



**Bachat** ka Doosra Naam

# Bachat Nama

Fund Manager's Report (September-2014)



MCB-Arif Habib Savings and Investments Limited

# MCB Islamic Income Fund

September 30, 2014

NAV - PKR 101.4373



## General Information

Fund Type	An Open End Scheme		
Category	Shariah Compliant (Islamic) Income Scheme		
Asset Manager Rating	AM2 (AM Two) by PACRA		
Stability Rating	AA-(f) by PACRA		
Risk Profile	Low		
Launch Date	20-June-2011		
Fund Manager	Mohsin Pervaiz		
Trustee	Central Depository Company of Pakistan Limited		
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants		
Management Fee	10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets		
Front end load*	Transaction less than or equal to Rs 15m		1.5%
	Transaction more than Rs15m		Nil
	For Corporate		Nil
	Class "B"	0%	
Back end Load*	Class "A"	0%	
	Class "B" Units:		
	1.5% on redemption in the 1st year from the date of investment. 1.0% on redemption in the 2nd year from the date of investment.		
	0.0% on redemption after completion of 2 years from the date of investment.		
Min. Subscription	Growth Units	PKR 500	
	Income Units	PKR 100,000	
	Cash Dividend Units	PKR 500	
Listing	Lahore Stock Exchange		
Benchmark	Average of the most recently published three-month profit rates of three Islamic Banks rated A and above.		
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			

## Fund Facts / Technical Information

NAV per Unit (PKR)	101.4373
Net Assets (PKR M)	1,842
Weighted average time to maturity (days)	362.0
Sharpe Measure	0.19
Correlation	13.5%
Standard Deviation	0.04
Alpha	0.008%

## Top Sukuk Holdings (% of Total Assets)

Engro Fertilizers Limited (Pre-IPO)	6.3%
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## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Mohammad Asim CFA	SVP-Head of Equities
Saad Ahmed	Sr. Manager Fixed Income
Mohsin Pervaiz	VP-Investments
Manal Iqbal, CFA	Senior Analyst

## Investment Objective

To generate superior 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 2.44% as against its benchmark return of 6.33%. The fund slightly increased its exposure in GoP Ijara Sukuk from 56.3% last month to 58.8% at the month end. Moreover, around 33.9% of the fund was kept as cash in bank deposits.

We believe that well-timed accumulation of GoP Ijara Sukuk should contribute towards healthy returns going forward, while the fund would remain cognizant of the changes in the macroeconomic environment in order to deploy assets efficiently in Shariah compliant instruments.

## Provision against WWF liability

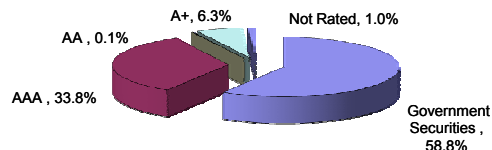
MCB-IIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 10.71 million, if the same were not made the NAV per unit of MCB-IIF would be higher by Rs. 0.5897 and YTD return would be higher by 0.59%. For details investors are advised to read Note 7 of the latest Financial Statements for the nine months ended March 31, 2014 of MCB-IIF.

Asset Allocation (%age of Total Assets)	Sep-14	Aug-14
Cash	33.9%	35.8%
GoP Ijara Sukuk	58.8%	56.3%
Others including receivables	1.0%	2.0%
Sukuk	6.3%	5.9%

Performance Information (%)	MCB IIF	Benchmark
Year to Date Return (Annualized)	5.57	6.14
Month to Date Return (Annualized)	2.44	6.33
180 Days Return (Annualized)	6.14	6.24
365 Days Return (Annualized)	7.85	6.19
Since inception (CAGR)	8.93	6.40

Annualized	2010	2011	2012	2013	2014
Benchmark (%)	NA	NA	6.60	6.30	6.09
MCB IIF(%)	NA	NA	10.40	8.90	8.38

## Asset Quality (%age of Total Assets)



MUFAP's Recommended Format.

