	9.76%	9.04%

Annualized	2012	2013	2014	2015	2016
Benchmark (%)	13.30	11.00	9.33	10.43	6.97
PIF (%)	9.40	7.20	8.13	11.31	6.14

Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	51.1%	57.0%
TFCs	22.4%	22.5%
Spread Transactions	1.3%	0.0%
T-Bills	2.2%	0.0%
Term Deposits with Banks	13.5%	13.5%
PIBs	0.9%	5.6%
Others including receivables	8.6%	1.4%

## Fund Facts / Technical Information

NAV per Unit (PKR)	54.44
Net Assets (PKR M)	1,071
Weighted average time to maturity (Years)	1.6
Duration (Years)	1.5
Sharpe Measure	0.02
Correlation	6.29%
Standard Deviation	0.18
Alpha	0.003%
Total expense ratio with government levy*	0.84%
Total expense ratio without government levy	0.74%

\* This includes 0.1% representing government levy, worker welfare fund and SECP fee.

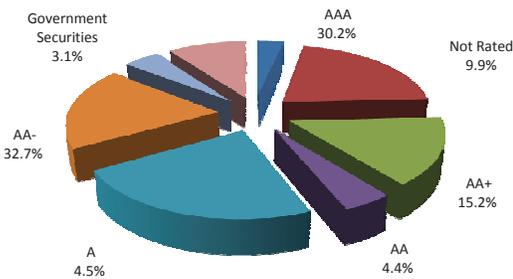
## Members of the Investment Committee

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Muhammad Asim, CFA	Asset Class Specialist - Equities
Saad Ahmed	Asset Class Specialist - Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

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

Bank Al Falah Limited (20-Feb-13)	6.1%
Habib Bank Limited (19-Feb-16)	4.5%
Bank Al Habib limited (17-Mar-16)	4.1%
Askari Bank Limited (23-Dec-11)	3.4%
Askari Bank Limited (30-Sep-14)	2.3%
Bank Al Falah Limited (02-Dec-09) - Floating	2.0%
Pace Pakistan Limited (15-Feb-08)	0.0%
Telecard Limited (27-May-05)	0.0%
Trust Investment Bank Limited (04-Jul-08)	0.0%

## Asset Quality (%age of Total Assets)



## Details of non-compliant investments with the investment criteria of assigned category (securities below investment grade - Rs. in millions)

Name & Type of Non-Compliant Investment	Outstanding face value	Value of investment before provision	Provisions held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Pace Pakistan Limited TFC	4.99	4.85	4.85	-	0.00%	0.00%
Telecard Limited- TFC	31.09	31.09	31.09	-	0.00%	0.00%
Trust Investment Bank Limited - TFC	18.74	18.74	18.74	-	0.00%	0.00%

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## MUFAP's Recommended Format.

# MCB Pakistan Sovereign Fund

October 31, 2016 NAV - PKR 53.94



## General Information

Fund Type	An Open End Scheme	
Category	Income Scheme	
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)	
Stability Rating	AA-(f) by PACRA (27-Sep-16)	
Risk Profile	Low to Moderate	
Launch Date	1-Mar-2003	
Fund Manager	Saad Ahmed	
Trustee	Central Depository Company of Pakistan Limited	
Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants	
Management Fee	10% of the gross revenue subject to a minimum fee of 0.5% of the net assets and maximum fee of 1.5% of the net assets of the Scheme.	
Front end Load*	<u>Type A Units</u>	
	For Individual	1.5%
	For Corporate	Nil
	<u>Type B "Bachat" Units</u>	Nil
Back-end load*	<u>Type A Units</u>	Nil
	<u>Type B "Bachat" Units</u>	
	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	PKR 500.	
Listing	Pakistan Stock Exchange	
Benchmark	6 month PKRV rates	
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 deliver income primarily from investment in government securities.

## Manager's Comment

During the month, the fund generated an annualized return of 3.50% as against its benchmark return of 5.76%.

Allocation in PIBs increased to 48.4% from 14.9% last month.

WAM of the fund stood at 1.3 years at month end.

## Provision against WWF liability

MCB-PSF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 42.25 million, if the same were not made the NAV per unit of MCB-PSF would be higher by Rs. 0.3937 and YTD return would be higher by 0.74%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2016 of MCB-PSF.

## Fund Facts / Technical Information

### MCB-PSF

NAV per Unit (PKR)	53.94
Net Assets (PKR M)	5,788
Weighted average time to maturity (years)	1.3
Duration (years)	1.3
Sharpe Measure*	0.002
Correlation	20.34%
Standard Deviation	0.16
Alpha	-0.003%
Total expense ratio with government levy**	0.39%
Total expense ratio without government levy	0.33%

\*Against 12M PKRV

\*\*This includes 0.06% representing government levy, worker's welfare fund and SECP fee

## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Asset Class Specialist-Equities
Saad Ahmed	Asset Class Specialist-Fixed Income
Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

## Asset Allocation (%age of Total Assets)

	Oct-16	Sep-16
Cash	26.3%	38.7%
T-Bills	24.6%	46.2%
PIBs	48.4%	14.9%
Others including Receivables	0.7%	0.2%

