



MCB-ARIF HABIB
Savings and Investments Limited



MONEY MATTERS

Fund Manager's Report
DECEMBER 2018

JSAVE

Pakistan's First Digital Savings Solution by
MCB-Arif Habib Savings and Investments Limited



FUND PERFORMANCE



Fund Returns

| Funds | YTD (FY 19) | (July 2017 to June 2018) | (July 2016 to June 2017) |
|---------------------------------------|-------------|--------------------------|--------------------------|
| Money Market Schemes | | | |
| MCB Cash Management Optimizer | 7.36% | 5.41% | 7.11% |
| Pakistan Cash Management Fund | 5.99% | 4.67% | 8.34% |
| Income Schemes | | | |
| MCB DCF Income Fund | 6.46% | 4.62% | 6.50% |
| MCB Pakistan Sovereign Fund | 5.53% | 5.08% | 5.89% |
| Pakistan Income Fund | 7.16% | 4.77% | 6.90% |
| Aggressive Fixed Income Scheme | | | |
| Pakistan Income Enhancement Fund | 6.70% | 5.17% | 5.06% |
| Asset Allocation Schemes | | | |
| MCB Pakistan Frequent Payout Fund | 2.24% | 4.50% | 5.54% |
| MCB Pakistan Asset Allocation Fund | -6.73% | -2.55% | 9.54% |
| Balanced Scheme | | | |
| Pakistan Capital Market Fund | -6.18% | -3.21% | 25.36% |
| Equity Scheme | | | |
| MCB Pakistan Stock Market Fund | -10.86% | -7.51% | 29.54% |
| Voluntary Pension Scheme | | | |
| Pakistan Pension Fund-Debt | 6.47% | 4.31% | 4.31% |
| Pakistan Pension Fund-Money Market | 6.44% | 4.39% | 4.30% |
| Pakistan Pension Fund-Equity | -10.68% | -9.43% | 35.72% |

Growth in the value of Rs.100 invested in MCB Pakistan Stock Market Fund (MCB-PSM) at inception (11th Mar, 2002)

| | Value as at 31 st Dec 2018 |
|----------------------------------|---------------------------------------|
| PKR 100 invested in PSM | PKR 2,815 |
| PKR 100 invested in KSE100 index | PKR 1,979 |

Earn more with PSM



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

Annualized Returns for: Money Market, Income, Aggressive Fixed Income, Pakistan Pension Fund (Debt and Money Market).
Absolute Returns for: Asset Allocation, Balanced, Equity, Pakistan Pension Fund-Equity.

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

DEAR INVESTORS,

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

2019 has arrived and we are pleased to announce that there are a number of activities in store for you. While you see everyone setting new goals for themselves, we reckon that it is the perfect time to upgrade yourselves with a new and better version of iSave. There are a number of enhanced features integrated into the new app experience. With a fresh look and improved functionality, it will enable you to navigate our offerings with ease. We believe in innovation and strive to provide a completely new user experience, tailored to suit the needs of each of our customers in order to further simplify their life. The upgraded app will be available soon on both iOS and android platforms. That is not it! There are more flagship projects in the pipeline, including the launch of our debit card, along with additional value-added services for our users.

With this launch, we tend to expand our digital payment services whereby you can withdraw money or make seamless payments at any retailer across the nation. The card will open a world of convenience and comfort, allowing you to conduct contactless transactions. It gets simple as now you can use a single platform to invest, save and make payments at any retailer.

Similarly, there are more such projects, which align our digital platform much closely with our brand and future offerings. With our commitment to deliver excellence to our customers, it gives us immense pleasure and pride to launch these projects. With our aim to improve every aspect of our online and offline presence, we strive to provide you with services that make a difference and complement your lifestyle. Stay tuned for more exciting updates.

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



Muhammad Saqib Saleem

Chief Executive Officer

MACRO-ENVIRONMENT REVIEW AND OUTLOOK

Economic uncertainty has started to fade after government has received commitments from its various allies. During the month, the government received commitment from UAE amounting to USD 3 billion in terms of Balance of Payment ("BoP") Support, while discussions are ongoing with regards to Oil Deferred Facility. Similarly, China has also committed to lend USD 2 billion for BoP support, which we believe will be enough to avert the near term external crisis.

CPI for the month of December'18 clock in at 6.17%, which will take the average CPI for 1HFY19 to 6.1%. Inflation is expected to further jack up during the 2HFY19, owing to a low base effect and lagged impact of currency adjustments. Furthermore, government is yet to adjust electricity prices as the gap between base tariff and actual cost of generation has widened significantly. We expect CPI to average 9.3% for the 2HFY19; and should the government aim to keep real interest rates in a higher trajectory, one more hike of 50 bps cannot be ruled out.

Current account deficit clocked in at USD 1.3 billion, taking the cumulative CAD for 5MFY19 to USD 6.1 billion. While the trend in general has improved drastically, it has yet to reach sustainable levels. We believe as the impact of lower crude oil prices kicks in and as exports improve on owing to pro government policies, the CAD will be brought into a sustainable range. During the month, the foreign exchange reserves declined by USD 5 million owing to debt repayments by the central bank.

As per news articles, FBR is facing a revenue shortfall in 1HFY19, owing to which government is forced to fill the gap financial gap through additional revenue measures by announcing a mini budget during the next month. It is expected that the budget will fetch additional PKR 200 billion which shall improve the overall fiscal deficit by 0.5% of GDP.

Contractionary policies, external pressures and rising gas and electricity prices have taken their toll on large scale manufacturing which posted a decline of 0.65% YoY in the first four months of FY19. Given initial plans of the ruling government some sense of policy steps can be expected, but given the precarious economic conditions, we think term measures to address twin deficits are critical. The government has cleared the air by going for an IMF program, which we believe was the need of the hour. Alongside, the government will have to address the key structural issues to tread on the path of long term sustainable economic growth.

Large Scale

The month of December'18 remained positive when UAE committed USD 3 billion for BOP support and second tranche, \$1 billion from a total of \$3 billion direct support package pledged by Saudi Arabia, were added to the reserves. Even after the addition of \$1 billion to the reserves foreign reserves still are dwindling at \$14.0 billion, a mere coverage of less than 2 months of imports. While talks are being held between the Mr. Khan and friendly countries, Pakistan still needs a bailout package+e of \$12 billion to bridge the financial gap caused by balance of payments crises. The external account position kept on highlighting worrisome position for the economy, yet favorable as compared to last year. Current account witnessed a deficit of \$6.1 billion in first five months of FY19 compared to \$6.8 billion in the same period last year. Current account deficit is, however, expected to be supported by a recent decline in international oil prices.

EQUITY MARKET REVIEW AND OUTLOOK

CY18 closed itself on a negative note for the consecutive second year, as the benchmark index KSE100 posted a loss of 8.4%. The month of Dec'18 was the worst month of the year as KSE100 retreated by 8.5%, as unexpected monetary tightening by 150 bps during the last month created a negative environment for equities. Even support of USD 3 billion by UAE could not come to rescue as overall uncertainty continued to linger towards the economy. Once again, foreign selling continued during the month with foreigners offloading USD -28 Mn worth of equities, most of which was absorbed by Insurance Companies and Individuals who bought USD -21/23 Mn respectively. During the month, volumes and values averaged around 135 Mn shares/ PKR 6,36 Bn, depicting a considerable decrease of -32/-33% MoM.

Major sectors such E&Ps, Refineries, Autos, Cements and OMCs underperformed the market generating negative returns of 12.4%/11.6%/11%/10.7%/10% respectively. E&Ps took the brunt of plunge in average international oil prices by -12%. Refineries suffered due to lower throughput. Autos, Cements and OMCs followed the thematic decline due to economic slowdown. On the flip side, only Textile Composites remained in the positive territory generating a positive return of 0.4%.

