



MCB-ARIF HABIB  
Savings and Investments Limited

# Corporate Briefing Session FY 2018-19 November 19, 2019

## PROFILE

- On August 30, 2000, MCB-Arif Habib Savings and Investments Limited (MCBAH) was incorporated as an unquoted public limited company;
- In 2008, MCBAH was listed by way of offer for sale of shares;
- On January 19, 2011, a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then parent of the Company] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for transfer of the entire business of MCB AMC to the Company; and
- On June 27, 2011, the scheme of amalgamation ("the Scheme") was approved by the shareholders of the respective Companies in their extraordinary general meetings.



# Company Brief

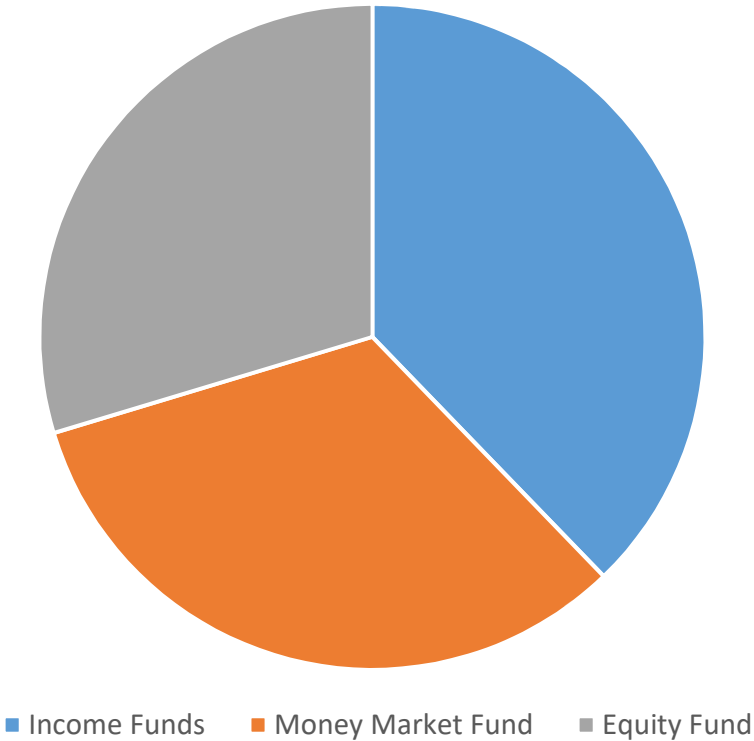
## **SNAP SHOT– As on June 30, 2019**

Commencement of Operations	2000
Head Office	Karachi
Major Sponsors	MCB Bank Limited (51.33 per cent) Arif Habib Corporation (30.09 per cent)
Credit Rating	AM2++
Presence across Pakistan	15 cities
Assets under management	Rs. 77 billion (current: Rs. 92.4 billion)
Market Share	8 per cent



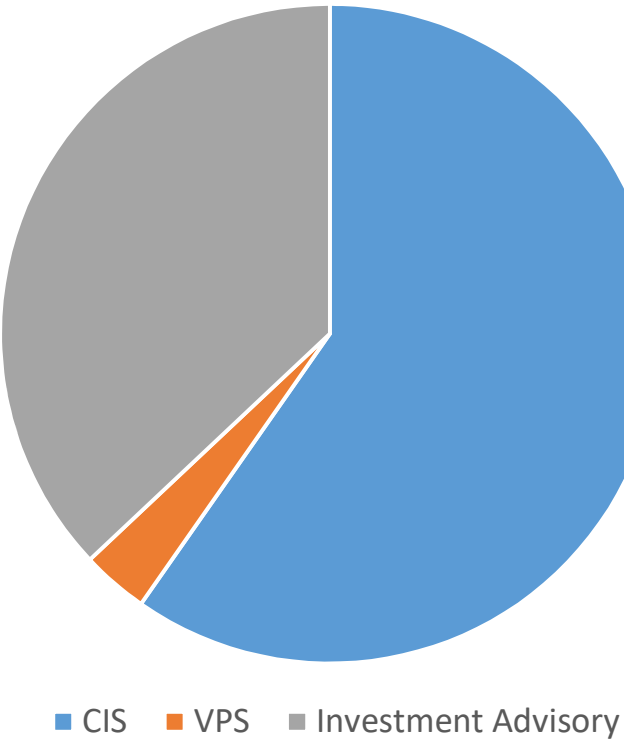
# Company Brief

Category wise AUMs



Income Funds	Rs. 16.349 billion	37.8%
Money Market Fund	Rs. 14.093 billion	32.6%
Equity Funds	Rs. 12.839 billion	29.7%

