

MONEY MATTERS

Fund Manager's Report
JANUARY 2018



BACHAT SHARIAT KE MUTABIQ



MCB-ARIF HABIB
Savings and Investments Limited

AM2₊₊
BY PACRA

FUND PERFORMANCE



Fund Returns

Funds	YTD (FY 18)	(July 2016 to June 2017)	(July 2015 to June 2016)
Islamic Income Scheme			
Alhamra Islamic Income Fund (Formerly: MCB Islamic Income Fund)	4.58%	6.49%	5.05%
Shariah Compliant Fund of Funds			
Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016)	-5.03%	0.81%*	n/a
Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017)	1.29%	0.19%**	n/a
Islamic Equity Scheme			
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	-7.59%	29.97%	3.90%
Islamic Asset Allocation Scheme			
Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund)	-1.69%	27.74%	5.09%
Islamic Voluntary Pension Scheme			
Alhamra Islamic Pension Fund-Debt (Formerly: Pakistan Islamic Pension Fund-Debt)	2.59%	4.46%	4.04%
Alhamra Islamic Pension Fund-Money Market (Formerly: Pakistan Islamic Pension Fund-Money Market)	3.18%	3.78%	2.36%
Alhamra Islamic Pension Fund-Equity (Formerly: Pakistan Islamic Pension Fund-Equity)	-10.05%	33.21%	14.84%

* From December 29, 2016 to June 30, 2017
 ** From June 16, 2017, to June 30, 2017

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

Annualized Returns for: Islamic Income Schemes and Alhamra Islamic Pension Fund (Debt and Money Market).
 Absolute Returns for: Shariah Compliant Fund of Funds, Islamic Equity, Islamic Asset Allocation Schemes, Alhamra Islamic Pension Fund-Equity.

MCB-AH believes in providing best investment experience to our investors. Please feel free to forward your complaint/query/suggestion and we will do our best to redress the same to further improve our processes.
 For any complaint/query/suggestion, please email at mcbah.qa@mcbah.com

DEAR INVESTORS,

Assalam-o-Alaikum from your reliable savings partner!

Thank you for taking the time to review our Fund Manager's Report for the month of January 2018. We appreciate you entrusting us with your savings; it is your faith that motivates us to provide you with the best in class products and services and strive to help you build and grow your wealth.

As part of our ongoing digital campaign to enhance awareness of mutual fund investing for all Pakistanis, this month we are pleased to bring to you the importance of regular saving via Systematic Investment Plan (SIP). SIP is a seamless, hassle free way to invest money on a regular basis in mutual funds and helps investors save in a disciplined way for specific goals or for generally growing their wealth. Now with iSave, our digital savings portal, you can set up a SIP for a specific goal or multiple SIPs for varied goals. All you need is your iSave login ID and password along with linking a bank account on our biller list. Alternately, pick up cheque option can be availed if your preferred bank is not listed on our biller list.

Alongside operational ease and peace of mind, SIP enables you to enjoy Rupee Cost Averaging in equity linked investments. As your contributions are spread over time, you will average out your buying price of mutual fund units and not have to worry about short term capital market volatility and trying to time the market. Your investments will also benefit from compounding or re-invest of units that will accelerate the growth of your investments.

With iSave you have the convenience and freedom to invest whenever, wherever to generate better, more cost-effective returns without worrying about investing every month or every quarter as a SIP automatically does the job for you. Furthermore, SIP is developed to encourage 'Save before Spending' strategy and this forced saving will improve your budgeting. SIP invests a certain pre-determined amount at regular intervals (monthly, quarterly, etc.) where reminders to make payments shall be transmitted to you on the date of your choice.

Where combating inflation and impulsive buying with aggressively marketing is becoming ever-challenging, SIP helps inculcate the habit of saving and building wealth for the future. Being the first AMC in Pakistan to offer SIP service via iSave, you will be free from the hassle of paperwork. Every investment is a step towards your financial goals. Saving to fulfill short and long term needs like buying a new car or saving enough for children's future education is now possible as SIP can help in achieving these over a period of time. You can now also track your savings progress towards meeting your financial goal and adjust as appropriate.