We believe equity markets generally preempt the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. The overall strategy should tilt towards defensive sectors (E&P's, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

MONEY MARKET REVIEW AND OUTLOOK

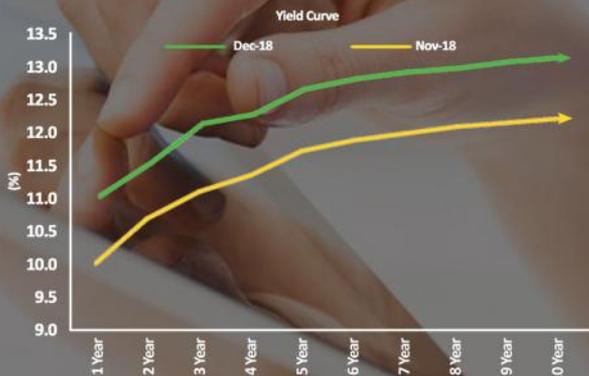
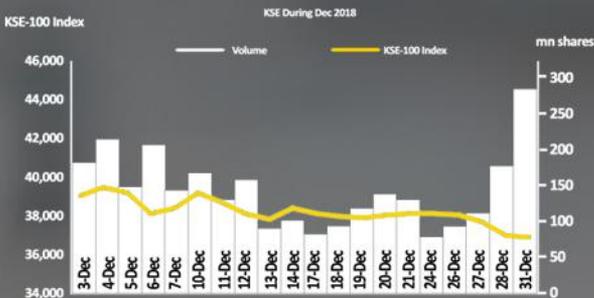
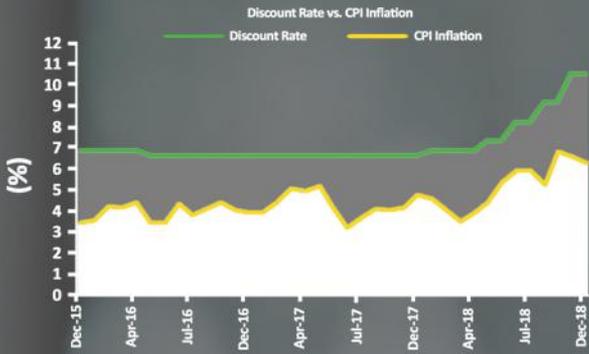
SBP increased policy rate above the market expectation in last MPS announced at November 2018 end majorly owing to rising inflation, high fiscal deficit and low foreign exchange reserves. In anticipation of further monetary tightening the yield curve during the month showed an upward trajectory. Whereas, little or no activity was witnessed in the longer tenor bond market and all major activity was seen in shorter tenor T-bills. Overnight market and short term T-bill market yield witnessed an increase towards year end due to scarcity of liquidity in the market as banks were borrowing at a very attractive rate due to banking year end

Auction for fixed coupon PIB bonds was held on December 26, 2018, and market remained pessimistic towards participating in it. Total participation of PKR 24 billion was witnessed in this auction out of which 3, 5 & 10 years tenor received bids worth PKR 9.2 billion, PKR 3.35 billion & 11.4 billion respectively. Out of total Participation 19.6bn was accepted out which 6.68bn was accepted in 3 years, 1.75bn in 5 years and 11.23bn in 10 years at cut off yield of 12.25%, 12.70% & 13.15% in 3, 5 & 10 years respectively.

State Bank of Pakistan conducted Treasury bill auction on December 19, 2018. The auction had a total maturity of PKR 9 billion against which a meager participation of only PKR 27.4 billion was witnessed. Out of the total participation PKR 27.3 billion was in 3 months and PKR 95 million was in 6 months, whereas no participation was witnessed in 12 months bill. SBP accepted bids worth PKR 14.67 billion at a cut-off yield of 10.3013% in 3 months tenor whereas, bids in 6 months T-bill were rejected.

The only floater rate GoP Ijara SUKUK - 16 of PKR 117.7bn matured in Dec'18 against which SBP conducted auction of Bai Muajjal in which 72.55bn was accepted out of total participation of 76.55bn. Whereas, no fresh GoP Ijara SUKUK issued by SBP.

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





December 31, 2018

General Information

| | |
|------------------------|--|
| Fund Type | An Open End Scheme |
| Category | Money Market Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) |
| Stability Rating | AA+(f) by PACRA (28-Dec-18) |
| Risk Profile | Low |
| Launch Date | 1-Oct-09 |
| Fund Manager | Saad Ahmed |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F.Ferguson & Co., Chartered Accountants |
| Management Fee | 7.5% of the Gross Earnings subject to a minimum fee of 0.25% of average daily Net Assets and maximum fee of 1% of average Annual Net Assets. [Actual rate of Management Fee:0.79%] |
| Front / Back end Load* | Nil |
| Min. Subscription | PKR 500 |
| Growth Units | PKR 500 |
| Cash Dividend Units | PKR 100,000 |
| Income Units | PKR 100,000 |
| Listing | Pakistan Stock Exchange |
| Benchmark | 70% three (3) months PKRV rates plus 30% three (3) months average deposit rates of three (3) AA rated scheduled Banks as selected by MUFAP |
| Pricing Mechanism | Backward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) <u>For same day redemption</u> Mon - Fri (9:00AM to 10:00 AM) |
| 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 8.36% during the month against benchmark of 8.83%.WAM of the fund was 8 days.

Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 100.7500 |
| Net Assets (PKR M) | 13,952 |
| Weighted average time to maturity (Days) | 8 |
| Sharpe Ratio* | 0.01 |
| Standard Deviation | 0.14 |
| Correlation** | 3.35% |
| Total expense ratio with government levy*** | 0.60% |
| Total expense ratio without government levy | 0.43% |

*As against 12 month PKRV

**As against Benchmark

*** This includes 0.17% representing government levy, Sindh Workers' Welfare fund and SECP Fee

Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|------|------|------|------|
| Benchmark (%) | 7.19 | 6.74 | 4.42 | 4.18 | 5.35 |
| MCB CMOP (%) | 8.25 | 8.83 | 5.77 | 7.11 | 5.41 |

Others

Provision against Sindh Workers' Welfare Fund's liability

MCB-CMOP has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 29.78 million ,if the same were not made the NAV per unit of MCB-CMOP would be higher by Rs. 0.2150 and YTD return would be higher by0.22% .For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of MCB-CMOP.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 73.6% | 0.3% |
| Commercial Paper | 4.8% | 3.6% |
| Others including receivables | 1.0% | 0.2% |
| Placement with Bank & DFIs | 7.1% | 0.0% |
| T-Bills | 0.0% | 93.7% |
| TDRs | 13.5% | 2.2% |

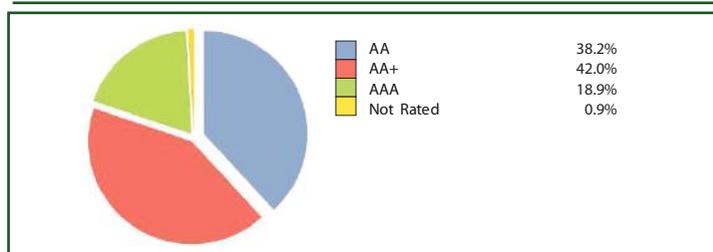
Performance Information (%)

| Particulars | MCB CMOP | Benchmark |
|--|----------|-----------|
| Year to Date Return (Annualized) | 7.36 | 7.43 |
| Month to Date Return (Annualized) | 8.36 | 8.83 |
| 180 Days Return (Annualized) | 7.38 | 7.43 |
| 365 Days Return (Annualized) | 6.47 | 6.51 |
| Since inception (CAGR)* | 8.56 | 6.28 |
| Average Annual Return (Geometric Mean) | 8.85 | - |

