

MONEY MATTERS



MCB-ARIF HABIB
Savings and Investments Limited

Fund Manager's Report

AUGUST 2017



DEAR INVESTORS,

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

Thank you for taking out your time to review our Fund Manager's Report for the month of August 2017. We extend our earnest gratitude to our investors for their continuous confidence and faith in us. It is your trust which drives and motivates us to provide you with increasingly innovative products and services.

In this Fund Manager's Report we intend to address some of the concerns you as our valued investor may have regarding the performance of the market in general.

We understand that our investors might be apprehensive regarding investing right now since the stock market is at a low point. However, we would like to inform you that from a financial standpoint, if you wish to invest in a stock market fund this can be the ideal time to make the move. This is true mainly because since the cost of investment is low; more units can be bought with a certain amount than if the stock market was at a booming point. Moreover, for investors wishing to take the risk of investing in a stock market fund, our fund managers advise a long term strategy to safeguard against high volatility. If an investor is looking to reap long term returns they need not worry as their capital will grow over time despite the short term market fluctuations.

Even in an environment where investors are reluctant to risk entering the stock market, Mutual Funds provide multiple product options to gain returns on your savings. The income fund for example delivers returns primarily by investing in Government and Corporate Bonds avoiding extensive risks. Similarly, the Asset Allocation Fund shifts exposure between debt and equity market according to market conditions. In times when the market is not performing well, the fund may keep lower stock market exposure and allocate more in debt securities and vice versa.

To address these concerns and others Team MCB-AH is working tirelessly. With the help of our blogs on our website as well as our 24/7 helpline, we aim to tackle the concerns of our valued investors. We can only hope that we continue to serve you better with each passing day.

For investment related queries and feel free to contact us via WhatsApp 0300-4362224 or call us on our helpline 0800-62224 to speak to one our helpful Customer Support Officers. You can also email us your query at info@mcbah.com.



Muhammad Saqib Saleem

Chief Executive Officer

MACRO-ENVIRONMENT REVIEW AND OUTLOOK

The fiscal year continues to be blessed with ongoing benign inflation, the month of August recorded inflation of ~3.42%, taking 2MFY18 average inflation to ~3.16%. For full year FY18 we expect average inflation to remain well anchored between 4.25%-4.5%.

Monetary policy meeting is expected at the end of Sep 2017, we expect SBP to maintain discount rate at current level on the basis low inflationary pressures, growing demand and in their view, manageable balance of payment.

Large scale manufacturing sector has started reflected the ongoing economic activity from both CPEC and non CPEC related activities. In FY17 LSM recorded growth of ~5.32% with major contribution coming from automobiles, construction and consumer goods. Next year, we remain optimistic on LSM growth as Pakistan continues on its growth trajectory.

Recent data released for FY17 fiscal deficit, recorded at 5.8% of GDP, shows a worrying picture, the relied upon provincial surplus recorded a surprise deficit of -PKR 160bn deficit. Analyst expect the deficit to further widen next fiscal year as expenditure rise due to FY18 being an election year. The situation is further compounded by soaring of current account deficit which recorded an astounding -USD 2 bn just for the month of July 2017.

We have growing reservations on the ballooning twin deficit of the country, increasing CA deficit and depleting Foreign exchange reserves. Growing imports, falling exports, and slowing remittances are all points of concern, added to which, the political instability of the election year may hinder government's ability to raise financing for both multilateral and bilateral sources to contain deficit. FY18 will be a tough year for PKR, we foresee rising pressure on PKR/USD parity.

EQUITY MARKET REVIEW AND OUTLOOK

After Prime Minister's disqualification jolted the stock market in the first two months of FY18, Aug-17 proved to be another dreadful month for KSE100 index. Uncertainty prevailed in the market due to continuous worsening of external account along with President Trump's allegation of Pakistan of harboring terrorists. Apart from this, penalty announcement on HBL's New York branch proved to be last nail in the coffin. The benchmark index lost ~10.5% finishing the month at 41,207 pts.

Foreigners continued to offload their positions in Pakistan, liquidating USD 80.46 million worth of equities while on the local side Banks (USD 25.46 million) and Companies (USD 28 million) remained the major buyers. Average volumes increased by ~15% to 202 million shares while value traded increased by ~6% to PKR 10.2 billion.

Amongst major sectors that have pulled the index down was cements (down 16% MTD) continuing its lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. Banks, Fertilizer and Oil & Gas declined in line with the market. In the banking space, sentiments turned out to be sour in the last 2 days of the month when HBL received a notice from New York (NY) State Department of Financial Services (DFS) seeking to impose a hefty penalty of USD 629.6 mn on the bank. Autos also continued to witness correction (~12% MoM) along with dampened sentiments due to anticipated pressure on USD-PKR parity as external account continued to deteriorate.