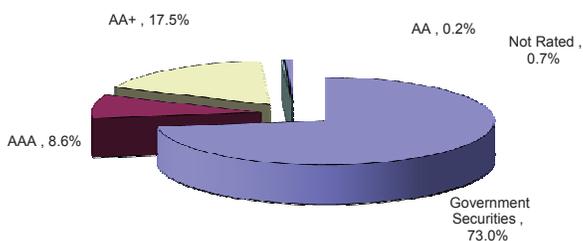
## Performance Information (%)

	MCB-PSF	Benchmark
Year to Date Return (Annualized)	4.13%	5.70%
Month to Date Return (Annualized)	3.50%	5.76%
365 Days Return (Annualized)	5.02%	6.28%
180 Days Return (Annualized)	5.14%	6.12%
Since inception (CAGR)	7.70%	8.58%

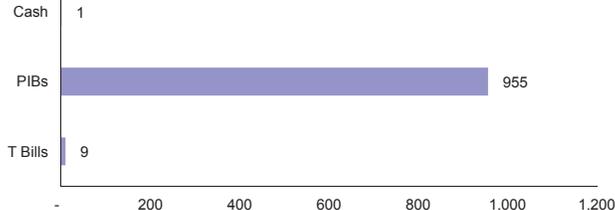
## Annualized

	2012	2013	2014	2015	2016
Benchmark (%)	13.30	11.00	9.11	10.41	6.93
MCB-PSF (%)	11.30	12.30	9.26	16.58	7.30

## Asset Quality (%age of Total Assets)



## Asset-wise Maturity (No. of days)



MUFAP's Recommended Format.

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# Pakistan Income Enhancement Fund

October 31, 2016 NAV - PKR 53.71



## Investment Objective

The objective of the Fund is to deliver return from aggressive investment strategy in the debt and fixed income market.

## Manager's Comment

During the month the fund generated an annualized return of 2.42% as against its benchmark return of 6.23%. The fund decreased its exposure in PIBs to 1.8% from 37.2%. Exposure in TFCs and Term Deposits stood at 19.7% and 19.0%, respectively. Exposure in cash increased to 57.8% from 21.4% in the previous month.

## General Information

Fund Type	An Open End Scheme	
Category	Aggressive Fixed Income Scheme	
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)	
Stability Rating	A+(f) by (PACRA) (31-Dec-15)	
Risk Profile	Low to Moderate	
Launch Date	28-Aug-2008	
Fund Manager	Saad Ahmed	
Trustee	Central Depository Company of Pakistan Limited	
Auditor	Deloitte Yousof Adil & Co., Chartered Accountants	
Management Fee	1.5% p.a.	
Front end Load *	<u>For Type A Units:</u> -For individual 2% -For Corporate Nil <u>For Type B Units:</u> - For individual 2% - For Corporate Nil <u>For Type C "Bachat" Units</u> Nil	
Back-end load*	Type A & Type B Units Nil Type C "Bachat" Unit - 3% if redeemed before completion of two (2) years from the date of initial investment. - 0% if redeemed after completion of two (2) years from the date of initial investment.	
Min. Subscription	Type A Units	Rs. 500/-
	Type B Units	Rs. 10,000,000/-
	Type C "Bachat" Units	Rs. 500/-
Listing	Pakistan Stock Exchange	
Benchmark	One(1) year KIBOR rates	
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

## Provision against WWF liability

PIEF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 18.23 million, if the same were not made the NAV per unit of PIEF would be higher by Rs. 0.3975 and YTD return would be higher by 0.75%. For details investors are advised to read Note 6.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PIEF.

Performance Information (%)	PIEF	Benchmark			
Year to Date Return (Annualized)	3.07	6.09			
Month to Date Return (Annualized)	2.42	6.23			
180 Days Return (Annualized)	4.72	6.67			
365 Days Return (Annualized)	4.67	6.67			
Since inception (CAGR)	10.96	11.23			
<b>Annualized</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Benchmark (%)	13.70	12.30	8.73	11.75	7.52
PIEF (%)	8.90	7.20	8.73	13.63	8.33

Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	57.8%	21.4%
PIBs	1.8%	37.2%
TFCs	19.7%	20.6%
T-Bills	1.0%	0.0%
Term Deposits with Banks	19.0%	19.9%
Others including receivables	0.7%	0.9%

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

Habib Bank Limited (19-Feb-16)	5.0%
Bank Alfalah Limited (20-Feb-13)	4.8%
Askari Bank Limited (23-Dec-11)	3.3%
Askari Bank Limited (30-Sep-14)	3.0%
Bank Alfalah Limited (02-Dec-09) - Floating	1.8%
Bank Al Habib Limited (17-Mar-16)	1.8%
Eden Housing Limited (31-Mar-08)	0.0%
Pace Pakistan Limited (15-Feb-08)	0.0%

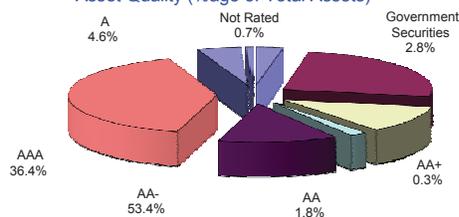
## Fund Facts / Technical Information

NAV per Unit (PKR)	53.71
Net Assets (PKR M)	2,463
Weighted average time to maturity (Years)	1.4
Duration (Years)	1.3
Sharpe Measure*	0.04
Correlation*	15.52%
Standard Deviation	0.13
Alpha	0.00%
Total expense ratio with government levy**	0.73%
Total expense ratio without government levy	0.64%

\*as against benchmark

\*\*This includes 0.09% representing government levy, worker's welfare fund and SECP fee

## Asset Quality (%age of Total Assets)



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## 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 Muhammad Usama Iqbal	Fund Manager Fixed Income Funds
Awais Abdul Sattar, CFA	Senior Research Analyst

MUFAP's Recommended Format.