We know your money and time are precious and it is our passion to provide you with better investment opportunities to make saving easier so you can enjoy life's more important moments with friends and family.

For any queries or suggestions feel free to contact us via WhatsApp 0300-4362224, call us on our 24/7 helpline 0800-622-24 or email us at info@mcbah.com to speak to one of our helpful Customer Support Officers.

Mutual Funds Zaroori Hai!



Muhammad Saqib Saleem

Chief Executive Officer



MACRO-ENVIRONMENT REVIEW AND OUTLOOK

The shocking development this month was the preemptive move by State Bank of Pakistan to increase the discount rate by 25bps. The rate hike gives indication of active management by regulatory bodies to check over heating of the economy. Going forward, we now foresee -50bps increase by the end of FY18.

7MFY18 headline inflation remained under control (3.85%), however we see inflation to pick up pace in the remaining period as rising oil prices and currency depreciation get reflected in the numbers.

Depleting FX reserves and ballooning current account deficit continues to be a sour spot for the government economic managers. The USD 2.5 international bond failed to sustain reserves, and now as per new reports the government is eyeing another international bond in the first half of Feb. Analyst have become skeptical of Pakistan's ability to avoid another IMF program in the near future even with another bond issue.

On the fiscal front, Tax collection for 7MFY18 has recorded an YoY growth of - 17% (- PKR 2 trillion as against -PKR 1.7 trillion last year), falling only slightly behind the annual target requirement of 19%. While the tax collection is commendable, we still have concerns over the government's ability to achieve the target fiscal deficit, owing to record public and provincial expenditures in the election year.

EQUITY MARKET REVIEW AND OUTLOOK

The benchmark KSE100 index gained 8.8% in Jan'18 to close at 44,095 backed by massive foreign buying. The bull run that started off in later part of Dec-17 added more than 5,000 points to the index over 13 consecutive trading sessions. The joint opposition protest held in Lahore failed to make any impact; this along with re-election of Chief Minister of Baluchistan brought relative calmness to the political scene.

Foreigners bought -USD 86 mn worth of equities absorbing the selling by Banks (USD 50 mn), Companies (USD 26 mn) and Insurance Companies (USD 17 mn). Encouragingly participation saw a massive improvement in Jan-18, average volume/value traded improved by 58/59% respectively.

Positive contribution to the index was led by Cements (+17.7%) mainly due to developments related to court proceedings on Katas Raj Temple and subsequent actions by Punjab Government to determine positive and negative zones for cement capacity expansions rejuvenated interest in the sector. Engineering was up by (+16.7%) due to increase in the prices of long and flat steel products (by 3k-5k/ Tons) following currency depreciation. More importantly, Mughal Iron & Steel's recently announced extension in grid station capacity from -19 MW to -60 MW garnered investor interest. Commercial banks (+9.5%) also lead the charts primarily because of increase in discount rate by 25 bps in Monetary Policy Meeting in the last week of January 2018.

Going forward, while we expect the positive momentum to continue for the short run, nevertheless, we expect market to remain volatile owing to emerging concerns on economy. We continue to track trends in economic indicators of the country and adjust our portfolio accordingly. While we reiterate our view of limited downside in stock market, in the interim; we believe the road to general elections scheduled next year may continue to test patience of equity investors. Elections & political activity, and CPEC would likely remain the key drivers.