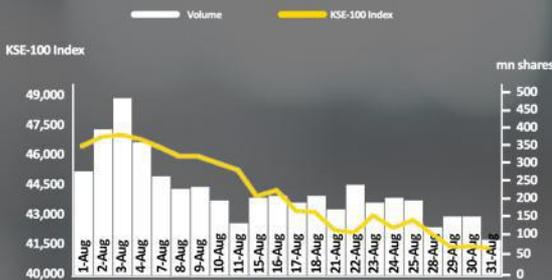
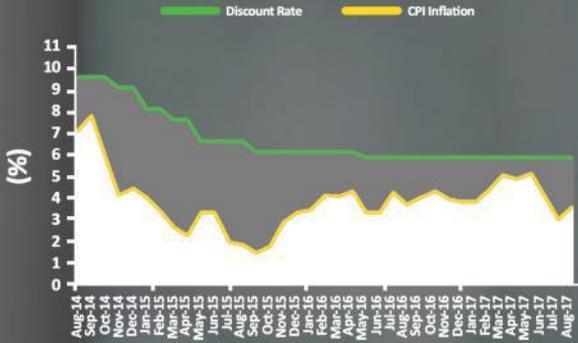
Going forward, we expect market to remain volatile as twin deficits continue to haunt the basic macroeconomic fundamentals. Currently, we remain skeptical on the economic direction and believe certain policy adjustments are necessary to maintain the direction of economic growth. Valuations remain in line with historical trends and adjustment in sector allocation is necessary to optimize the returns. We advice local investors to carefully watch the economic trends and build exposure on any weakness.

MONEY MARKET REVIEW AND OUTLOOK

Yield curve showed an upward trajectory during the month due to rising political uncertainty along with worsening of the twin deficits. Commercial banks remained active in overnight market where majority of activity was witnessed near policy rate whereas market activity in PIB has remained scarce. Participation in recent PIB auction equaled to a meager total of PKR 26 billion (target: PKR 100 Bn) out of which 3 years PIB received majority of bids amounting to PKR 20 Bn. On the other hand, participation in T-Bill auction remained strong amounting to PKR 530 Bn (Target: PKR 300 Bn) out of which PKR 515 billion was accepted. Like PIBs, majority of the participation was witnessed in 3-Month T-bills amounting to PKR 438bn. Short term liquidity remained comfortable as SBP conducted regular OMOs throughout the month. In the auction, cut-off yields for 3-, 6- and 12-month papers were maintained at previous levels of 5.9910%, 6.0109% and 6.0386% respectively.

Pace of widening trade deficit remained alarmingly high which kept on diluting Forex reserves and keeping investors away from longer tenor securities despite attractive premium on offering.

Furthermore, surge in import payments and slowdown in worker remittances could potentially put further pressure on current account going forward. Worsening external account will pose the biggest challenge to the economy, while the management of external flows will remain contingent on the government's capacity to fetch inflows from various sources. Looking at the prevailing scenario bond yields will remain on the rising trend in the near future as interest rates have bottomed out and are expected to move in the upward direction, albeit under a managed range.



SHARI'AH

COMPLIANT

SCHEMES

General Information

| | |
|-------------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant (Islamic) Income Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) |
| Stability Rating | AA-(f) by PACRA (12-Jul-17) |
| Risk Profile | Low |
| Launch Date | 20-Jun-2011 |
| Fund Manager | Syed Mohammad Usama Iqbal |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F.Ferguson & Co. Chartered Accountants |
| Management Fee | 10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets |
| Front / Back end Load* | Class "A" Units: Individual ----- 1.5% Corporate ----- Nil Class "B" Units ----- 0% Bachat Units ----- Nil |
| Back end Load* | Class "A" Units ----- 0% Class "B" Units: 1.5% on redemption in the first (1st) year from the date of investment 1.0% on redemption in the second (2nd) year from the date of investment 0.0% on redemption after completion of two (2) years from the date of investment Bachat Units: 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment Growth & Bachat Units ----- PKR 500 Income Units ----- PKR 100,000 |
| Min. Subscription | |
| Listing | Pakistan Stock Exchange |
| Benchmark | Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) |
| Leverage | Nil |
| *Subject to government levies | |

Investment Objective

To generate risk adjusted returns by investing in short, medium and long-term Shariah Compliant Fixed Income instruments.