# MCB Pakistan Asset Allocation Fund

October 31, 2016 NAV - PKR 82.9691



## General Information

Fund Type	An Open End Scheme	
Category	Asset Allocation Scheme	
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)	
Stability Rating	Not Applicable	
Risk Profile	Moderate to High	
Launch Date	17-Mar-08	
Fund Manager	Syed Abid Ali	
Trustee	Central Depository Company of Pakistan Limited	
Auditor	A.F. Ferguson & Co. Chartered Accountants	
Management Fee	2% p.a.	
Front end Load*	Growth & Cash Dividend Units	3%
	Bachat Units	Nil
Back end Load*	Growth & Cash Dividend Units	Nil
	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	PKR 500	
Listing	Pakistan Stock Exchange	
Benchmark	6 months KIBOR plus 200 bps (with effect from October 17, 2016)	
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

MCB Pakistan Asset Allocation Fund is an asset allocation fund and its objective is to aim to provide a high absolute return by investing in equity and debt markets.

## Manager's Comment

The Fund posted a loss of 0.48% during the month against its benchmark loss of 1.42%, while since inception return stood at 77.34%. On the fixed income side, exposure in PIBs was reduced and exposure in T-Bills was marginally increased.

## Provision against WWF liability

MCB-PAAF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 13.73 million, if the same were not made the NAV per unit of MCB-PAAF would be higher by Rs. 0.5142 and YTD return would be higher by 0.65%. For details investors are advised to read Note 10.2 of the latest Financial Statements for the quarter ended September 30, 2016 of MCB-PAAF.

## Fund Facts / Technical Information

	MCB -PAAF
NAV per Unit (PKR)	82.9691
Net Assets (PKR M)	2,216
Sharp Measure*	0.00
Beta**	0.16
Max draw up	241.60%
Max draw down	-48.57%
Standard Deviation	0.56
Alpha	0.023%
Total expense ratio with government levy***	1.09%
Total expense ratio without government levy	0.96%

\*as against 3 Year PIB, \*\* against KSE 30

\*\*\*This includes 0.13% representing government levy, worker's welfare fund and SECP fee

## Performance Information (%)

	MCB -PAAF	Benchmark
Year to Date Return	4.95%	2.09%
Month to Date Return	-0.48%	-1.42%
180 Days Return	6.79%	5.73%
365 Days Return	7.45%	9.59%
Since inception*	77.34%	

\*Adjustment of accumulated WWF since July 1, 2008

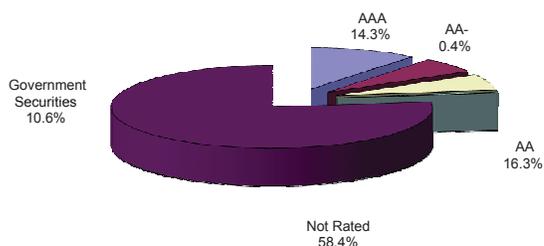
	2012	2013	2014	2015	2016
Benchmark (%)	NA	NA	NA	8.85*	9.86
MCB-PAAF (%)	8.7	19.20	11.95	19.41	3.21

\* November-14 to June-15

## Members of the Investment Committee

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

## Asset Quality (%age of Total Assets)\*



\* Inclusive of equity portfolio

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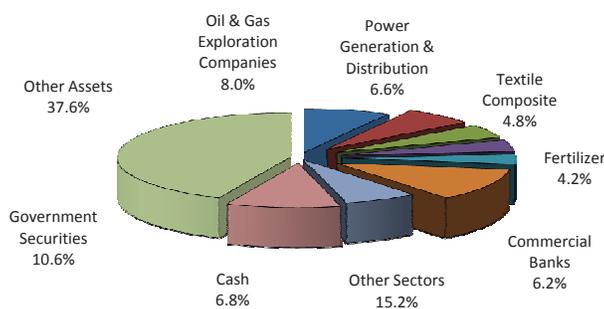
## Asset Allocation (%age of Total Assets)

	Oct-16	Sep-16
Cash	6.8%	6.9%
TFCs	5.7%	5.0%
Stocks / Equities	39.2%	26.9%
Spread Transactions	0.1%	11.3%
T-Bills	10.5%	9.2%
PIBs	0.1%	6.1%
Term Deposits with Banks	18.5%	16.3%
Others including receivables	19.1%	18.3%

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

Habib Bank Limited (19-Feb-16)	TFC	5.3%
Engro Fertilizers Limited	Equity	4.0%
Pakistan Oil Fields Limited	Equity	3.9%
Oil & Gas Development Company Limited	Equity	3.6%
Kot Addu Power Company Limited	Equity	2.9%
Nishat Mills Limited	Equity	2.8%
Abbott Laboratories (Pakistan) Limited	Equity	2.7%
Mughal Iron & Steel Industries Limited	Equity	2.2%
Pakistan State Oil Company Limited	Equity	2.1%
Tariq Glass Industries Limited	Equity	1.9%

## Sector Allocation (%age of Total Assets)



MUFAP's Recommended Format.