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# Pakistan International Element Islamic Asset Allocation Fund

September 30, 2014

NAV - PKR 50.65



## General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Scheme
Asset Manager Rating	AM2 (AM Two) by PACRA
Stability Rating	Not Applicable
Risk Profile	Moderate to High
Launch Date	2-May-2006
Fund Manager	Manal Iqbal, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	KPMG Taseer Hadi & Co., Chartered Accountants
Management Fee	Type A & B: 2% Type C & D: 1.33%
Front end Load *	Type A: Transaction less than or equal to Rs 15m 2% Transaction more than Rs 15m Nil For corporate Nil
Back end Load*	Type B,C & D: None Type A: None
Min. Subscription	Type B,C& D: Yr 1:3%, Yr 2:2%, Yr 3:1% A & B PKR 5,000 C & D PKR 10,000,000
Listing	Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange.
Benchmark	70% KMI-30 Index + 30% DJIM-World Index
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 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 generated a return of 5.26% as against its benchmark return of 3.02% during the month. Exposure in equities was increased to 74.1% compared to 69.2% the previous month. Major sector level increase was witnessed in Construction & Materials, and Engineering while exposure was decreased in Oil & Gas and Electricity.

## Provision against WWF liability

PIEIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 6.00 million, if the same were not made the NAV per unit of PIEIF would be higher by Rs. 0.7372 and YTD return would be higher by 1.50%. For details investors are advised to read Note 8 of the latest Financial Statements for the nine months ended March 31, 2014 of PIEIF.

Fund Facts / Technical Information	PIEIF	KMI-30
NAV per Unit (PKR)	50.65	
Net Assets (PKR M)	412	
Price to Earning (x)	7.55	9.91
Dividend Yield (%)	4.5%	6.0%
No. of Holdings - Equity	29	30*
Wt. Avg Mkt Cap (PKR Bn)	88.35	238.69
Sharpe Measure	0.03	0.06
Beta	0.64	1.00
Correlation	80.8%	
Max draw up	219.0%	503.1%
Max draw Down	-28.9%	-39.6%
Standard Deviation	0.77	0.98
Alpha	0.0008%	
*prospective earnings		

Performance Information (%)	PIEIF	Benchmark
Year to Date Return	2.74	1.51
Month to Date Return	5.26	3.02
180 Days Return	4.49	4.25
365 Days Return	18.78	27.17
Since inception	128.82	252.43

Asset Allocation (%age of Total Assets)	Sep-14	Aug-14
Cash	15.6%	19.3%
Stock /Equities	74.1%	69.2%
Sukuk	8.3%	8.7%
Others including receivables	2.0%	2.8%

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

Pakistan Petroleum Limited	Equity	9.1%
Engro Fertilizer Limited (Pre-IPO)	Sukuk	8.3%
Lucky Cement Limited	Equity	6.9%
Attock Petroleum Limited	Equity	6.4%
Pakistan Oilfields Limited	Equity	5.9%
Kot Addu Power Company Limited	Equity	5.1%
Attock Cement Pakistan Limited	Equity	3.6%
Millat Tractor Limited	Equity	3.4%
Al-Ghazi Tractor Limited	Equity	3.3%
Maple Leaf Cement Factory Limited	Equity	3.2%

## Members of the Investment Committee

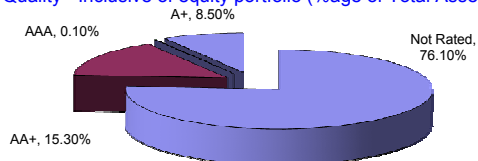
Yasir Qadri	Chief Executive Officer
Muhammad Asim, CFA	SVP - Head of Equities
Saad Ahmed	Sr. Manager Fixed Income
Mohsin Pervaiz	VP - Investments
Manal Iqbal, CFA	Senior Analyst

	2010	2011	2012	2013	2014
Benchmark (%)	30.47	40.60	11.00	46.60	28.51
PIEIF (%)	6.95	15.10	15.70	28.40	18.89

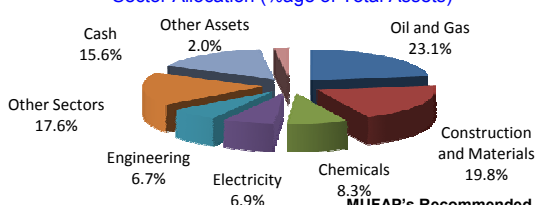
## Details of non-compliant investments with the investment criteria of assigned category (Rs. in millions)

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
Pak Elektron Limited- Sukuk	6.43	6.43	6.43	-	0.00%	0.00%

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



## Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format.