Manager's Comment

During the month the fund generated an annualized return of 4.09% as against its benchmark return of 2.31%. The fund decreased its exposure in GoP Ijara Sukuks to 12.1% while increased its exposure in Certificate of Musharaka to 8.6% from 7.5%. Exposure in cash also increased from 34.7 to 41.0%.

Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 101.6750 |
| Net Assets (PKR M) | 1,951 |
| Weighted average time to maturity (Years) | 2.05 |
| Sharpe Ratio | 0.14 |
| Correlation | 9.7% |
| Standard Deviation | 0.05 |
| Total expense ratio with government levy** | 0.20% |
| Total expense ratio without government levy | 0.16% |

**This includes 0.04% representing government levy, Sindh workers' welfare fund and SECP Fee.

Top Sukuk Holding (% of Total Assets)

| | |
|---|-------|
| Dubai Islamic Bank Pakistan Limited - PPTFC | 7.92% |
| Meezan Bank Limited (22-Sep-16) | 5.30% |
| Ghani Gases Limited (2-Feb-17) | 4.69% |
| Engro Fertilizer Limited (9-Jul-14) | 4.35% |

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIIF has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 2.2 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1145 and YTD return would be higher by 0.11%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIIF.

Members of the Investment Committee

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

MCBAH Shariah Supervisory Board

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

Asset Allocation (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|---------------------------------|--------|--------|
| Cash | 41.0% | 34.7% |
| GoP Ijara Sukuks | 12.1% | 24.2% |
| Sukuk | 22.3% | 19.6% |
| Certificate of Musharakah | 8.6% | 7.5% |
| Certificate of Modaraba | 5.1% | 4.4% |
| Others including receivables | 0.7% | 0.7% |
| Shariah Compliant Bank Deposits | 10.2% | 8.9% |

Performance Information (%)

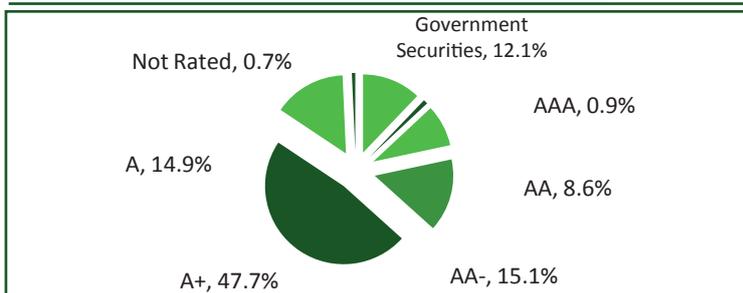
| Particulars | ALHIIF | Benchmark |
|--|--------|-----------|
| Year to Date Return (Annualized) | 3.49% | 2.35% |
| Month to Date Return (Annualized) | 4.09% | 2.31% |
| 180 Days Return (Annualized) | 4.86% | 2.51% |
| 365 Days Return (Annualized) | 6.26% | 2.93% |
| Since inception (CAGR) | 7.50% | 6.23% |
| Average Annual Return (Geometric Mean) | 5.11% | - |

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

Annualized

| Particulars | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|------|------|------|------|
| Benchmark (%) | 6.30 | 6.09 | 6.29 | 4.42 | 3.31 |
| ALHIIF (%) | 8.90 | 8.38 | 6.55 | 5.05 | 6.49 |

Asset Quality (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format

General Information

| | |
|----------------------|---|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant Islamic Asset Allocation Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 2-May-2006 |
| Fund Manager | Awais Abdul Sattar, CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, Chartered Accountants |
| Management Fee | 2% per annum of the average daily Net Assets of the scheme |
| Front end Load * | Type A Units: Individual 3% Corporate Nil |
| Back end Load* | Type B Units: Nil Type C Units (Bachat Units) : Nil Type A Units --- NIL Type B Units 3.0% for first year after investment 2.0% for second year after investment 1.0% for third year after investment NIL for redemptions after completion of 3 years from investment Type C-Bachat Units Bachat Units (Two Years): 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment. Bachat Units (Three Years): 3% if redeemed before completion of three years from the date of initial investment. 0% if redemption after completion of three years from the date of initial investment. |
| Min. Subscription | PKR 500 |
| Listing | Pakistan Stock Exchange |
| Benchmark | KMI 30 Index and Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon-Fri (9:00 AM to 4:30 PM) |
| Leverage | Nil |
| | *Subject to government levies |

Investment Objective

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

Manager's Comment

The fund posted a return of -5.45% as against its benchmark return of -9.79% during the month. Exposure in equities was decreased to 44.0% as compared to 52.0% in the previous month while allocation in cash increased to 55.4% from 38.0% over the same period.