# MCB Pakistan Frequent Payout Fund

October 31, 2016

NAV - PKR 100.1791



## General Information

Fund Type	An Open End Scheme
Category	Asset Allocation Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	16-Nov-15
Fund Manager	Awais Abdul Sattar, CFA
Trustee	MCB Financial Services Limited
Auditor	A.F. Ferguson & Co. Chartered Accountants
Management Fee	15% of the gross earnings subject to a minimum of 0.25% of the average daily net assets and maximum of 2% of the average daily net assets of the scheme
Front end Load*	3%
Back end Load*	Nil
Min. Subscription	PKR 500
Listing	Pakistan Stock Exchange
Benchmark	KSE 100 Index and Six (6) months KIBOR rates on the basis of actual proportion held by the Scheme (with effect from October 17, 2016)
Pricing Mechanism	Forward
Dealing Days	First five business days of every month
Cut off Timing	9:00AM to 4:30 PM
Leverage	Nil

\*Subject to government levies

## Investment Objective

The objective of the Fund is to provide investors regular monthly payments by investing Fund's assets in Debt and Equity instruments.

## Manager's Comment

The Fund posted a monthly negative return of 0.06% against its benchmark negative return of 0.20%. The fund decreased its exposure in cash from 34.1% to 30.4%. Exposure in T-bills increased from 45.8% to 48.7%.

## Provisions against WWF liability

MCB-PFPF has not maintained provisions against Workers' Welfare Fund's liability consequent to amendments in statutory laws through Finance Act 2015 where Collective Investment Schemes have been excluded from the definition of "Industrial Establishment".

Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	30.4%	34.1%
Term Deposits with Banks	8.2%	8.5%
PIBs	1.7%	1.8%
T-Bills	48.7%	45.8%
Spread Transactions	0.0%	0.0%
Stock/Equities	6.8%	4.0%
Placement with Banks and DFIs	0.0%	0.0%
Others including receivables	4.2%	5.8%

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

Mari Petroleum Company Limited	Equity	1.7%
HI-tech Lubricants	Equity	1.1%
Packages Limited	Equity	1.0%
K-Electric Limited	Equity	0.6%
Pak Suzuki Motors Company Limited	Equity	0.6%
Honda Atlas Cars (Pakistan) Ltd.	Equity	0.5%
Adamjee Insurance Company Limited	Equity	0.5%
Aisha Steel Limited	Equity	0.3%
Pakistan Telecommunication Company Limited	Equity	0.3%
Attock Refinery Limited	Equity	0.1%

## Fund Facts/Technical Information

MCB-PFPF

NAV per Unit (PKR)	100.1791
Net Assets (PKR M)	1,180
Total expense ratio with government levy*	0.63%
Total expense ratio without government levy	0.55%

\*This includes 0.08% representing government levy, worker's welfare fund and SECP fee

## Performance Information (%)

MCB PFPF

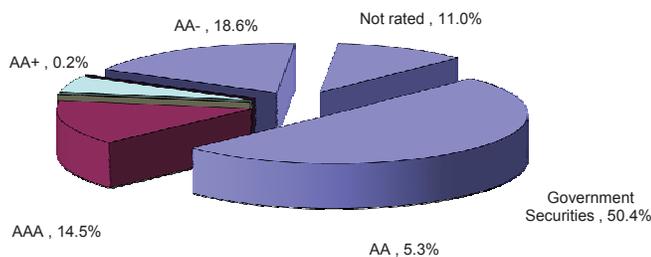
Benchmark

Year to Date Return	1.48	2.21
Month to Date Return	-0.06	-0.20
365 days Return	-	-
180 days Return	2.39	3.46
Since inception	5.07	6.67

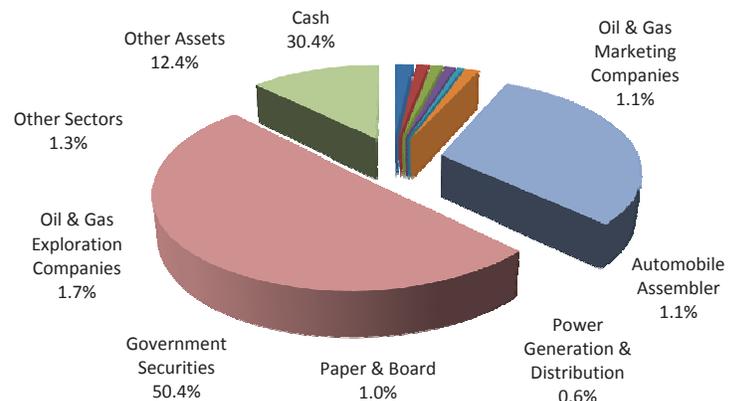
## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Syed Abid Ali	Asset Class Specialist-Equities
Saad Ahmed	Asset Class Specialist-Fixed Income
Awais Abdul Sattar, CFA	Senior Research Analyst
Mohammad Aitazaz Farooqui	Research Analyst

## Asset Quality (%age of Total Assets)



## Sector Allocation (%age of Total Assets)



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Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.