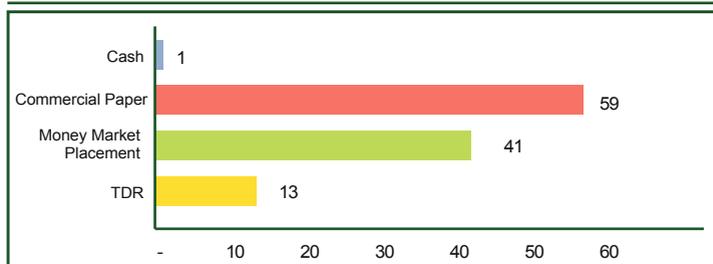
*Adjustment of accumulated WWF since Oct 1, 2009

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

Asset Quality (%age of Total Assets)



Asset-wise Maturity (No. of Days)



DISCLAIMER

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the financial markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.

MUFAP's Recommended Format



December 31, 2018

General Information

| | |
|----------------------|--|
| Fund Type | An Open End Scheme |
| Category | Money Market Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) |
| Stability Rating | AA+(f) by PACRA (28-Dec-18) |
| Risk Profile | Low |
| Launch Date | 20-March-2008 |
| Fund Manager | Saad Ahmed |
| Trustee | MCB Financial Services Limited |
| Auditor | A.F.Ferguson & Co., Chartered Accountants |
| Management Fee | 10% of the Gross Earnings subject to a minimum fee of 0.25% of average daily Net Assets. [Actual rate of Management Fee:0.99%] |
| Front end Load* | Nil |
| Back end Load* | Nil |
| Min. Subscription | PKR 500 |
| Listing | Pakistan Stock Exchange |
| Benchmark | 70% three(3) months PKRV rates + 30% three (3) months average deposit rates of three (3) AA rated scheduled Banks selected by MUFAP. |
| Pricing Mechanism | Backward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) <u>For same day redemption</u> Mon - Fri (9:00AM to 10:00AM) |
| 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 6.28% during the month against benchmark of 8.86%.

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

Fund Facts / Technical Information

| Particulars | PCF |
|---|---------|
| NAV per Unit (PKR) | 51.8309 |
| Net Assets (PKR M) | 353 |
| Weighted average time to maturity (Days) | 1 |
| Sharpe Ratio* | 0.01 |
| Correlation** | 12.33% |
| Standard Deviation | 0.05 |
| Total expense ratio with government levy*** | 1.23% |
| Total expense ratio without government levy | 1.02% |

*as against 12 month PKRV

**as against Benchmark

***This includes 0.21% representing government levy, Sindh Workers' Welfare fund and SECP fee

Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|------|------|------|------|
| Benchmark (%) | 9.56 | 9.83 | 6.75 | 6.07 | 5.35 |
| PCF (%) | 8.41 | 8.86 | 5.88 | 8.34 | 4.67 |

Others

Provision against Sindh Workers' Welfare Fund's liability

PCF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 2.08 million, if the same were not made the NAV per unit of PCF would be higher by Rs. 0.3054 and YTD return would be higher by 0.61%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of PCF.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

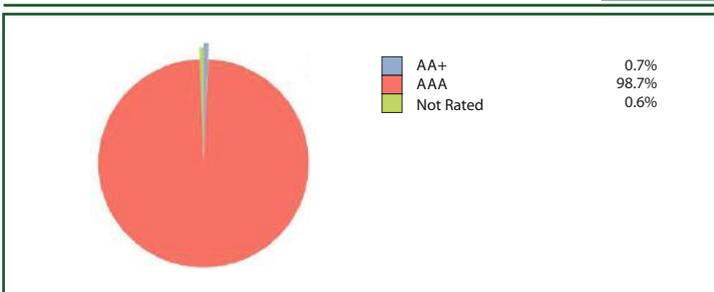
| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Others including receivables | 0.6% | 0.3% |
| Cash | 99.4% | 3.7% |
| T-Bills | 0.0% | 96.0% |

Performance Information (%)

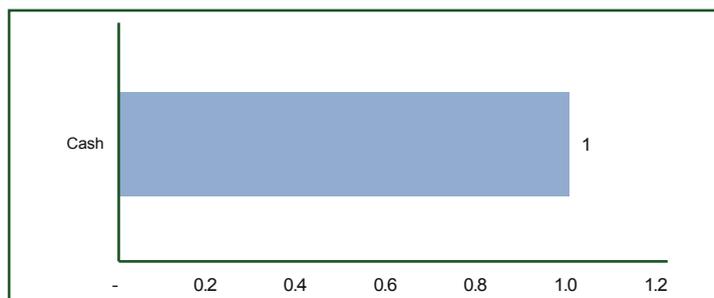
| Particulars | PCF | Benchmark |
|--|------|-----------|
| Year to Date Return (Annualized) | 5.99 | 7.36 |
| Month to Date Return (Annualized) | 6.28 | 8.86 |
| 180 Days Return (Annualized) | 5.99 | 7.38 |
| 365 Days Return (Annualized) | 5.34 | 6.41 |
| Since inception (CAGR) | 8.97 | 9.55 |
| Average Annual Return (Geometric Mean) | 9.01 | - |

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

Asset Quality (%age of Total Assets)



Asset-wise Maturity (No. of Days)



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MUFAP's Recommended Format



December 31, 2018

General Information

| | | |
|-------------------------------|---|------|
| Fund Type | An Open End Scheme | |
| Category | Income Scheme | |
| Asset Manager Rating | AM2 ++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | A+(f) by PACRA (28-Dec-18) | |
| Risk Profile | Low | |
| Launch Date | 1-Mar-07 | |
| Fund Manager | Saad Ahmed | |
| Trustee | Central Depository Company of Pakistan Limited | |
| Auditor | A.F.Ferguson & Co., Chartered Accountants | |
| Management Fee | 1.5% p.a. | |
| Front-end Load* | | |
| Growth and Income Units: | Individual | 1.5% |
| | Corporate | Nil |
| Bachat Units: | Nil | |
| Back-end Load* | | |
| 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. | |
| Min. Subscription | | |
| Growth & Bachat Units | PKR 500 | |
| Income Units | PKR 100,000 | |
| Listing | Pakistan Stock Exchange | |
| Benchmark | Six(6) months KIBOR rates | |
| 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 deliver superior fixed income returns by investing in an optimal mix of authorized debt instruments while taking into account capital security and liquidity considerations.

Manager's Comment

During the month the fund generated an annualized return of 7.36% against its benchmark return of 10.67%. Allocations in cash was increased.