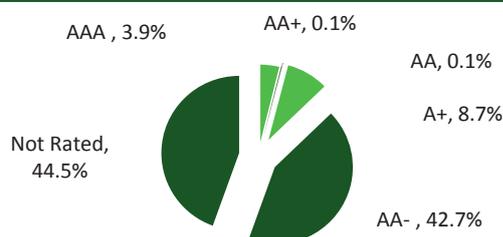
Members of the Investment Committee

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

MCBAH Shariah Supervisory Board

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

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



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 5.89 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.2357 and YTD return would be higher by 0.32%. For details investors are advised to read Note 6.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHAA.

Asset Allocation (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|------------------------------|--------|--------|
| Cash | 55.4% | 38.0% |
| Stock/Equities | 44.0% | 52.0% |
| Sukuk | 0.1% | 0.1% |
| Others including receivables | 0.5% | 9.9% |

Performance Information (%)

| Particulars | ALHAA | Benchmark |
|----------------------|---------|-----------|
| Year to Date Return | -5.61% | -9.26% |
| Month to Date Return | -5.45% | -9.79% |
| 180 Days Return | -6.52% | -15.06% |
| 365 Days Return | 13.25% | 2.26% |
| Since inception | 282.66% | 393.03% |

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

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark (%) | 46.60 | 28.51 | 17.47 | 13.53 | 18.07 |
| ALHAA (%) | 28.40 | 18.89 | 35.59 | 5.09 | 27.74 |

Top 10 Holdings (%age of Total Assets)

| Company Name | Equity | % |
|---|--------|------|
| Hub Power Company Limited | Equity | 5.6% |
| Oil and Gas Development Company Limited | Equity | 3.7% |
| Sui Northern Gas Company Limited | Equity | 2.9% |
| Engro Corporation Limited | Equity | 2.8% |
| Nishat Mills Limited | Equity | 2.8% |
| Pakistan Oilfields Limited | Equity | 2.7% |
| Pakistan Petroleum Limited | Equity | 2.6% |
| Lucky Cement Limited | Equity | 2.6% |
| International Industires Limited | Equity | 2.1% |
| Mari Petroleum Company Limited | Equity | 1.8% |

Fund Facts / Technical Information

| Particulars | ALHAA | KMI-30 |
|---|---------|---------|
| NAV per Unit (PKR) | 68.9154 | |
| Net Assets (PKR M) | 1,723 | |
| Sharpe Ratio | 0.05 | 0.05 |
| Beta | 0.66 | 1.00 |
| Correlation | 83.8% | |
| Max draw up | 502.93% | 950.40% |
| Max draw Down | -28.91% | -39.65% |
| Standard Deviation | 0.76% | 0.96 |
| Total expense ratio with government levy** | 0.49% | |
| Total expense ratio without government levy | 0.54% | |

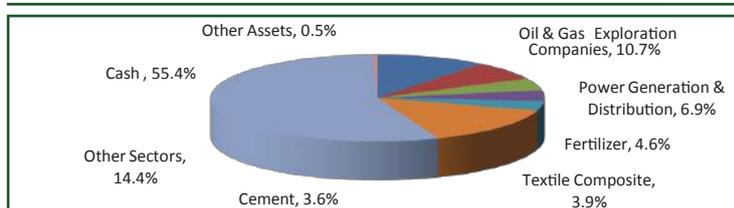
*prospective earnings

**This includes 0.06% representing government levy and SECP fee and -0.11% representing reversal of Sindh Worker's Welfare Fund.

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|---------|-----------|
| | 551,629 | 1,063,557 |

Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format



General Information

| | |
|---------------------------|--|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant Equity Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 11-Sept-2004 (Converted into Shariah Compliant Islamic Fund with effect from July 01,2015) |
| Fund Manager | Awais Abdul Sattar CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, Chartered Accountants |
| Management Fee | 2.0% p.a. |
| Front end Load* | Type "B" Units: Individual 3% Corporate Nil |
| Back end Load* | Type "C" Units Bachat Units(Two Years)-----Nil Bachat Units(Three Years)-----Nil Type "B" Units ----- Nil Type "C" Units - Bachat Units(Two Years): 3% if redeemed before completion of two (2) years from the date of initial investment. 0% if redemption after completion of two (2) years from the date of initial investment. Type "C" Units - Bachat Units(Three Years): 3% if redeemed before completion of three (3) years from the date of initial investment. 0% if redemption after completion of three (3) years from the date of initial investment. |
| Min. Subscription Listing | PKR 500 |
| Benchmark | Pakistan Stock Exchange KMI-30 Index |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) |
| Leverage | Nil |