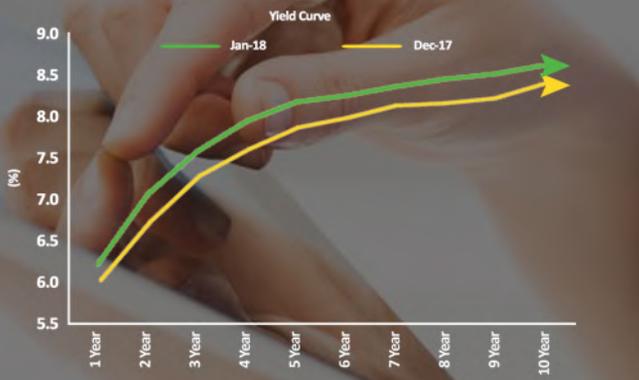
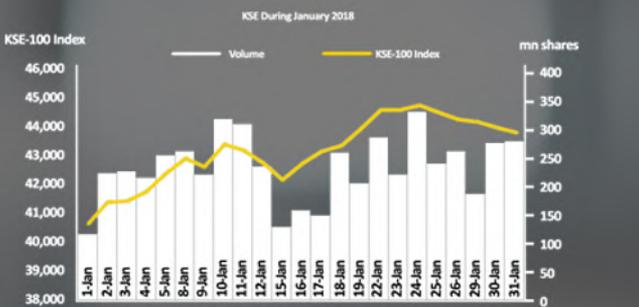
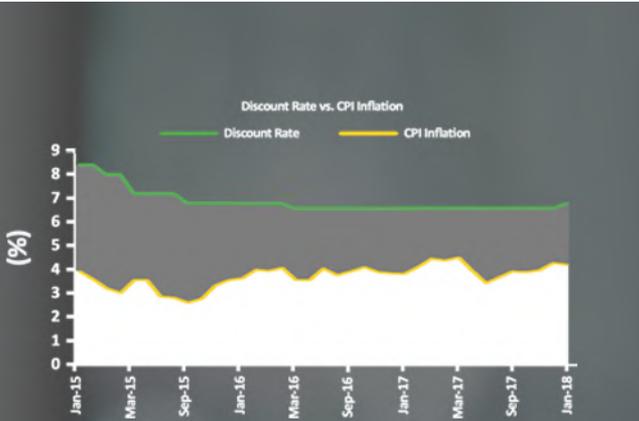
MONEY MARKET REVIEW AND OUTLOOK

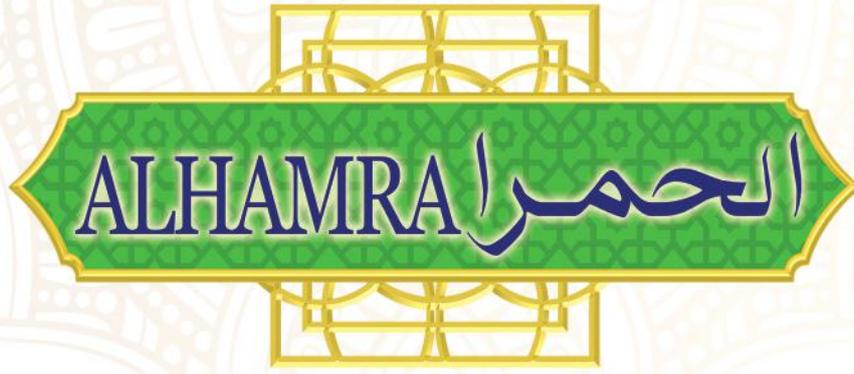
The government announced monetary policy on January 26, 2018 and increased the policy rate from 5.75% to 6%. The market though, expecting an increase in policy rate, didn't expect it this early. SBP highlighted four main factors that witnessed a change in policy decision (a) Devaluation of PKR (b) Increase in Oil prices locally and internationally (c) Increase in aggregate demand (d) Interest rate increase by other Centrals banks. Considering these factors SBP decided in favor of an increase to maintain balance of economy in long term.