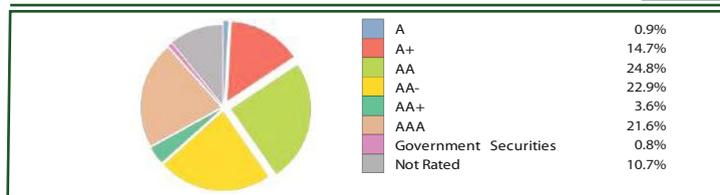
Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 109.9295 |
| Net Assets (PKR M) | 3,709 |
| Weighted average time to maturity (Years) | 1.9 |
| Sharpe Ratio* | 0.04 |
| Standard Deviation | 0.09 |
| Correlation** | 9.74% |
| Total expense ratio with government levy*** | 1.26% |
| Total expense ratio without government levy | 1.04% |

*as against 12 month PKRV **as against benchmark

***This includes 0.22% representing government levy, Sindh Workers' Welfare Fund and SECP fee

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 | Provision held, if any | Value of investment after provision | % of Net Assets | % of Gross Assets |
|---|------------------------|--------------------------------------|------------------------|-------------------------------------|-----------------|-------------------|
| New Allied Electronics Industries - Sukuk | 35.00 | 35.00 | 35.00 | - | 0.00% | 0.00% |
| New Allied Electronics Industries - TFC | 21.98 | 21.98 | 21.98 | - | 0.00% | 0.00% |
| Saudi Pak Leasing Company Limited - TFC | 27.55 | 27.55 | 27.55 | - | 0.00% | 0.00% |

Others

Provision against Sindh Workers' Welfare Fund's liability

MCB-DCFIF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 24.33million, if the same were not made the NAV per unit of MCB-DCFIF would be higher by Rs. 0.7213 and YTD return would be higher by 0.68%. For details investors are advised to read Note 5.1 of the latest Financial Statements for the quarter ended September 30, 2018' of MCB-DCFIF.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| TFCs | 37.1% | 35.1% |
| Cash | 51.3% | 28.6% |
| Others including receivables | 10.8% | 13.4% |
| Term Deposit Receipts | 0.0% | 8.6% |
| T-Bills | 0.8% | 6.0% |
| Spread Transactions | 0.0% | 4.7% |
| PIBs | 0.0% | 3.6% |

Performance Information (%)

| Particulars | MCB - DCFIF | Benchmark |
|--|-------------|-----------|
| Year to Date Return (Annualized) | 6.46 | 9.17 |
| Month to Date Return (Annualized) | 7.36 | 10.67 |
| 180 Days Return (Annualized) | 6.48 | 9.22 |
| 365 Days Return (Annualized) | 5.72 | 7.79 |
| Since inception (CAGR)** | 9.36 | 10.08 |
| Average Annual Return (Geometric Mean) | 9.51 | - |

**One off hit of 4% due to SECP directive on TFCs' portfolio Adjustment of accumulated WWF since July 1, 2008

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

Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|------|------|------|
| Benchmark (%) | 9.57 | 10.57 | 7.01 | 6.09 | 6.22 |
| MCB-DCFIF (%) | 10.79 | 12.64 | 6.23 | 6.50 | 4.62 |

Top 10 TFC/SUKUK Holdings (%age of Total Assets)

| Company Name | Percentage |
|---|------------|
| Bank Alfalah Limited (20-Feb-2013) | 8.1% |
| Bank Al-Habib Limited (17-Mar-2016) | 7.1% |
| Dawood Hercules Corporation Limited (16-Nov-2017) | 7.0% |
| Askari Bank Limited (30-Sep-2014) | 5.0% |
| Dawood Hercules Corporation Limited (01-Mar-2018) | 2.6% |
| The Bank Of Punjab (23-Apr-2018) | 2.0% |
| Jahangir Siddiqui And Company Limited (06-Mar-2018) | 1.8% |
| The Bank Of Punjab (23-Dec-2016) | 1.3% |
| Jahangir Siddiqui And Company Limited (18-Jul-2017) | 1.3% |
| Ghani Gases Limited (02-Feb-2017) | 0.9% |

DISCLAIMER

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MUFAP's Recommended Format



December 31, 2018

General Information

| | |
|-------------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Income Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) |
| Stability Rating | A+(f) by PACRA (28-Dec-18) |
| Risk Profile | Low |
| Launch Date | 11-Mar-2002 |
| Fund Manager | Syed Mohammad Usama Iqbal |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | Deloitte Yousuf Adil & Co. , Chartered Accountants |
| Management Fee | 10% of the Gross earnings subject to a minimum of 1.5% of the average daily net assets and maximum of 1.5% of the average daily net assets of the scheme.) [Actual rate of Management Fee : 1.06%] |
| Front -end Load* | Individual 2% Corporate Nil |
| Back-end Load* | Nil |
| Min. Subscription | PKR 500 |
| Listing | Pakistan Stock Exchange |
| Benchmark | Six(6) months KIBOR rates |
| 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 deliver returns primarily from debt and fixed income investments without taking excessive risk.

Manager's Comment

During the month the fund posted an annualized return of 8.03% against its benchmark return of 10.67%. Weighted Average Time to Maturity of the fund stood at 2 years. Exposure in Cash was increased.

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 55.7185 |
| Net Assets (PKR M) | 1,501 |
| Weighted average time to maturity (Years) | 2.0 |
| Sharpe Ratio | 0.05 |
| Standard Deviation | 0.13 |
| Correlation** | 7.83% |
| Total expense ratio with government levy* | 0.87% |
| Total expense ratio without government levy | 0.69% |

* This includes 0.18% representing government levy, Sindh Workers' Welfare Fund and SECP fee.
**as against Benchmark

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 |

Others

Provision against Sindh Workers' Welfare Fund's liability

PIF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 5.42 million ,if the same were not made the NAV per unit of PIF would be higher by Rs. 0.2010 and YTD return would be higher by 0.37% .For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of PIF.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 53.4% | 44.3% |
| Margin Trading | 3.6% | 4.3% |
| T-Bills | 0.6% | 2.6% |
| Others including receivables | 2.5% | 2.3% |
| TFCs | 39.9% | 44.6% |
| PIBs | 0.0% | 1.9% |

Performance Information (%)

| Particulars | PIF | Benchmark |
|--|------|-----------|
| Year to Date Return (Annualized) | 7.16 | 9.17 |
| Month to Date Return (Annualized) | 8.03 | 10.67 |
| 180 Days Return (Annualized) | 7.16 | 9.17 |
| 365 Days Return (Annualized) | 6.27 | 7.53 |
| Since inception (CAGR) | 9.31 | 8.74 |
| Average Annual Return (Geometric Mean) | 9.45 | - |

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

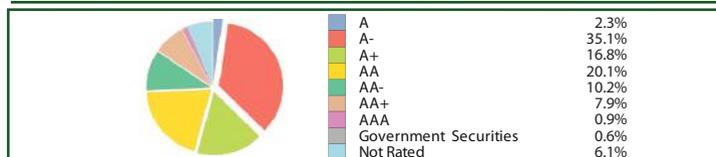
Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|-------|------|------|------|
| Benchmark (%) | 9.33 | 10.43 | 6.97 | 6.05 | 5.90 |
| PIF(%) | 8.13 | 11.31 | 6.14 | 6.90 | 4.77 |

Top 10 TFC Holdings (%age of Total Assets)

| | |
|---|------|
| Jahangir Siddiqui And Company Limited (06-Mar-2018) | 7.2% |
| Dawood Hercules Corporation Limited (16-Nov-2017) | 6.6% |
| Askari Bank Limited (30-Sep-2014) | 6.2% |
| Bank Al-Habib Limited (17-Mar-2016) | 5.4% |
| The Bank Of Punjab (23-Apr-2018) | 4.0% |
| Bank Alfalah Limited (20-Feb-2013) | 3.3% |
| International Brands Limited (15-Nov-2017) | 3.2% |
| Ghani Gases Limited (02-Feb-2017) | 2.2% |
| Dawood Hercules Corporation Limited (01-Mar-2018) | 1.6% |
| Byco Petroleum Pakistan Limited (18-Jan-2017) | 0.1% |

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 | Provision held, if any | Value of investment after provision | % of Net Assets | % of Gross Assets |
|---|------------------------|--------------------------------------|------------------------|-------------------------------------|-----------------|-------------------|
| Pace Pakistan Limited TFC | 49.94 | 49.94 | 49.94 | - | 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% |

DISCLAIMER

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MUFAP's Recommended Format



December 31, 2018

General Information

| | | |
|--------------------------|---|------|
| Fund Type | An Open End Scheme | |
| Category | Income Scheme | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | AA-(f) by PACRA (28-Dec-18) | |
| Risk Profile | Low to Moderate | |
| Launch Date | 1-March-2003 | |
| Fund Manager | Saad Ahmed | |
| Trustee | Central Depository Company of Pakistan Limited | |
| Auditor | Deloitte Yousuf Adil & 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. [Actual rate of Management Fee : 1.00%] | |
| Front -end Load* | Type A Units | |
| | For Individual | 1.5% |
| | For Corporate | Nil |
| Back-end Load* | Type B "Bachat " Units | Nil |
| | Type A Units | Nil |
| | Type B "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 month PKRV rates | |
| 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 deliver income primarily from investment in government securities.