*Subject to government levies

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

Recent political turmoil coupled with deteriorating current account deficit took its toll on the market, which led Fund's NAV to take a hit of 9.8% in August 2017. This however was 2.14% lower than the benchmark KMI-30 Index, which dropped by 11.9%. Amid deteriorating current account situation during the month, we increased exposure in Textiles (by 4.0%) and E&Ps (by 2.8%) and reduced exposure in Cements (by 4.3%) on account of falling cement prices and seasonal demand slowdown in monsoon season. The Fund was 80.7% invested in Equities while the remaining was in cash and cash equivalent.

Members of the Investment Committee

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

MCBAH Shariah Supervisory Board

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

Sector Allocation (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers' Welfare Funds' liability to the tune of Rs.3.31 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs.0.0113 and YTD return would be higher by 0.09%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHISF.

Asset Allocation (%age of Total Assets)

| Particulars | Jul-17 | Jul-17 |
|------------------------------|--------|--------|
| Stock / Equities | 80.7% | 71.3% |
| Cash | 19.1% | 15.7% |
| Others including receivables | 0.2% | 13.0% |

Performance Information (%)

| Particulars | ALHISF | Benchmark |
|----------------------|---------|-----------|
| Year to Date Return | -11.35% | -11.31% |
| Month to Date Return | -9.80% | -11.94% |
| 180 Days Return | -14.07% | -18.01% |
| 365 Days Return | 7.34% | 0.44% |
| Since inception | 19.13% | 19.85% |

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

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark (%) | 52.20 | 41.16 | 16.01 | 15.53 | 18.80 |
| ALHISF(%) | 32.30 | 31.38 | 19.20 | 3.90 | 29.97 |

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---|------|
| Hub Power Company Limited | 8.2% |
| Oil and Gas Development Company Limited | 5.8% |
| Lucky Cement Limited | 5.7% |
| Engro Corporation Limited | 5.2% |
| Pakistan Petroleum Limited | 5.0% |
| Sui Northern Gas Company Limited | 4.9% |
| Pakistan Oilfields Limited | 4.6% |
| International Industries Limited | 3.6% |
| Mari Petroleum Company Limited | 3.1% |
| Nishat Mills Limited | 3.0% |

Fund Facts / Technical Information

| Particulars | ALHISF | KMI-30 |
|---|---------|---------|
| NAV per Unit (PKR) | 10.86 | |
| Net Assets (PKR M) | 3,180 | |
| Price to Earning (x)* | 9.23 | 9.60 |
| Dividend Yield (%) | 5.30 | 5.60 |
| No. of Holdings | 52 | 30 |
| Weighted Avg. Market Cap. (PKR Bn) | 106.67 | 178.5 |
| Sharpe Ratio | 0.03 | 0.04 |
| Beta | 0.76 | 0.00 |
| Correlation | 90.4% | |
| Max draw up | 656.54% | 785.16% |
| Max draw down | -60.06% | -23.75% |
| Standard Deviation | 1.08 | 1.29 |
| Total expense ratio with government levy** | 0.43% | |
| Total expense ratio without government levy | 0.59% | |

*prospective earnings

**This includes 0.06% representing government levy, and SECP fee and -0.22% representing reversal of Sindh Worker's Welfare Fund.

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|-----------|-----------|
| | 1,037,297 | 1,981,440 |

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MUFAP's Recommended Format



General Information

| | | |
|----------------------|--|-----|
| Plan Type | An Open End Scheme | |
| Category | Shariah Compliant Islamic Asset Allocation Plan | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) | |
| Stability Rating | Not Applicable | |
| Risk Profile | Moderate to High | |
| Launch | Date 29-Dec-16 | |
| Fund Manager | Syed Abid Ali | |
| Trustee | MCB Financial Services Limited | |
| Auditor | A.F. Ferguson & Co. Chartered Accountants | |
| Management Fee | 1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited. | |
| Front end Load* | Individuals | 3% |
| | Corporate | Nil |
| Back end Load* | Nil | |
| Contingent Load* | 3% | |
| Min. Subscription | PKR 500 | |
| Listing | Pakistan Stock Exchange | |
| Benchmark | KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme | |
| Pricing Mechanism | Forward | |
| Dealing Days | Monday - Friday | |
| Cut off Timing | Mon-Thurs (9:00 AM to 4:30 PM) | |
| Leverage | Nil | |

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIAAP-I has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.00 million, if the same were not made the NAV per unit of ALHIAAP-1 would be higher by Rs. 0.0000 and YTD return would be higher by 0.00%. For details investors are advised to read Note 5.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIAAP-I.