## MUFAP's Recommended Format.

# Pakistan Capital Market Fund

October 31, 2016

NAV - PKR 11.37



## General Information

Fund Type	An Open End Scheme	
Category	Balanced Scheme	
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)	
Stability Rating	Not Applicable	
Risk Profile	Moderate to High	
Launch Date	24-Jan-2004	
Fund Manager	Syed Abid Ali	
Trustee	Central Depository Company of Pakistan Limited	
Auditor	Deloitte Yousuf Adil & Co., Chartered Accountants	
Management Fee	2.0% p.a.	
Front end Load*	For Individual	2%
	For Corporate	Nil
Back-end load*	Nil	
Min. Subscription	PKR 500	
Listing	Pakistan Stock Exchange	
Benchmark	KSE 100 Index and Six (6) months KIBOR rates 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 investors a mix of income and capital growth over medium to long term from equity and debt investments.

## Manager's Comment

The fund posted a return of 0.09% during the month against its benchmark loss of 1.27%. The Fund decreased its exposure in equities to around 60.7%, while maintaining exposure in T-Bills to 28.6%.

## Provision against WWF liability

PCMF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 10.73 million, if the same were not made the NAV per unit of PCMF would be higher by Rs. 0.2009 and YTD return would be higher by 1.88%. For details investors are advised to read Note 6.1 of the latest Financial Statements for quarter ended September 30, 2016 of PCMF.

Fund Facts / Technical Information	PCM	Benchmark
NAV per Unit (PKR)	11.37	
Net Assets (PKR M)	607	
Sharpe Measure	0.044	0.043
Beta	0.94	1.00
Max draw up	566.31%	508.95%
Max draw down	-44.71%	-46.24%
Standard Deviation	0.81	0.77
Alpha	0.006%	
Total expense ratio with government levy*	1.10%	
Total expense ratio without government levy	0.97%	

\*This includes 0.13% representing government levy, worker's welfare fund and SECP Fee

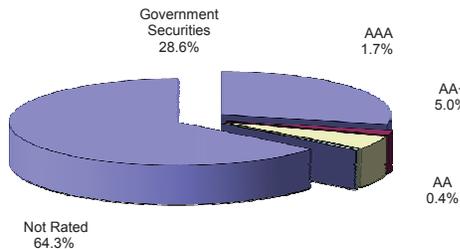
## Asset Allocation (%age of Total Assets)

	Oct-16	Sep-16
Cash	7.1%	3.6%
T-Bills	28.6%	29.0%
TFCs	0.0%	0.0%
Stocks / Equities	60.7%	64.6%
PIBs	0.0%	0.0%
Others including receivables	3.6%	2.8%

## Performance Information (%)

	PCM	Benchmark
Year to Date Return	6.36	4.27
Month to Date Return	0.09	-1.27
180 Days Return	10.49	9.65
365 Days Return	12.39	13.09
Since inception	546.95	493.03

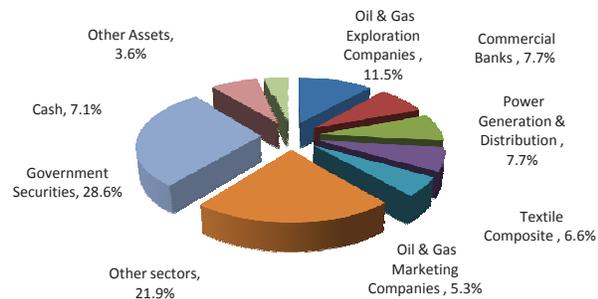
## Asset Quality (%age of Total Assets)\*



\* Inclusive of equity portfolio

	2012	2013	2014	2015	2016
Benchmark (%)	11.6	29.2	27.12	13.92	8.89
PCM (%)	9.4	28.10	26.10	31.11	5.17

## Sector Allocation (%age of Total Assets)



## Members of the Investment Committee

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

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

Pakistan Oilfields Limited	Equity	4.3%
Engro Fertilizers Limited	Equity	4.3%
Oil & Gas Development Company Limited	Equity	4.1%
Nishat Mills Limited	Equity	3.5%
Hub Power Company Limited	Equity	3.3%
Mari Petroleum Company Limited	Equity	3.0%
Pakistan State Oil Company Limited	Equity	2.7%
K-Electric Limited	Equity	2.5%
Gadoon Textile Mills Limited	Equity	2.3%
Nishat (Chunian) Limited.	Equity	2.1%

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## MUFAP's Recommended Format.

# MCB Pakistan Stock Market Fund

October 31, 2016 NAV- 94.19



## General Information

Fund Type	An Open End Scheme
Category	Equity Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	11-Mar-2002
Fund Manager	Syed Abid Ali
Trustee	Central Depository Company of Pakistan Limited
Auditor	A.F.Ferguson & Co. Chartered Accountants
Management Fee	2.0% p.a.
<b>Front end Load*</b>	
Growth Units:	Transaction less than or equal to Rs.15m 3% Transaction more than Rs.15m Nil
Bachat Units:	For Corporate Nil
<b>Back-end Load*</b>	
Growth Units:	Nil
Bachat Units:	3% if redeemed before completion of two years from the date of initial investment 0% if redeemed after completion of two years from the date of initial investment
Min. Subscription Listing	PKR 500
Benchmark	Pakistan Stock Exchange KSE 100 Index
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00 AM to 4:30PM)
Leverage	Nil