Shorter tenor T-bills for 3 months , before MPS ,was being traded at a level of 5.97%. However, since there was excess liquidity in the market yields in secondary market went up by only 10 - 12 bps after the announcement. In last T-bill auction held on January 31,2018, cut off for 3 months t-bill increased from 5.9910% previously to 6.2144% whereas 6months and 12 months T-bill auction were rejected due to no participation. T-bill maturity was PKR 842bn whereas target of auction was PKR 900bn. A huge participation of PKR 1,836bn was witnessed out of which PKR 1,170bn was accepted. SBP on the other end conducted regular OMOs to keep market liquidity intact.

The bond Yield Curve showed an upward trend. The PIB auction on January 25, 2018 witnessed a total participation of only PKR 31 billion, where 3 year PIB received all bids amounting to PKR 31 billion. Where as no bids were received for 5 year and 10 year PIB. Insignificant amount of participation and that too at higher yields resulted in the auction being rejected.

Going forward a further increase in MPS is expected to sustain macroeconomic stability. The focus should primarily be on addressing current account deficit. The continuous declining figure of Foreign exchange reserve albeit devaluation of PKR is nothing but serious. The deficit would be financed primarily via external borrowing largely through issuance of dollar denominated Bonds/sukuk.





BACHAT **SHARIAT** KE MUTABIQ

HALAL SARMAYAKARI

Under the Supervision of

Justice (Rtd.) Muhammad Taqi Usmani
CHAIRMAN SHARIAH SUPERVISORY BOARD

Dr. Muhammad Zubair Usmani
SHARIAH ADVISOR

Dr. Ejaz Ahmed Samadani
SHARIAH ADVISOR



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
Min. Subscription	Growth & Bachat Units ----- PKR 500 Income Units ----- PKR 100,000
Listing	Pakistan Stock Exchange
Benchmark	Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon - Fri (9:00AM to 4:30 PM)
Leverage	Nil
*Subject to government levies	

Investment Objective

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

Manager's Comment

During the month the fund generated an annualized return of 4.78% as against its benchmark return of 2.52%. The fund decreased its exposure in Sukuks and decrease its exposure in Certificate of Musharaka to 20.9% and 14.1% respectively. Exposure in cash increased from 29.5% to 50.5%.

Fund Facts / Technical Information

NAV per Unit (PKR)	103.8050
Net Assets (PKR M)	3,306
Net Assets excluding Fond of Funds (PKR M)	1,841
Weighted average time to maturity (Days)	353
Sharpe Ratio	0.15
Correlation***	10.2%
Standard Deviation	0.05
Total expense ratio with government levy**	0.70%
Total expense ratio without government levy	0.53%

**This includes 0.17% representing government levy, Sindh workers' welfare fund and SECP Fee.
*** as against benchmark

Top Sukuk Holding (% of Total Assets)

International Brands Limited (3-Oct-17)	10.4%
Aspin Pharma (Private) Limited (30-Nov-17)	6.0%
Engro Fertilizer Limited (9-Jul-14)	1.9%
Ghani Gases Limited (2-Feb-17)	2.6%

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 3.39 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1064 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 quarter ended September 30, 2017 of ALHIIF.

Members of the Investment Committee

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

MCBAH Shariah Supervisory Board

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

Asset Allocation (%age of Total Assets)

Particulars	Jan-18	Dec-17
Cash	50.5%	29.5%
GoP Ijara Sukuks	1.6%	1.8%
Sukuk	20.9%	29.2%
Certificate of Musharakah	14.1%	17.8%
Certificate of Modaraba	7.5%	8.6%
Others including receivables	1.0%	1.2%
Shariah Compliant Commercial Papers	4.4%	5.0%
Shariah Compliant Bank Deposits	0.0%	6.9%

Note: Amount invested by Fund of funds is PKR 1,465 million (44.0% of Total Assets) as of January 31, 2018.