Asset Allocation (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|------------------------------|--------|--------|
| Cash | 6.0% | 5.6% |
| Alhamra Islamic Stock Fund | 68.9% | 64.1% |
| Alhamra Islamic Income Fund | 24.8% | 30.0% |
| GoP Ijara Sukuk | 0.0% | 0.0% |
| Others including receivables | 0.3% | 0.3% |

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 93.5920 |
| Net Assets (PKR M) | 1,467 |
| Total expense ratio with government levy* | -0.03% |
| Total expense ratio without government levy | 0.08% |

*This includes 0.02% representing government levy and SECP fee and -0.13% representing reversal of Sindh Worker's Welfare Fund.

Performance Information (%)

| Particulars | ALHIAAP- I | Benchmark |
|----------------------|------------|-----------|
| Year to Date Return | -6.42% | -7.03% |
| Month to Date Return | -6.00% | -7.47% |
| 180 Days Return | -7.78% | -9.66% |
| 365 Days Return | NA | NA |
| Since inception | -5.66% | -8.27% |

| | 2017 |
|---------------|--------|
| Benchmark (%) | -1.34% |
| ALHIAAP-I | 0.81% |

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

Investment Objective

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

Manager's Comment

During the month, the fund posted a return of -6.0% against its benchmark return of -7.47%. The fund slightly increased its exposure in cash and Alhamra Islamic Stock Fund.

Members of the Investment Committee

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

Asset Quality (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format



General Information

| | |
|----------------------|--|
| Plan Type | An Open End Scheme |
| Category | Shariah Compliant Islamic Asset Allocation Plan |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 16-June-17 |
| Fund Manager | Syed Abid Ali |
| Trustee | MCB Financial Services Limited |
| Auditor | A.F. Ferguson & Co. Chartered Accountants |
| Management Fee | 1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited |
| Front end Load* | Individuals 3% Corporate Nil |
| Back end Load* | Nil |
| Contingent Load* | 3% if redeemed within twelve months from the date of Investment 1% if redeemed after twelve months and before twenty four months from the date of Investment. |
| Min. Subscription | PKR 500 |
| Listing | Pakistan Stock Exchange |
| Benchmark | KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon-Thurs (9:00 AM to 4:30 PM) |
| Leverage | Nil |

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability
ALHIAAP-II has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0 million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0 and YTD return would be higher by 0%.

Asset Allocation (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|------------------------------|--------|--------|
| Cash | 7.0% | 24.9% |
| Alhamra Islamic Stock Fund | 48.1% | 39.8% |
| Alhamra Islamic Income Fund | 44.9% | 35.3% |
| Others including receivables | 0.0% | 0.0% |

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 97.5019 |
| Net Assets (PKR M) | 561 |
| Total expense ratio with government levy* | -0.01% |
| Total expense ratio without government levy | 0.06% |

*This includes 0.02% representing government levy and SECP fee and -0.09% representing reversal of Sindh Worker's Welfare Fund.

Investment Objective

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

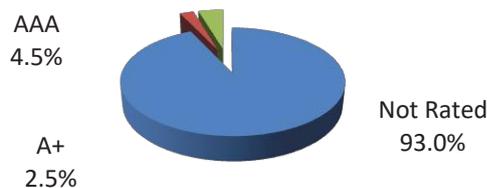
Manager's Comment

During the month, the fund posted a return of -2.71% against its benchmark return of -4.58%. The fund was 7.0% invested in cash and 48.1% in Alhamra Islamic Stock Fund.

Members of the Investment Committee

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

Asset Quality (%age of Total Assets)



Performance Information (%)

| Particulars | ALHIAAP- II | Benchmark |
|----------------------|-------------|-------------|
| Year to Date Return | -2.50% | -4.25% |
| Month to Date Return | -2.71% | -4.58% |
| 180 Days Return | 0.00% | 0.00% |
| 365 Days Return | 0.00% | 0.00% |
| Since inception | -2.32% | -4.15% |
| | | 2017 |
| Benchmark (%) | | 0.10% |
| ALHIAAP-II (%) | | 0.19% |

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



General Information

| | |
|------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Islamic Voluntary Pension Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (23-Jun-17) |
| Stability Rating | Not Applicable |
| Launch Date | 15-Nov-07 |
| Fund Manager | Awais Abdul Sattar, CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | Deloitte Yousuf Adil & Co., Chartered Accountants |
| Management Fee | 1.5% p.a. |
| Front / Back end Load* | 3% / 0% |
| Min. Subscription | PKR 500 |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00 AM to 5:00 PM) |
| Leverage | Nil |

*Subject to government levies

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. 1.53 million, if the same were not made the NAV per unit would be higher by Rs. 1.9310 per unit and YTD return would be higher by 0.33%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

ALHIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.33 million, if the same were not made the NAV per unit would be higher by Rs. 0.3068 per unit and YTD return would be higher by 0.16%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.10 million, if the same were not made the NAV per unit would be higher by Rs. 0.2374 and YTD return would be higher by 0.14%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIPF.