\*Subject to government levies

## Fund Facts / Technical Information

	MCB-PSM	KSE-100
NAV per Unit (PKR)	94.19	
Net Assets (PKR M)	9,110	
Price to Earning (x)*	10.80	11.35
Dividend Yield (%)	5.48	6.0%
No. of Holdings	56	100
Weighted. Avg Mkt Cap (PKR Bn)	104.87	146
Sharpe Measure	0.07	0.05
Beta	0.75	1.0
Correlation	91.2%	
Max draw up	3159.73%	2619.72%
Max draw down	-56.21%	-69.28%
Standard Deviation	1.09	1.33
Alpha	0.03%	
Total expense ratio with government levy**	0.98%	
Total expense ratio without government levy	0.86%	
*prospective earnings		
**This includes 0.12% representing government levy, worker's welfare fund and SECP fee		

## Performance Information (%)

	MCB-PSM	Benchmark			
Year to Date Return	8.15	5.59			
Month to Date Return	-0.36	-1.60			
180 days	12.24	12.96			
365 days	15.34	16.44			
Since inception	2750.56	2030.27			
	2012	2013	2014	2015	2016
Benchmark (%)	10.40	52.20	41.16	16.01	9.84
MCB-PSM (%)	11.30	49.40	34.78	39.35	5.25

## Members of the Investment Committee

Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Saad Ahmed	Asset Class Specialist-Fixed Income
Syed Abid Ali	Asset Class Specialist-Equities
Awais Abdul Sattar, CFA	Senior Research Analyst
Mohammad Aitazaz Farooqui	Research Analyst

## Investment Objective

The objective of the fund is to provide investors long term capital appreciation from its investment in Pakistani equities

## Manager's Comment

MCB-PSM posted a return of -0.36% during October 2016 against the benchmark KSE-100 Index which gave a return of -1.6%.

## Provision against WWF liability

MCB-PSM has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 107.63 million, if the same were not made the NAV per unit of MCB-PSM would be higher by Rs. 1.1129 and YTD return would be higher by 1.28%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended ended September 30, 2016 of MCB-PISF.

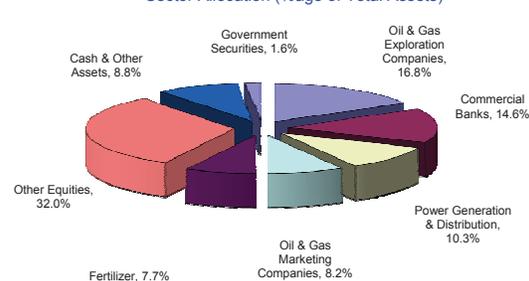
## Asset Allocation (%age of Total Assets)

	Oct-16	Sep-16
Stocks / Equities	89.6%	85.2%
Cash	5.9%	4.0%
T-Bills	1.6%	6.3%
Others including receivables	2.9%	4.5%

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

Pakistan Oilfields Limited	6.7%
Oil and Gas Development Company Limited	5.3%
Engro Fertilizers Limited	4.9%
Mari Petroleum Company Limited	4.8%
United Bank Limited	3.9%
Habib Bank Limited	3.6%
Pakistan State Oil Company Limited	3.5%
K-Electric Limited	3.1%
Nishat (Chunian) Limited.	3.0%
Sui Northern Gas Company Limited.	3.0%

## Sector Allocation (%age of Total Assets)



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## MUFAP's Recommended Format.



**General Information**

Fund Type	An Open End Scheme
Category	Capital Protected Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-June-16)
Stability Rating	Not Applicable
Risk Profile	Low
Launch Date	19-Dec-14
Fund Manager	Syed Abid Ali
Trustee	Central Depository Company of Pakistan Limited
Auditor	Deloitte Yousuf Adil & Co., Chartered Accountants
Management Fee	1% p.a. of average daily Net Assets
Front end Load*	3%
Back end Load*	2%
Contingent Load*	Redemption during First Year 3% Redemption during Second Year 2%
Min. Subscription	PKR 5,000
Listing	Pakistan Stock Exchange
Benchmark	Weighted Average Daily Return of KSE-30 Total Return Index, Three (3) Month Deposit Rate of Double A minus (AA-) and above rated Banks and PIB's yields of appropriate maturity as measured by PKRV rates (bidside), based on the fund's actual proportion invested in equities, cash and bank deposits, and PIB's, measured on monthly basis.
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00AM to 4:30 PM)
Leverage	Nil

\*Subject to government levies

**Investment Objective**

The objective of Pakistan Sarmaya Mehfooz Fund is to earn a return higher than short term bank deposits and government securities while providing capital protection upon maturity of the Fund.

**Manager's Comment**

The fund posted a monthly return of -0.31% against its benchmark return of -0.39%. The fund decreased its exposure in cash from 12.8% to 6.5% and increased exposure in T-bills to 44.8%.

**Provision against WWF liability**

PAK-SMF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.1.19 million, if the same were not made the NAV per unit of PAK-SMF would be higher by Rs. 0.1956 and YTD return would be higher by 0.19%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended ended September 30, 2016 of MCB-PISF.