Manager's Comment

During the month, the fund generated an annualized return of 6.51% as against its benchmark return of 10.48%. Allocation in T-Bill s was slightly decreased. While exposure in Cash was increased. WAM of the fund stood at 60 days at month end.

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 54.5600 |
| Net Assets (PKR M) | 591 |
| Weighted average time to maturity (Days) | 60.0 |
| Sharpe Ratio* | 0.003 |
| Correlation*** | 20.12% |
| Standard Deviation | 0.15 |
| Total expense ratio with government levy** | 0.84% |
| Total expense ratio without government levy | 0.67% |

*Against 12M PKRV

**This includes 0.17% representing government levy, Sindh Workers' Welfare Fund and SECP fee

***as against Benchmark

Others

Provision against Sindh Workers' Welfare Fund's liability

MCB-PSF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 4.85 million ,if the same were not made the NAV per unit of MCB-PSF would be higher by Rs. 0.4478 and YTD return would be higher by 0.84%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of MCB-PSF.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| T-Bills | 41.2% | 68.8% |
| Others including Receivables | 0.4% | 1.2% |
| PIBs | 0.5% | 26.7% |
| Cash | 57.9% | 3.3% |

Performance Information (%)

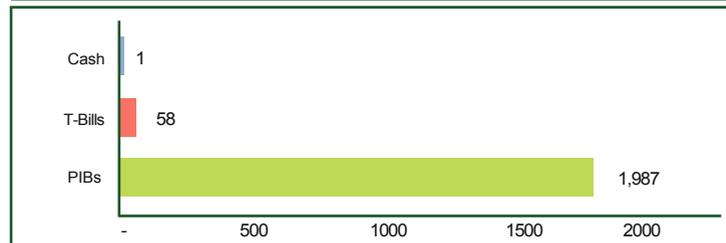
| Particulars | MCB-PSF | Benchmark |
|--|---------|-----------|
| Year to Date Return (Annualized) | 5.53 | 8.92 |
| Month to Date Return (Annualized) | 6.51 | 10.48 |
| 180 Days Return (Annualized) | 5.53 | 8.92 |
| 365 Days Return (Annualized) | 5.39 | 7.31 |
| Since inception (CAGR) | 7.43 | 8.31 |
| Average Annual Return (Geometric Mean) | 7.15 | - |

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

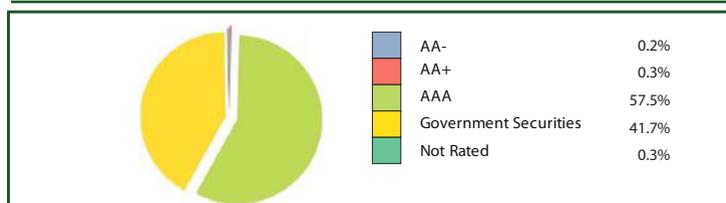
Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|-------|------|------|------|
| Benchmark (%) | 9.11 | 10.41 | 6.93 | 5.88 | 5.74 |
| MCB-PSF (%) | 9.26 | 16.58 | 7.30 | 5.89 | 5.08 |

Asset-wise Maturity (No. of Days)



Asset Quality (%age of Total Assets)



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MUFAP's Recommended Format



December 31, 2018

General Information

| | | |
|-------------------------------|--|------------------|
| Fund Type | An Open End Scheme | |
| Category | Aggressive Fixed Income Scheme | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | A+(f) by PACRA (28-Dec-18) | |
| Risk Profile | Low to Moderate | |
| Launch Date | 28-Aug-2008 | |
| Fund Manager | Saad Ahmed | |
| Trustee | Central Depository Company of Pakistan Limited | |
| Auditor | A.F. Ferguson & Co. Chartered Accountants | |
| Management Fee | 15% of the gross earnings subject to a minimum fee of 0.25% of the average daily net assets and maximum fee of 1.5% of average Annual Net Assets [Actual rate of Management Fee : 1.45%] | |
| Front -end Load* | For Type A Units : For Individual 2% For Corporate Nil Type B Units : For Individual 2% For Corporate Nil For Type C "Bachat" Units Nil Type A & Type B Units Nil Type C "Bachat " Units Nil | |
| Back-end Load* | 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 | PKR 500/- |
| | Type B Units | PKR 10,000,000/- |
| | Type C "Bachat" Units | PKR 500/- |
| Listing | Pakistan Stock Exchange | |
| Benchmark | One (1) year KIBOR rates | |
| 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 deliver return from aggressive investment strategy in the debt and fixed income market

Manager's Comment

During the month, the fund generated a return of 9.74% against its benchmark return of 11.21%. Exposure in cash was increased.

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 54.8999 |
| Net Assets (PKR M) | 871 |
| Weighted average time to maturity (Years) | 2.9 |
| Sharpe Ratio* | 0.05 |
| Correlation** | 15.75% |
| Standard Deviation | 0.12 |
| Total expense ratio with government levy*** | 1.09% |
| Total expense ratio without government levy | 0.89% |

*as against 12 month PKRV

**as against benchmark

***This includes 0.2% representing government levy, Sindh Workers' Welfare Fund and SECP fee

Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|-------|------|------|------|
| Benchmark (%) | 8.73 | 11.75 | 7.52 | 6.40 | 6.53 |
| PIEF (%) | 8.73 | 13.63 | 8.33 | 5.06 | 5.17 |

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MUFAP's Recommended Format

Others

Provision against Sindh Workers' Welfare Fund's liability

PIEF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 5.68 million, if the same were not made the NAV per unit of PIEF would be higher by Rs. 0.3585 and YTD return would be higher by 0.68%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of PIEF.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Others including receivables | 2.2% | 2.3% |
| Cash | 46.9% | 38.9% |
| TFCs | 50.9% | 56.0% |
| T-Bills | 0.0% | 2.8% |
| | | |
| | | |

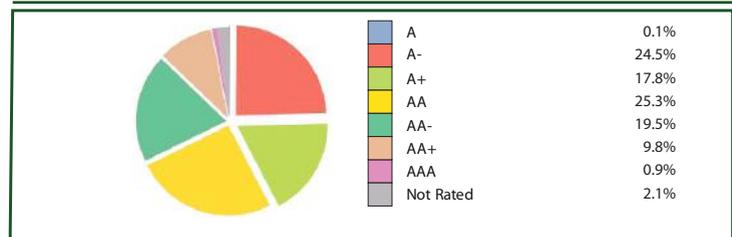
Performance Information (%)

| Particulars | PIEF | Benchmark |
|--|------|-----------|
| Year to Date Return (Annualized) | 6.70 | 9.72 |
| Month to Date Return (Annualized) | 9.74 | 11.21 |
| 180 Days Return (Annualized) | 6.72 | 9.77 |
| 365 Days Return (Annualized) | 5.91 | 8.22 |
| Since inception (CAGR) | 9.86 | 10.40 |
| Average Annual Return (Geometric Mean) | 9.64 | - |