# Pakistan Islamic Pension Fund

September 30, 2014



## General Information

Fund Type	An Open End Scheme
Category	Islamic Voluntary Pension Scheme
Asset Manager Rating	AM2 (AM Two) by PACRA
Stability Rating	Not Applicable
Launch Date	15-Nov-07
Fund Manager	Manal Iqbal, CFA
Trustee	Central Depository Company of Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants
Management Fee	1.5% p.a.
Front / Back end Load*	3% / 0%
Min. Subscription	PKR 1,000
Pricing Mechanism	Forward
Dealing Days	Monday - Friday
Cut off Timing	Mon-Fri (9:00AM to 5:00 PM)
Leverage	Nil

\*Subject to government levies

## Investment Objective

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

## Manager's Comment

Equity sub-fund generated return of 6.41% during the month against KSE-100 index return of 4.06%. Many changes in sector and company allocations were made in response to changing sector and company fundamentals. Allocations to Oil & Gas and Electricity sectors were decreased while the fund increased its exposure in Engineering sector .

Debt sub-fund generated an annualized return of 0.93% during the month. The fund has maintained exposure in cash and slightly reduced its exposure towards GoP Ijarah Sukuk.

Money Market sub-fund generated an annualized return of 2.17% during the month. The fund has slightly reduced its exposure GoP Ijarah Sukuk .

## Provision against WWF liability

PIPF-EQ has not made provisions amounting to Rs 0.70 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-EQ would be lower by Rs 1.3962 and YTD return would be lower by 0.51%. For details investors are advised to read Note 7 of the latest Financial Statements for the year ended June 30, 2014 of PIPF.

PIPF-DT has not made provisions amounting to Rs 0.35 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-DT would be lower by Rs 0.5012 and YTD return would be lower by 0.29%. For details investors are advised to read Note 7 of the latest Financial Statements for the year ended June 30, 2014 of PIPF.

PIPF-MM has not made provisions amounting to Rs 0.24 million against Workers' Welfare Fund liability, if the same were made the NAV per unit of PIPF-MM would be lower by Rs 0.5522 and YTD return would be lower by 0.35%. For details investors are advised to read Note 7 of the latest Financial Statements for the year ended June 30, 2014 of PIPF.

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

Pakistan Petroleum Limited	8.8%
Hub Power Company Limited	8.1%
Pakistan Oil Fields Limited	7.3%
Lucky Cement Limited	7.2%
Kot Addu Power Company Limited	6.8%
Attock Petroleum Limited	5.2%
Bata Pakistan Limited	4.9%
Millat Tractors Limited	4.7%
Indus Motor Company Limited	4.5%
Pakistan National Shipping Corporation	3.5%

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

	Sep-14	Aug-14
Cash	18.1%	17.1%
GoP Ijarah Sukuk	79.7%	80.4%
Others including receivables	2.2%	2.5%

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

	Sep-14	Aug-14
Cash	9.8%	8.2%
GoP Ijarah Sukuk	88.4%	89.1%
Sukuk	0.0%	0.0%
Others including receivables	1.8%	2.7%

## Performance Information & Net Assets

Year to Date Return (%)			3.59	2.08	2.21
Month to Date Return (%)			6.41	0.93	2.17
Since inception (%)			183.18	10.21	8.22
Net Assets (PKR M)			141.56	119.98	69.39
NAV (Rs. Per unit)			283.75	170.96	157.18
	2010	2011	2012	2013	2014
PIPF - EQ*	23.04	21.30	24.70	41.80	42.10
PIPF - DT**	11.53	8.80	8.40	6.80	8.22
PIPF - MM**	7.13	6.90	8.30	7.70	6.86
* Total Return	** Annualized return				

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

	Sep-14	Aug-14
Oil and Gas	30.9%	33.4%
Construction and Materials	15.5%	15.7%
Electricity	14.9%	17.3%
Engineering	7.7%	3.7%
Automobile and Parts	7.1%	7.0%
Other equity sectors	16.3%	12.5%
Cash	3.4%	8.0%
Others including receivables	4.2%	2.4%

## Members of the Investment Committee

Yasir Qadri	Chief Executive Officer
Muhammad Asim, CFA	SVP - Head of Equities
Saad Ahmed	Sr. Manager Fixed Income
Mohsin Pervaiz	VP - Investments
Manal Iqbal, CFA	Senior Analyst