Fund Facts/ Technical Information	PAK-SMF
NAV per Unit (PKR)	107.3506
Net Assets (PKR M)	654
Total expense ratio with government levy*	1.18%
Total expense ratio without government levy	1.10%

\*This includes 0.08% representing government levy, worker's welfare fund and SECP fee

Performance Information (%)	PAK-SMF	Benchmark
Year to Date Return	1.77	1.26
Month to Date Return	-0.31	-0.39
365 days Return	3.46	6.15
180 days Return	2.74	3.11
Since inception	13.83	10.97

**Members of the Investment Committee**

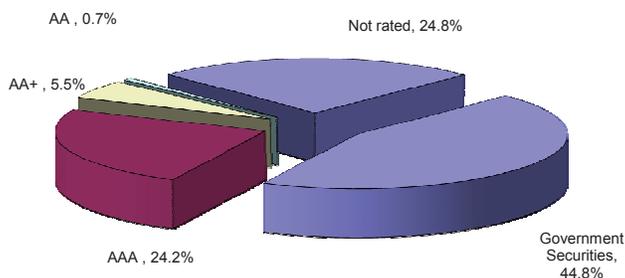
Muhammad Saqib Saleem	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Saad Ahmed	Asset Class Specialist-Fixed Income
Syed Abid Ali	Asset Class Specialist-Equities
Awais Abdul Sattar, CFA	Senior Research Analyst
Mohammad Aitazaz Farooqui	Research Analyst

Asset Allocation (%age of Total Assets)	Oct-16	Sep-16
Cash	6.5%	12.8%
Term Deposits with Banks	23.9%	23.9%
PIBs	0.0%	0.0%
T-Bills	44.8%	37.1%
Stock / Equities	17.4%	19.7%
Others including receivables	7.4%	6.5%

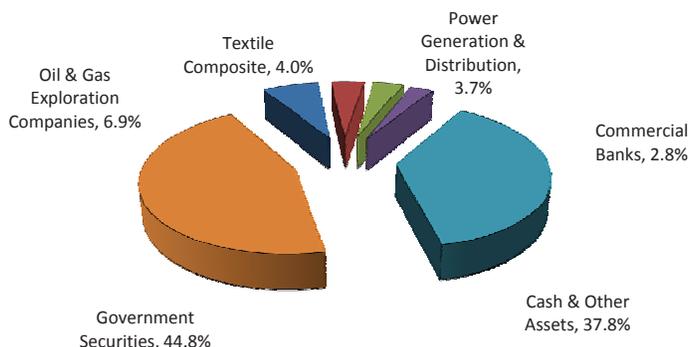
**Top 10 Equity Holdings (%age of Total Assets)**

Pakistan Oilfields Limited	Equity	4.8%
Nishat Mills Limited	Equity	3.1%
Oil and Gas Development Company Limited	Equity	2.1%
National Bank of Pakistan	Equity	2.0%
Pakgen Power Limited	Equity	2.0%
Kot Addu Power Company Limited	Equity	1.7%
Nishat (Chunian) Limited.	Equity	0.9%
MCB Bank Limited	Equity	0.6%
Meezan Bank Limited	Equity	0.2%
Cherat Packaging Limited.	Equity	0.0%

**Asset Quality (%age of Total Assets)**



**Sector Allocation (%age of Total Assets)**



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**MUFAP's Recommended Format.**



**General Information**

Fund Type	An Open End Scheme
Category	Voluntary Pension Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
Stability Rating	Not Applicable
Launch Date	29-Jun-07
Fund Manager	Syed Abid Ali
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 (9:00AM 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**

During the month, equity sub-fund generated return of -0.29% while the KSE-100 return stood at -1.6%. While Overall equity allocation was slightly reduced, allocation in Automobile Assemblers was increased from 5.1% to 6.4%

Debt sub-fund generated an annualized return of 2.49% during the month. Exposure was increased in T-Bills to 20.3% and decreased in PIBs to 77.1%.

Money Market sub-fund generated an annualized return of 3.88% during the month. The fund was mostly invested in T-Bills.

**Provision against WWF liability**

PPF-EQ has not made provisions amounting to Rs. 1.17 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PPF-EQ would be lower by Rs.0.9229 and YTD return would be lower by 0.22%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PPF.

PPF-DT has not made provisions amounting to Rs. 0.80 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PPF-DT would be lower by Rs. 0.3931 and YTD return would be lower by 0.18%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PPF.

PPF-MM has not made provisions amounting to Rs. 0.59 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PPF-MM would be lower by Rs 0.6955 and YTD return would be lower by 0.35%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PPF.

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

Oil & Gas Development Company Limited	5.1%
Engro Fertilizers Limited	5.1%
Habib Bank Limited	4.8%
Pakistan Oil Fields Limited	4.8%
United Bank Limited	4.6%
Bank AlHabib Limited	4.1%
Hub Power Company Limited	3.8%
Mari Petroleum Company Limited	3.6%
Pakistan State Oil Company Limited	3.6%
Indus Motors Company Limited	3.3%

PPF-Money Market (%age of Total Assets)	Oct-16	Sep-16
Cash	1.7%	3.7%
T-Bills	98.2%	96.2%
PIBs	0.0%	0.0%
Others including receivables	0.1%	0.1%

PPF-Debt (%age of Total Assets)	Oct-16	Sep-16
Cash	0.3%	2.8%
PIBs	77.1%	78.9%
GoP Ijara Sukuk	0.0%	0.0%
TFCs	0.6%	0.6%
T-Bills	20.3%	16.2%
Others including receivables	1.7%	1.5%

Performance Information & Net Assets	PPF-EQ* PPF-DT** PPF-MM**				
	2012	2013	2014	2015	2016
Year to Date Return (%)			11.29	3.46	3.83
Month to Date Return (%)			-0.29	2.49	3.88
Since inception (%)			363.34	13.15	11.15
Net Assets (PKR M)			586.67	453.85	173.81
NAV (Rs. Per unit)			463.43	222.84	204.14
PPF - EQ*	15.10	55.70	49.60	37.95	10.77
PPF - DT**	10.90	10.10	7.16	16.85	7.35
PPF - MM**	10.30	8.20	7.15	7.17	4.40
* Total Return					
** Annualized return					