Returns are computed on the basis of NAV to NAV with dividends reinvested Top TFC Holdings (%age of Total Assets)

| | |
|---|-------|
| Dawood Hercules Corporation Limited (16-Nov-17) | 11.9% |
| Bank Al Habib Limited (17-Mar-16) | 10.0% |
| Jahangir Siddiqui & Company Limited (18-Jul-17) | 9.4% |
| The Bank of Punjab (23-Dec-16) | 9.3% |
| Askari Bank Limited (30-Sep-14) | 4.6% |
| Bank Al Falah Limited (20-Feb-13) | 3.5% |
| The Bank of Punjab (23-Apr-18) | 2.3% |
| Byco Petroleum Pakistan Limited (18-Jan-17) | 0.1% |
| | |
| | |

Asset Quality (%age of Total Assets)





December 31, 2018

General Information

| | | |
|--------------------------|--|--------------|
| Fund Type | An Open End Scheme | |
| Category | Asset Allocation Scheme | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | Not Applicable | |
| Risk Profile | Moderate to High | |
| Launch Date | 17-Mar-08 | |
| Fund Manager | Syed Abid Ali | |
| Trustee | Central Depository Company of Pakistan Limited | |
| Auditor | Deloitte Yousuf Adil & Co. Chartered Accountants | |
| Management Fee | 2% p.a. | |
| Front end Load* | Growth & Cash Dividend Units Front End Load for other than online / Website Investor (s).....3% Front End Load for online / website Investor (s)..... Nil Bachat Units (Two Years) Nil Bachat Units (Three Years) Nil | |
| Back-end Load* | Growth & Cash Dividend Units Nil Bachat Units (Two Years): - 3% if redeemed before completion of two years from 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. | |
| | Class "B" Units | Backend Load |
| | Year since purchase of units | |
| | First | 3% |
| | Second | 2% |
| | Third | 1% |
| | Fourth and beyond | 0% |
| Min. Subscription | PKR 500 | |
| Listing | Pakistan Stock Exchange | |
| Benchmark | 6 months KIBOR plus 200 bps | |
| 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

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 return of -6.10% in December 2018 compared to the benchmark of 1.08%. Exposure in equities was slightly increased. Similarly allocation towards cash was increased. While the rest was in TFC's.

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 73.6449 |
| Net Assets (PKR M) | 2,816 |
| Sharp Ratio* | -0.011 |
| Standard Deviation | 0.56 |
| Correlation | 73.64% |
| Total expense ratio with government levy** | 1.82% |
| Total expense ratio without government levy | 1.63% |

*As against 12 month PKRV **This includes 0.19% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|---------|-----------|
| | 993,253 | 6,252,504 |

Performance Information (%)

| Particulars | MCB -PAAF | Benchmark |
|----------------------|-----------|-----------|
| Year to Date Return | -6.73 | 5.68 |
| Month to Date Return | -6.10 | 1.08 |
| 180 Days Return | -4.05 | 5.58 |
| 365 Days Return | -5.11 | 10.25 |
| Since inception* | 68.24 | - |

*Adjustment of accumulated WWF since July 1, 2008

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

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Others

Provision against Sindh Workers' Welfare Fund's liability

MCB-PAAF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 9.07 million, if the same were not made the NAV per unit of MCB-PAAF would be higher by Rs. 0.2373 and YTD return would be higher by 0.30%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the quarter ended September 30, 2018' of MCB-PAAF.

Members of the Investment Committee

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

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| TFCs | 8.5% | 6.7% |
| Cash | 29.9% | 0.7% |
| Others including receivables | 1.6% | 3.4% |
| T-Bills | 0.0% | 31.9% |
| Stocks / Equities | 60.0% | 48.4% |
| Term Deposit Receipts | 0.0% | 8.9% |

Absolute

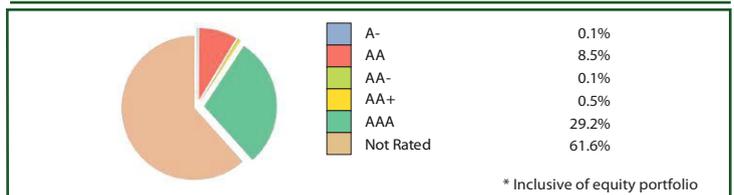
| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|------|------|-------|
| Benchmark (%) | NA | 8.85* | 9.86 | 7.75 | 8.71 |
| MCB-PAAF (%) | 11.95 | 19.41 | 3.21 | 9.54 | -2.55 |

* November-14 to June-15

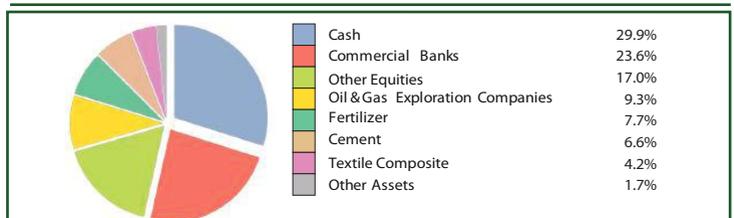
Top 10 Holdings (%age of Total Assets)

| | | |
|---|--------|------|
| United Bank Limited | Equity | 7.3% |
| Bank Al Falah Limited | Equity | 5.0% |
| Dawood Hercules Corporation Limited (01-Mar-18) | Sukuk | 4.3% |
| Lucky Cement Limited | Equity | 4.3% |
| Bank Al-Habib Limited (17-Mar-16) | TFC | 3.9% |
| Oil & Gas Development Company Limited | Equity | 3.6% |
| Engro Polymer and Chemicals Limited | Equity | 3.6% |
| Bank Of Punjab | Equity | 3.1% |
| Pakistan Petroleum Limited | Equity | 2.9% |
| Pakistan Oilfields Limited | Equity | 2.8% |

Asset Quality (%age of Total Assets)*



Sector Allocation (%age of Total Assets)



MUFAP's Recommended Format



December 31, 2018

General Information

| | | |
|---------------------------|---|-----|
| Fund Type | An Open End Scheme | |
| Category | Balanced Scheme | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | Not Applicable | |
| Risk Profile | Moderate to High | |
| Launch Date | 24-Jan-2004 | |
| 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. | |
| Front end Load* | For Individual | 2% |
| | For Corporate | Nil |
| Back end Load* | Nil | |
| Min. Subscription Listing | PKR 500 | |
| Benchmark | Pakistan Stock Exchange 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 -6.68% in December 2018 against its benchmark of -6.53%. During the month we increased exposure in Cash. Exposure in equity was slightly increased.