Performance Information (%)

Particulars	ALHIIF	Benchmark
Year to Date Return (Annualized)	4.58%	2.47%
Month to Date Return (Annualized)	4.78%	2.52%
180 Days Return (Annualized)	4.87%	2.48%
365 Days Return (Annualized)	4.93%	2.53%
Since inception (CAGR)	7.34%	6.00%
Average Annual Return (Geometric Mean)	7.16%	-

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 Listing	PKR 500
Benchmark	Pakistan Stock Exchange KMI 30 Index and Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00 AM to 4:30 PM)
Leverage	Nil
*Subject to government levies	

Investment Objective

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

Manager's Comment

The fund posted a return of 3.48% as against its benchmark return of 6.58% during the month. Exposure in equities was decreased to 38.6% as compared to 44.8% in the previous month while allocation in cash increased to 56.0% from 50.7%.

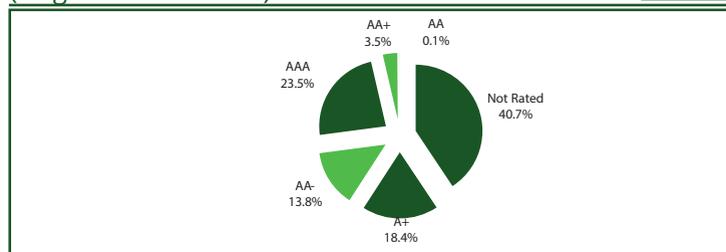
Members of the Investment Committee

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

MCBAH Shariah Supervisory Board

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

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



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHAA has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 7.62 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.2156 and YTD return would be higher by 0.30%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHAA.

Asset Allocation (%age of Total Assets)

Particulars	Jan-18	Dec-17
Cash	56.0%	50.7%
Stock /Equities	38.6%	44.8%
Sukuk	0.0%	0.0%
Others including receivables	2.1%	1.0%
Shariah Compliant Bank Deposits	3.3%	3.5%

Performance Information (%)

Particulars	ALHAA	Benchmark
Year to Date Return	-1.69%	-4.18%
Month to Date Return	3.48%	6.58%
180 Days Return	-2.76%	-6.36%
365 Days Return	-1.44%	-8.82%
Since inception	298.55%	423.78%

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	Percentage
Oil and Gas Development Company Limited	Equity	4.8%
Engro Fertilizers Limited	Equity	3.3%
Engro Corporation Limited	Equity	3.3%
Hub Power Company Limited	Equity	3.3%
Lucky Cement Limited	Equity	3.2%
Pakistan Oilfields Limited	Equity	3.1%
Nishat Mills Limited	Equity	2.4%
Pakistan Petroleum Limited	Equity	2.0%
International Industries Limited	Equity	1.9%
Mari Petroleum Company Limited	Equity	1.3%

Fund Facts / Technical Information

Particulars	ALHAA	KMI-30
NAV per Unit (PKR)	71.7761	
Net Assets (PKR M)	2,537	
Sharpe Ratio	0.05	0.05
Beta	0.66	1.00
Correlation**	84.1%	
Max draw up	502.93%	950.40%
Max draw Down	-28.91%	-39.6%
Standard Deviation	0.75	0.96
Total expense ratio with government levy*	2.06%	
Total expense ratio without government levy	1.83%	

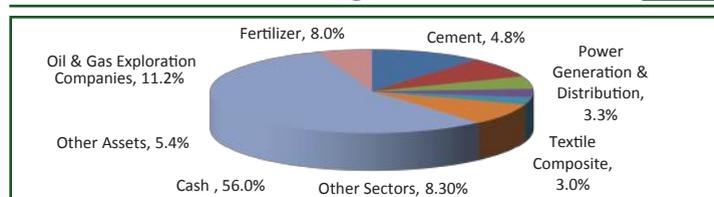
*This includes 0.23% representing government levy, Sindh Worker's Welfare Fund and SECP fee