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## UAN & TOLL FREE NUMBERS

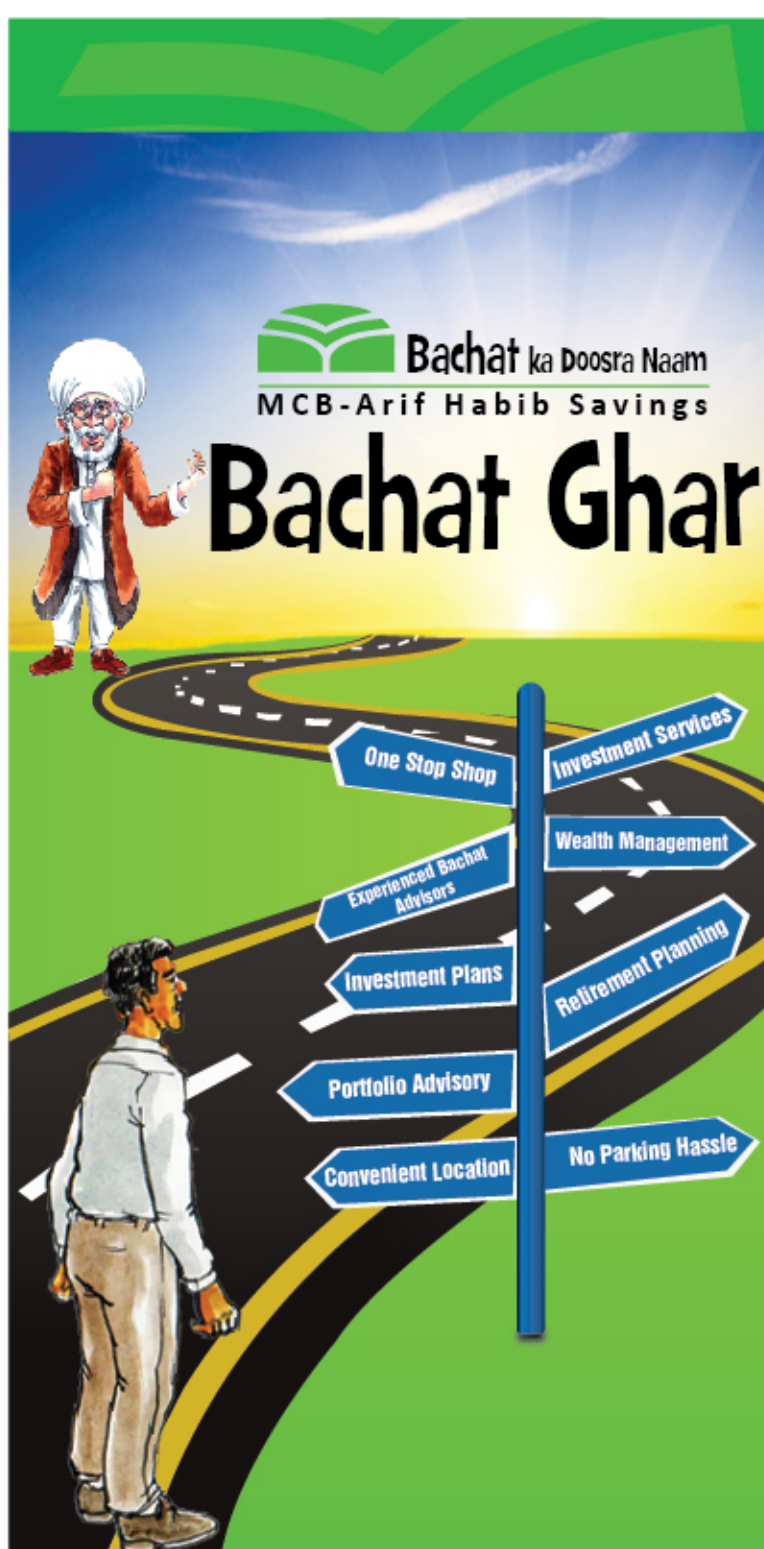
UAN: 11-11-622-24 (11-11-MCB-AH): Karachi, Lahore, Islamabad.  
UAN: 111-468-378 (111-INVEST): Karachi, Lahore, Islamabad & Multan.  
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by typing: **Bachat Ka Doosra Naam**

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