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 -11.36% during the month. Overall allocation in equity was increased.

Debt sub-fund generated a return of 1.95% during the month. GOP Ijara Sukuk exposure was decreased.

Money Market sub-fund generated a return of 2.77% during the month. The exposure in cash was decreased.

MCBAH Shariah Supervisory Board

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

Members of the Investment Committee

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

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---------------------------------------|------|
| Hub Power Company Limited | 9.2% |
| Lucky Cement Limited | 7.5% |
| Engro Corporation Limited | 6.5% |
| Oil & Gas Development Company Limited | 5.8% |
| Pakistan Petroleum Limited | 5.0% |
| Pakistan Oil Fields Limited | 5.0% |
| Mari Petroleum Company Limited | 1.8% |
| Sui Northern Gas Company Limited | 4.2% |
| International Industries Limited | 3.4% |
| Kohinoor Textile Mills Limited | 2.4% |

ALHIPF -Money Market (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|------------------------------|--------|--------|
| Cash | 58.4% | 71.9% |
| GoP Ijara Sukuk | 23.0% | 9.6% |
| Certificate of Modaraba | 17.5% | 17.6% |
| Others including receivables | 1.1% | 0.9% |

ALHIPF -Debt (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|------------------------------|--------|--------|
| Cash | 45.6% | 17.6% |
| GoP Ijara Sukuk | 29.3% | 57.3% |
| Others including receivables | 1.1% | 0.9% |
| TFCs | 8.2% | 8.3% |
| Certificate of Modaraba | 15.8% | 15.9% |

ALHIPF -Equity (%age of Total Assets)

| Particulars | Aug-17 | Jul-17 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 20.6% | 18.5% |
| Cement | 11.9% | 13.0% |
| Power Generation & Distribution | 9.2% | 9.1% |
| Fertilizer | 6.5% | 6.7% |
| Paper & Board | 5.0% | 3.4% |
| Other equity sectors | 37.7% | 31.2% |
| Cash | 8.3% | 6.7% |
| Others including receivables | 0.8% | 11.4% |

Performance Information & Net Assets

| Particulars | ALHIPF-EQ* | ALHIPF-DT** | ALHIPF-MM** |
|--------------------------|------------|-------------|-------------|
| Year to Date Return (%) | -12.99 | 0.40 | 2.33 |
| Month to Date Return (%) | -11.36 | 1.95 | 2.77 |
| Since inception (%) | 407.72 | 6.93 | 5.82 |
| Net Assets (PKR M) | 402.32 | 206.41 | 73.49 |
| NAV (Rs. Per unit) | 508.74 | 193.76 | 174.72 |

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

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| ALHIPF - EQ* | 41.80 | 42.10 | 39.53 | 14.84 | 33.21 |
| ALHIPF - DT** | 6.80 | 8.22 | 4.76 | 4.04 | 4.46 |
| ALHIPF - MM** | 7.70 | 6.86 | 4.80 | 2.36 | 3.78 |