**as against benchmark

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	849,187	4,734,081

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	High
Launch Date	11-Sept-2004 (Converted into Shariah Compliant Islamic Fund with effect from July 01,2015)
Fund Manager	Awais Abdul Sattar CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	EY Ford Rhodes, Chartered Accountants
Management Fee	2.0% p.a.
Front end Load*	Type "B" Units: Individual 3% Corporate Nil
Back end Load*	Type "C" Units Bachat Units(Two Years)-----Nil Bachat Units(Three Years)-----Nil Type "B" Units ----- Nil Type "C" Units - Bachat Units(Two Years): 3% if redeemed before completion of two (2) years from the date of intial investment. 0% if redemption after completion of two (2) years from the date of initial investment. Type "C" Units - Bachat Units(Three Years): 3% if redeemed before completion of three (3) years from the date of initial investment. 0% if redemption after completion of three (3) years from the date of initial investment.
Min. Subscription Listing	PKR 500
Benchmark	Pakistan Stock Exchange
Pricing Mechanism	KMI-30 Index
Dealing Days	Forward
Cut off Timing	Monday - Friday
Leverage	Mon - Fri (9:00AM to 4:30 PM)
	Nil

*Subject to government levies

Investment Objective

The objective of the Fund is to provide investors long term capital appreciation from its investment in Shariah Compliant Equity Securities.

Manager's Comment

The Fund posted a 7.81% return during January 2018 compared to the benchmark return of 8.74%, resulting an underperformance of 90 basis point, which was mainly on account underweight position in select cement stocks. During the month we reduced exposure in Cement and Oil stocks after a strong rally in the market. The Fund was 78.3% invested in equities while the rest 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	Head of Research
Mohammad Aitazaz Farooqui	Research Analyst

MCBAH Shariah Supervisory Board

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

Sector Allocation (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers' Welfare Funds' liability to the tune of Rs.9.95 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs.0.0362 and YTD return would be higher by 0.30%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHISF.

Asset Allocation (%age of Total Assets)

Particulars	Jan-18	Dec-17
Stock / Equities	78.3%	84.3%
Cash	16.1%	12.6%
Others including receivables	5.6%	3.1%

Note: Amount invested by fund of funds is PKR 727 million (22.9% of Total Assets) as of January 31, 2018.

Performance Information

Particulars	ALHISF	Benchmark
Year to Date Return	-7.59%	-5.07%
Month to Date Return	7.81%	8.74%
180 Days Return	-7.67%	-7.68%
365 Days Return	-8.56%	-10.98%
Since inception	24.18%	28.28%

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)

Oil and Gas Development Company Limited	6.8%
Pakistan Petroleum Limited	6.2%
Hub Power Company Limited	5.0%
Lucky Cement Limited	4.9%
Meezan Bank Limited	4.7%
Pakistan Oilfields Limited	4.6%
Engro Corporation Limited	4.2%
Nishat Mills Limited	4.0%
Mari Petroleum Company Limited	3.4%
International Industries Limited	2.8%

Fund Facts / Technical Information

Particulars	ALHISF	KMI-30
NAV per Unit (PKR)	11.32	
Net Assets (PKR M)	3,111	
Net Assets excluding fund of funds(PKR M)	2,384	
Price to Earning (x)*	10.43	9.25
Dividend Yield (%)	4.93	5.67
No. of Holdings	44	30
Weighted Avg. Market Cap. (PKR Bn)	122.21	191.1
Sharpe Ratio	0.03	0.04
Beta	0.76	1.00
Correlation***	90.7%	
Max draw up	202.36%	218.06%
Max draw down	-91.77%	-34.6%
Standard Deviation	1.08	1.29
Total expense ratio with government levy**	2.20%	
Total expense ratio without government levy	1.97%	

*prospective earnings

**This includes 0.23% representing government levy, Sindh Worker's Welfare Fund and SECP fee

*** as against benchmark

Branch Renovation Expense Charged to the Fund (PKR)

	MTD	YTD
	1,062,695	7,060,449

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MUFAP's Recommended Format



General Information

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

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability
ALHIAAP-I has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 0.26 million, if the same were not made the NAV per unit of ALHIAAP-1 would be higher by Rs. 0.0172 and YTD return would be higher by 0.02%. For details investors are advised to read Note 9.1 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIAAF.