Members of the Investment Committee

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

Performance Information (%)

| Particulars | PCM | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | -6.18 | -8.43 |
| Month to Date Return | -6.68 | -6.53 |
| 180 days Return | -6.18 | -8.43 |
| 365 days Return | -2.79 | -5.03 |
| Since Inception | 592.41 | 496.06 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|------|-------|-------|
| Benchmark (%) | 27.12 | 13.92 | 8.89 | 19.62 | -4.32 |
| PCM (%) | 26.10 | 31.11 | 5.17 | 25.36 | -3.21 |

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|---------|-----------|
| | 194,833 | 1,217,880 |

DISCLAIMER

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MUFAP's Recommended Format

Others

Provision against Sindh Workers' Welfare Fund's liability

PCMF has maintained provisions against Sindh Worker's Welfare Fund's Liability to the tune of Rs. 3.90million, if the same were not made the NAV per unit of PCMF would be higher by Rs. 0.0747 and YTD return would be higher by 0.67%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of PCMF.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 34.8% | 4.7% |
| T-Bills | 0.0% | 32.4% |
| Stocks / Equities | 63.8% | 61.4% |
| Others including receivables | 1.2% | 1.3% |
| TFCs | 0.2% | 0.2% |

Top 10 Holdings (%age of Total Assets)

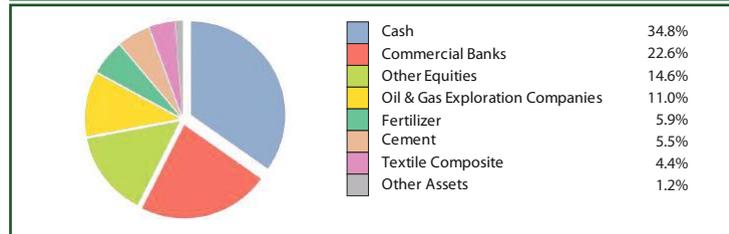
| Company Name | Equity | % |
|---------------------------------------|--------|------|
| Bank Al Falah Limited | Equity | 5.8% |
| United Bank Limited | Equity | 5.6% |
| MCB Bank Limited | Equity | 4.9% |
| Pakistan Petroleum Limited | Equity | 4.7% |
| Oil & Gas Development Company Limited | Equity | 4.6% |
| Engro Polymer and Chemicals Limited | Equity | 4.2% |
| Lucky Cement Limited | Equity | 3.9% |
| Bank Of Punjab | Equity | 3.7% |
| Engro Fertilizer Limited | Equity | 3.4% |
| Hub Power Company Limited | Equity | 2.9% |

Fund Facts / Technical Information

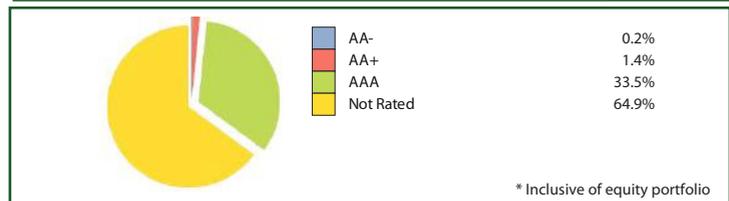
| Particulars | PCM |
|---|---------|
| NAV per Unit (PKR) | 10.4700 |
| Net Assets (PKR M) | 546 |
| Sharpe Ratio | 0.04 |
| Standard Deviation | 0.79 |
| Total expense ratio with government levy* | 1.79% |
| Total expense ratio without government levy | 1.6% |

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

Sector Allocation (%age of Total Assets)



Asset Quality (%age of Total Assets)*



*Inclusive of equity portfolio



December 31, 2018

General Information

| | | |
|---------------------------|--|-----|
| Fund Type | An Open End Scheme | |
| Category | Equity Scheme | |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) | |
| Stability Rating | Not Applicable | |
| Risk Profile | High | |
| Launch Date | 11-Mar-2002 | |
| Fund Manager | Syed Abid Ali | |
| Trustee | Central Depository Company of Pakistan Limited | |
| Auditor | EY Ford Rhodes, Chartered Accountants | |
| Management Fee | 2.0% p.a. | |
| Front end Load* | 3% | |
| Growth Units: | Individual | 3% |
| | Corporate | Nil |
| Bachat Units: | Nil | |
| Back end Load* | Nil | |
| Growth Units: | 3% if redeemed before completion of two years from the date of initial investment | |
| Bachat Units: | 0% if redemption after completion of two years from the date of initial investment | |
| Min. Subscription Listing | PKR 500 | |
| Benchmark | Pakistan Stock Exchange | |
| Pricing Mechanism | KSE 100 Index | |
| Dealing Days | Forward | |
| Cut off Timing | Monday - Friday | |
| Leverage | Mon - Fri (9:00AM to 4:30 PM) | |
| | Nil | |

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability

MCB-PSM has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 57.88 million, if the same were not made the NAV per unit of MCB-PSMF would be higher by Rs. 0.4614 and YTD return would be higher by 0.49%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of MCB-PSM.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 11.8% | 7.4% |
| Others including receivables | 0.4% | 1.3% |
| T-Bills | 0.0% | 5.0% |
| Stocks / Equities | 87.8% | 86.3% |

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---------------------------------------|------|
| Oil & Gas Development Company Limited | 7.2% |
| United Bank Limited | 6.7% |
| Bank Al Falah Limited | 6.0% |
| Engro Polymer and Chemicals Limited | 4.9% |
| Pakistan Petroleum Limited | 4.8% |
| Hub Power Company Limited | 4.4% |
| MCB Bank Limited | 4.4% |
| Lucky Cement Limited | 3.9% |
| Pakistan Oilfields Limited | 3.7% |
| Engro Corporation Limited | 3.3% |

Investment Objective

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

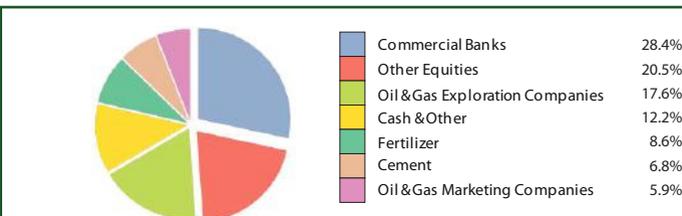
Manager's Comment

The Fund's NAV dropped by 9.4% in December 2018 compared to its benchmark drop of 8.5%. For fiscal year to date, the Fund posted a drop of 10.9% compared to 11.56% drop in the benchmark, resulting in an outperformance of 70 basis points. At the month end, the fund was 87.8% invested in equities, while remaining 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, CFA | Senior Research Analyst |

Sector Allocation (%age of Total Assets)



Fund Facts / Technical Information

| Particulars | MCB-PSM | KSE-100 |
|---|---------|---------|
| NAV per Unit (PKR) | 84.5137 | |
| Net Assets (PKR M) | 10,601 | |
| Price to Earning (x)* | 7.54 | 7.70 |
| Dividend Yield (%) | 6.14 | 7.10 |
| No. of Holdings | 47 | 100 |
| Weighted. Avg Mkt Cap (PKR Bn) | 124 | 136 |
| Sharpe Ratio | 0.05 | 0.04 |
| Beta | 0.74 | |
| Correlation*** | 90.35% | |
| Standard Deviation | 1.06 | 1.29 |
| Total expense ratio with government levy** | 1.66% | |
| Total expense ratio without government levy | 1.47% | |

*prospective earnings

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

***as against benchmark

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|-----------|------------|
| | 3,808,091 | 22,918,901 |

Performance Information (%)

| Particulars | MCB-PSM | Benchmark |
|----------------------|----------|-----------|
| Year to Date Return | -10.86 | -11.56 |
| Month to Date Return | -9.41 | -8.47 |
| 180 days Return | -7.12 | -8.13 |
| 365 days Return | -7.14 | -8.41 |
| Since inception | 2,714.97 | 1,879.31 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|------|-------|--------|
| Benchmark (%) | 41.16 | 16.01 | 9.84 | 23.24 | -10.00 |
| MCB-PSM (%) | 34.78 | 39.35 | 5.25 | 29.54 | -7.51 |

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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-Oct-18) |
| Stability Rating | Not Applicable |
| Launch Date | 29-Jun-2007 |
| Fund Manager | Syed Abid Ali |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, 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 -9.46% while the KSE-100 return stood at -8.47%. Overall equity allocation was increased.