* Total Return

** Annualized return

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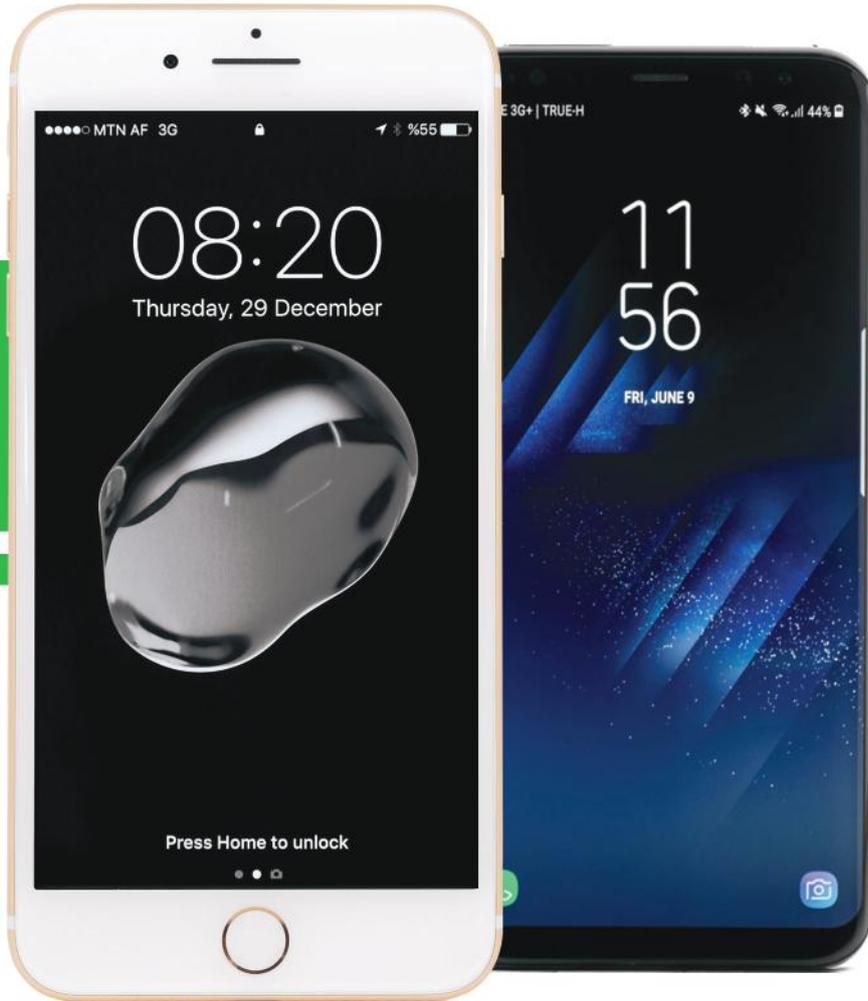
FUND PERFORMANCE

Absolute Returns

| Funds | YTD (FY 18) | (July 2016 to June 2017) | (July 2015 to June 2016) |
|--|-------------|--------------------------|--------------------------|
| Money Market Schemes | | | |
| MCB Cash Management Optimizer | 5.22% | 7.11% | 5.77% |
| Pakistan Cash Management Fund | 4.82% | 8.34% | 5.88% |
| Income Schemes | | | |
| MCB DCF Income Fund | 4.21% | 6.50% | 6.23% |
| MCB Pakistan Sovereign Fund | 4.88% | 5.89% | 7.30% |
| Pakistan Income Fund | 4.47% | 6.90% | 6.14% |
| Aggressive Fixed Income Scheme | | | |
| Pakistan Income Enhancement Fund | 5.04% | 5.06% | 8.33% |
| Islamic Income Scheme | | | |
| Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund) | 3.49% | 6.49% | 5.05% |
| Asset Allocation Schemes | | | |
| MCB Pakistan Frequent Payout Fund | 0.46% | 5.54% | 3.54% |
| MCB Pakistan Asset Allocation Fund | -3.21% | 9.54% | 3.21% |
| Shariah Compliant Fund of Funds | | | |
| Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016) | -6.42% | 0.81% | n/a |
| Alhamra Islamic Active Allocation Plan-II (Inception Date: 16-Jun-2017) | -2.50% | 0.19% | n/a |
| Balanced Scheme | | | |
| Pakistan Capital Market Fund | -5.98% | 25.36% | 5.17% |
| Equity Schemes | | | |
| MCB Pakistan Stock Market Fund | -9.68% | 29.54% | 5.25% |
| Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund) | -11.35% | 29.97% | 3.90% |
| Islamic Asset Allocation Schemes | | | |
| Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund) | -5.61% | 27.74% | 5.09% |
| Islamic Voluntary Pension Scheme | | | |
| Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt) | 0.40% | 4.46% | 4.04% |
| Alhamra Islamic Pension Fund-MM (Formerly: Pakistan Islamic Pension Fund-MM) | 2.33% | 3.78% | 2.36% |
| Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity) | -12.99% | 33.21% | 14.84% |
| Voluntary Pension Scheme | | | |
| Pakistan Pension Fund-Debt | 3.89% | 4.31% | 7.35% |
| Pakistan Pension Fund-MM | 4.29% | 4.30% | 4.40% |
| Pakistan Pension Fund-Equity | -12.89% | 35.72% | 10.77% |



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- This offer is valid only for Account Statements generated via new sign ups in the month of September 2017.
- A total of 8 winners will be announced on 3rd October 2017 through a draw.