Asset Allocation (%age of Total Assets)

Particulars	Jan-18	Dec-17
Cash	5.2%	5.2%
Alhamra Islamic Stock Fund	29.9%	45.2%
Alhamra Islamic Income Fund	64.7%	49.4%
Others including receivables	0.2%	0.2%

Fund Facts / Technical Information

NAV per Unit (PKR)	94.9855
Net Assets (PKR M)	1,455
Total expense ratio with government levy*	0.34%
Total expense ratio without government levy	0.26%

*This includes 0.08% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Performance Information (%)

Particulars	ALHIAAP- I	Benchmark
Year to Date Return	-5.03%	-4.07%
Month to Date Return	3.51%	3.66%
180 Days Return	-5.72%	-5.78%
365 Days Return	-5.53%	-6.18%
Since inception	-4.26%	-5.35%

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.

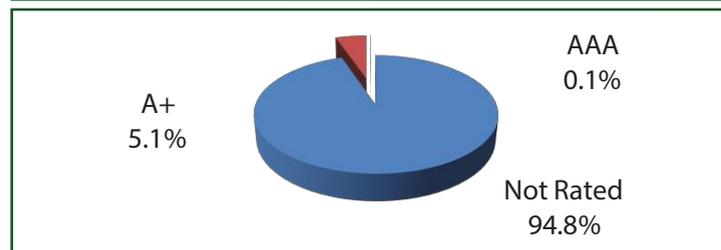
Manager's Comment

During the month, the fund posted a return of 3.51% against its benchmark return of 3.66%. The exposure in cash remain same to 5.2% and increase in Alhamra Islamic Income Fund to 64.7%.

Members of the Investment Committee

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

Asset Quality (%age of Total Assets)



Absolute

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

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



General Information

Plan Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Plan
Asset Manager Rating	AM2++ (AM Two Double Plus) by PACRA (28-Dec-17)
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	16-June-17
Fund Manager	Syed Abid Ali
Trustee	MCB Financial Services Limited
Auditor	A.F. Ferguson & Co. Chartered Accountants
Management Fee	1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited
Front end Load*	Individuals 3% Corporate Nil
Back end Load*	Nil
Contingent Load*	3% if redeemed within twelve months from the date of Investment 1% if redeemed after twelve months and before twenty four months from the date of Investment.
Min. Subscription Listing	PKR 500 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 0.24 million, if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0.0296 and YTD return would be higher by 0.03%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended March 31, 2018 of ALHIAAP-II.

Asset Allocation (%age of Total Assets)

Particulars	July-18	June-18
Cash	3.1%	3.4%
Alhamra Islamic Stock Fund	43.8%	43.6%
Alhamra Islamic Income Fund	53.1%	52.9%
Others including receivables	0.0%	0.1%

Fund Facts / Technical Information

NAV per Unit (PKR)	99.7419
Net Assets (PKR M)	794
Total expense ratio with government levy*	0.04%
Total expense ratio without government levy	0.02%

*This includes 0.02% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Investment Objective

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

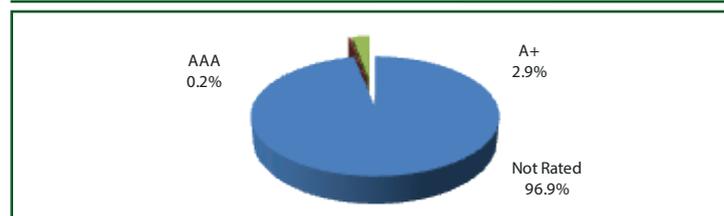
Manager's Comment

During the month, the fund posted a return of 0.37% against its benchmark return of 0.85%. The fund was 3.1% invested in cash and 43.8% in Alhamra Islamic Stock Fund.