PPF-Equity (%age of Total Assets)	Oct-16	Sep-16
Cash	4.7%	0.7%
Commercial Banks	16.0%	16.4%
Oil & Gas Exploration Companies	13.5%	13.2%
Chemicals	8.0%	6.7%
Technology & Communication	7.4%	7.3%
Automobile Assembler	6.4%	5.1%
Other equity sectors	41.1%	46.0%
Others including receivables	2.9%	4.6%

**Members of the Investment Committee**

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

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**General Information**

Fund Type	An Open End Scheme
Category	Islamic Voluntary Pension Scheme
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (08-Jun-16)
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 (9:00AM 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 -2.19% during the month against KSE-100 index return of -1.6%. Allocations was reduced in Chemical Sector and increased in Oil & Gas Exploration and Cement Sectors.

Debt sub-fund generated a return of 10.19% during the month. Exposure was maintained in Ijarah Sukuk.

Money Market sub-fund generated a return of 5.92% during the month. The exposure in all securities remained stable.

**Provision against WWF liability**

PIPF-EQ has not made provisions amounting to Rs. 0.70 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-EQ would be lower by Rs. 1.0528 and YTD return would be lower by 0.24%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PIPF.

PIPF-DT has not made provisions amounting to Rs. 0.35 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-DT would be lower by Rs. 0.3966 and YTD return would be lower by 0.21%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PIPF.

PIPF-MM has not made provisions amounting to Rs. 0.24 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-MM would be lower by Rs. 0.5981 and YTD return would be lower by 0.36%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2016 of PIPF.

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

Pakistan Oil Fields Limited	7.1%
Hub Power Company Limited	5.8%
Mari Petroleum Company Limited	5.7%
Oil & Gas Development Company Limited	5.7%
Engro Fertilizers Limited	5.0%
Pakistan Petroleum Limited	4.8%
Kohinoor Textile Mills Limited	3.8%
Cherat Cement Company Limited	3.8%
Archroma Pakistan Limited	3.1%
Atlas Battery Limited	3.1%

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

	Oct-16	Sep-16
Cash	61.2%	61.9%
GoP Ijara Sukuk	37.7%	37.2%
Others including receivables	1.1%	0.9%

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

	Oct-16	Sep-16
Cash	8.5%	9.0%
GoP Ijara Sukuk	89.7%	89.5%
Sukuk	0.0%	0.0%
Others including receivables	1.8%	1.5%

**Performance Information & Net Assets**

	PIPF-EQ*		PIPF-DT**		PIPF-MM**
Year to Date Return (%)			7.33	5.59	3.88
Month to Date Return (%)			-2.19	10.19	5.92
Since inception (%)			370.15	9.83	7.72
Net Assets (PKR M)			311.68	167.48	69.24
NAV (Rs. Per unit)			471.09	188.86	169.88
	2012	2013	2014	2015	2016
PIPF - EQ*	24.70	41.80	42.10	39.53	14.84
PIPF - DT**	8.40	6.80	8.22	4.76	4.04
PIPF - MM**	8.30	7.70	6.86	4.80	2.36

\* Total Return \*\* Annualized return

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

	Oct-16	Sep-16
Oil & Gas Exploration Companies	23.3%	21.1%
Fertilizer	10.0%	10.8%
Chemicals	6.4%	6.5%
Cement	7.4%	5.8%
Automobile Assembler	7.5%	4.1%
Other equity sectors	39.1%	37.1%
Cash	3.0%	9.2%
Others including receivables	3.3%	5.4%

**MCBAH Shariah Advisory Board**

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

**Members of the Investment Committee**

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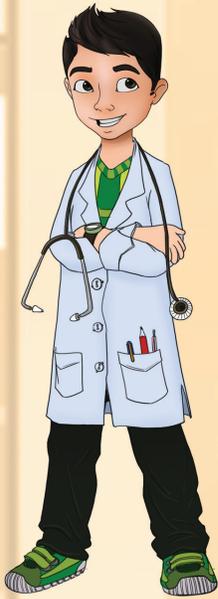


# Gulluck Plan ... Start Karo

## Poora Apna Khwab Karo

An Administrative Plan of MCB Pakistan Stock Market Fund (MCB-PSM)  
and MCB Pakistan Islamic Stock Fund (MCB-PISF)

حال کی اساتشوں سے چھوٹے چھوٹے ٹکڑے بچا کر بنتا ہے  
مستقبل کا خواب ..



To help teach your children the importance of saving and prepare them for the day when they will need to take care of their expenses themselves, we will gift Gullucks and Gulluckian badges to your kids!

 No minimum or maximum investment limit.

 Conventional and Islamic options available.

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

[MCBAH 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 \[mcbah.qa@mcbah.com\]\(mailto:mcbah.qa@mcbah.com\)](#)

 **Bachat ka Doosra Naam**  
**MCB ARIF HABIB**  
AM2 ++ by PACRA

0800-62224

sms 'PLAN' to 8089

UAN : (021) 11-11-62224

Website: [www.mcbah.com](http://www.mcbah.com)

Email: [info@mcbah.com](mailto:info@mcbah.com), [marketing@mcbah.com](mailto:marketing@mcbah.com)