Debt sub-fund generated an annualized return of 8.34% during the month. Exposure in cash was increased.

Money Market sub-fund generated an annualized return of 7.53% during the month. Exposure in Cash was increased.

Members of the Investment Committee

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

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

| | |
|---------------------------------------|------|
| Pakistan Petroleum Limited | 7.5% |
| United Bank Limited | 7.1% |
| Bank Al Falah Limited | 6.6% |
| Oil & Gas Development Company Limited | 6.1% |
| Engro Fertilizer Limited | 5.7% |
| Hub Power Company Limited | 5.4% |
| Lucky Cement Limited | 4.8% |
| Pakistan Oilfields Limited | 4.7% |
| Engro Corporation Limited | 4.0% |
| Engro Polymer and Chemicals Limited | 3.8% |

Others

Provision against Sindh Workers' Welfare Fund's liability

PPF-DT has maintained provisions against Sindh Workers' Welfare Fund's Liability to the tune of Rs. 1.86 million, if the same were not made the NAV per unit would be higher by Rs. 0.8263 and YTD return would be higher by 0.34%. For details investors are advised to read Note 7.2 of the latest financial Statements for the quarter ended September 30, 2018' of PPF.

PPF-EQ has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 3.77 million, if the same were not made the NAV per unit would be higher by Rs. 2.3364 and YTD return would be higher by 0.46%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the quarter ended September 30, 2018' of PPF.

PPF-MM has maintained provisions against Sindh Workers' Welfare Fund's Liability to the tune of Rs. 0.48 million, if the same were not made the NAV per unit would be higher by Rs. 0.5156 and YTD return would be higher by 0.24%. For details investors are advised to read Note 7.2 of the latest financial Statements for the quarter ended September 30, 2018' of PPF.

PPF - Money Market (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 76.3% | 5.4% |
| Others including receivables | 0.7% | 0.3% |
| T-Bills | 0.0% | 70.8% |
| Commercial Paper | 4.2% | 4.3% |
| Term Deposit Receipts | 18.8% | 19.2% |

PPF - Debt (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 51.2% | 13.3% |
| T-Bills | 21.8% | 52.4% |
| Others including receivables | 0.9% | 0.8% |
| Commercial Paper | 6.9% | 8.8% |
| PIBs | 0.7% | 0.9% |
| TFCs | 18.5% | 23.8% |

PPF - Equity (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|---------------------------------|--------|--------|
| Other equity sectors | 24.1% | 23.4% |
| Fertilizer | 12.6% | 10.4% |
| Power Generation & Distribution | 5.5% | 4.6% |
| Cement | 7.9% | 8.1% |
| Oil & Gas Exploration Companies | 18.3% | 14.7% |
| Commercial Banks | 28.5% | 28.5% |
| Cash | 2.2% | 7.6% |
| Other including receivable | 0.9% | 2.7% |

Performance Information & Net Assets

| Particulars | PPF-EQ* | PPF-DT** | PPF-MM** |
|--------------------------|---------|----------|----------|
| Year to Date Return (%) | -10.68 | 6.47 | 6.44 |
| Month to Date Return (%) | -9.46 | 8.34 | 7.53 |
| Since inception (%) | 357.11 | 8.19 | 7.37 |
| Net Assets (PKR M) | 737.05 | 557.74 | 211.06 |
| NAV Per Unit (PKR) | 457.20 | 247.49 | 226.54 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------|-------|-------|-------|-------|-------|
| PPF - EQ* | 49.60 | 37.95 | 10.77 | 35.72 | -9.43 |
| PPF - DT** | 7.16 | 16.85 | 7.35 | 4.31 | 4.31 |
| PPF - MM** | 7.15 | 7.17 | 4.40 | 4.30 | 4.39 |

* Total Return

** Annualized return

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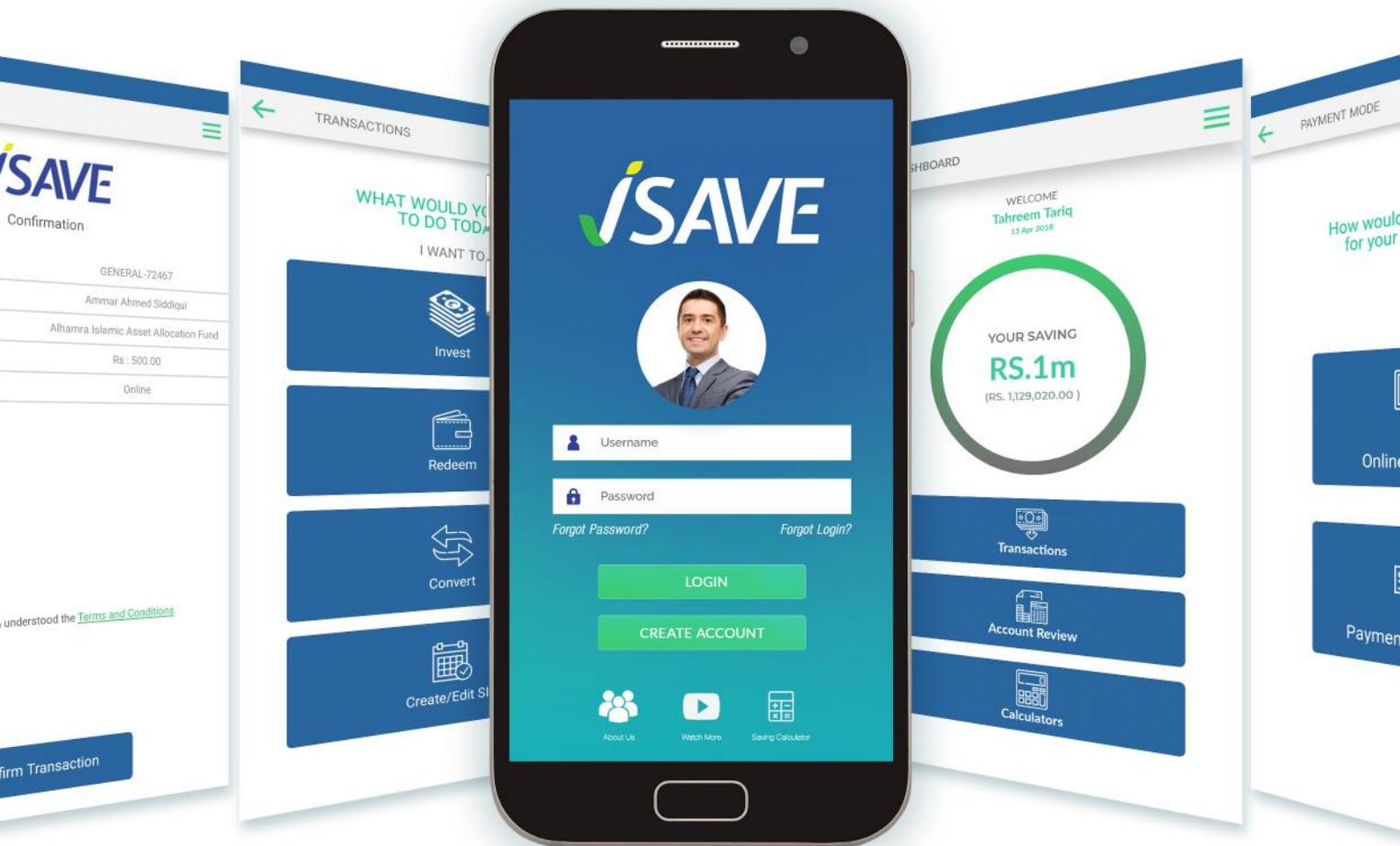
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