Members of the Investment Committee

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

Asset Quality (%age of Total Assets)



Performance Information (%)

Particulars	ALHIAAP- II	Benchmark
Year to Date Return	0.37%	0.85%
Month to Date Return	0.37%	0.85%
180 Days Return	-1.52%	-1.09%
365 Days Return	-0.27%	-1.27%
Since inception	0.12%	-0.83%

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

Absolute

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

*From June 16, 2017 to June 30, 2017.



General Information

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

*Subject to government levies

Investment Objective

The investment objective of the fund is to seek steady returns with a moderate risk for investors by investing in a portfolio of equity, short medium term debt and money market instruments.

Manager's Comment

Equity sub-fund generated return of 7.90% during the month. Overall allocation in equity was decreased.

Debt sub-fund generated a return of 2.88% during the month. GOP Ijara Sukuk exposure was decreased.

Money Market sub-fund generated a return of 3.06% during the month. The exposure in cash was decreased.

MCBAH Shariah Supervisory Board

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

Members of the Investment Committee

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

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

Oil & Gas Development Company Limited	8.8%
Engro Corporation Limited	7.7%
Pakistan Oil Fields Limited	5.7%
Lucky Cement Limited	5.2%
Engro Fertilizers Limited	5.0%
Mari Petroleum Company Limited	4.9%
Meezan Bank Limited	4.2%
Hub Power Company Limited	3.2%
International Industries Limited	3.0%
Kohat Cement Company Limited	2.7%

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIPF-EQ has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2.35 million, if the same were not made the NAV per unit would be higher by Rs. 2.9060 per unit and YTD return would be higher by 0.50%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIPF.

ALHIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.39 million, if the same were not made the NAV per unit would be higher by Rs. 0.3533 per unit and YTD return would be higher by 0.18%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.12 million, if the same were not made the NAV per unit would be higher by Rs. 0.2754 and YTD return would be higher by 0.16%. For details investors are advised to read Note 9.2 of the latest Financial Statements for the quarter ended September 30, 2017 of ALHIPF.

ALHIPF -Money Market (%age of Total Assets)

Particulars	Jan-18	Dec-17
Cash	51.9%	52.8%
GoP Ijara Sukuk	11.2%	11.4%
Certificate of Modaraba	17.4%	17.5%
Others including receivables	0.9%	0.8%
Shariah Compliant Bank Deposits	18.6%	17.5%

ALHIPF -Debt (%age of Total Assets)

Particulars	Jan-18	Dec-17
Cash	34.5%	35.9%
GoP Ijara Sukuk	27.7%	28.2%
Others including receivables	1.5%	1.4%
TFCs	12.3%	12.4%
Certificate of Modaraba	15.0%	15.3%
Shariah Compliant Bank Deposits	6.8%	4.6%
Commercial Paper	2.2%	2.2%

ALHIPF -Equity (%age of Total Assets)

Particulars	Jan-18	Dec-17
Oil & Gas Exploration Companies	22.1%	26.2%
Fertilizer	12.7%	12.9%
Cement	8.0%	7.6%
Automobile Assembler	4.3%	4.2%
Commercial Banks	4.2%	2.9%
Other equity sectors	33.0%	34.9%
Cash	9.7%	10.1%
Others including receivables	6.0%	1.2%

Performance Information & Net Assets

Particulars	ALHIPF-EQ*	ALHIPF-DT**	ALHIPF-MM**
Year to Date Return (%)	-10.05	2.59	3.18
Month to Date Return (%)	7.90	2.88	3.06
Since inception (%)	424.88	6.79	5.72
Net Assets (PKR M)	425.43	217.38	79.76
NAV (Rs. Per unit)	525.93	196.58	177.29

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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BACHAT **SHARIAT** KE MUTABIQ



ALHAMRA ISLAMIC ASSET ALLOCATION FUND

(Formerly: Pakistan International Element Islamic Asset Allocation Fund)
An Open Ended Shari'ah Compliant Islamic Asset Allocation Scheme

Contact us at: 0800-00244

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