Total AUMs

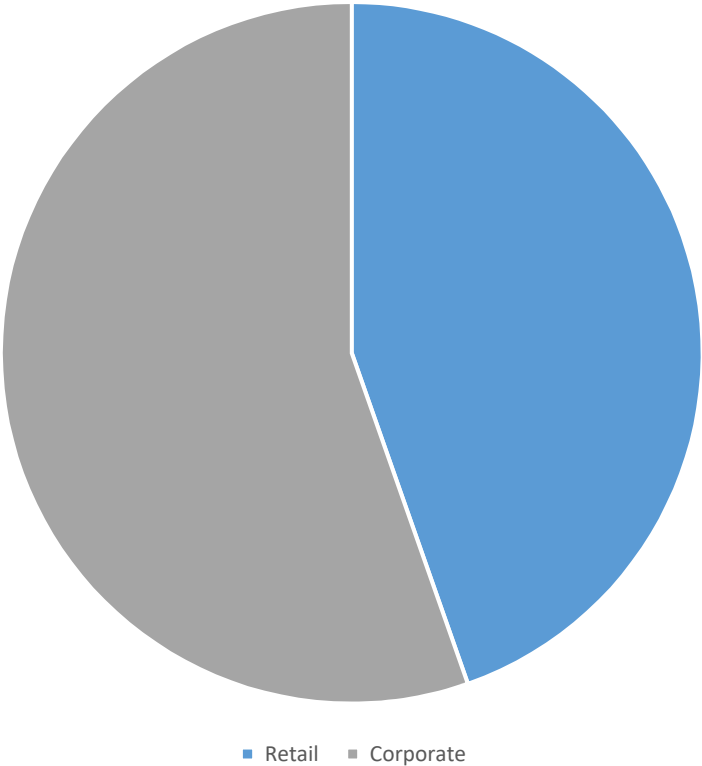


CIS	Rs. 43.281 billion	59.7%
VPS	Rs. 2.372 billion	3.3%
Investment Advisory	Rs. 26.826 billion	37.0%



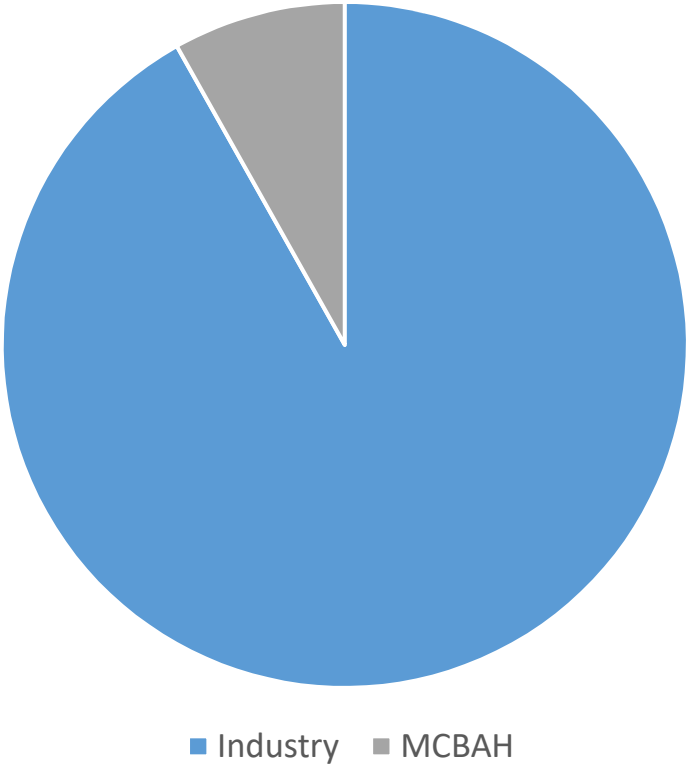
# Company Brief

Segment Wise Breakup



Retail Sales	Rs. 19.769 billion	45%
Corporate Sales	Rs. 24.531 billion	55%

Market Share as at June 30, 2019



Industry AUMs	Rs. 540 billion	
MCBAH	Rs. 44 billion	8%



Currently, MCBAH is managing the following Funds under its management:

Open end collective investment schemes (CIS)	Net Assets Value as at	
	June 30, 2019	June 30, 2018
	----- Rupees in million -----	
<u>Income Funds</u>		
1. Pakistan Income Fund	1,392	1,519
2. MCB Pakistan Sovereign Fund	630	585
3. MCB DCF Income Fund	3,933	4,872
<u>Aggressive Fixed Income Fund</u>		
4. Pakistan Income Enhancement Fund	698	1,350
<u>Money Market Funds</u>		
5. Pakistan Cash Management Fund	190	889
6. MCB Cash Management Optimizer	13,903	11,993
<u>Equity Funds</u>		
7. MCB Pakistan Stock Market Fund	9,556	10,113
8. Alhamra Islamic Stock Fund	2,779	3,550



Open end collective investment schemes (CIS)	Net Assets Value as at	
	June 30, 2019	June 30, 2018
	----- Rupees in million -----	
<u>Balanced Fund</u>		
9. Pakistan Capital Market Fund	504	619
<u>Asset Allocation Fund</u>		
10. MCB Pakistan Asset Allocation Fund	2,048	3,213
11. MCB Pakistan Frequent Payout Fund	254	487
<u>Sharia Compliant Asset Allocation Fund</u>		
12. Alhamra Islamic Asset Allocation Fund	2972	3633
<u>Sharia Compliant Income Fund</u>		
13. Alhamra Islamic Income Fund	2335	2715
14. Alhamra Daily Dividend Fund	752	502
<u>Sharia Compliant Asset Allocation Fund of Fund</u>		
15.1 Alhamra Islamic Active Allocation Fund – Plan I	627	1,404
15.2 Alhamra Islamic Active Allocation Fund – Plan II	708	794



Voluntary Pension Schemes	June 30, 2019	June 30, 2018
	----- Rupees in million -----	
Pakistan Pension Fund	1,559	1,572
Alhamra Islamic Pension Fund	813	774



# Strategic / Operational Developments

Flagship Funds of the Company	YTD	2018	2017	2016	2015	2014	Since Inception
<b>MCB Pakistan Stock Market Fund</b>							
- Actual	-16.35	-7.51	29.54	5.25	39.35	34.78	2,541.33
- Benchmark	-19.11	-10.00	23.24	9.84	16.01	41.16	1,710.30
<b>MCB Cash Management Optimizer</b>							
- Actual	8.88	5.41	7.11	5.77	8.83	8.25	8.65
- Benchmark	8.79	5.35	4.18	4.42	6.74	7.19	6.51



## Strategic/ Operational Developments

- In 2018, the Company launches first of its kind sharia compliant collective investment scheme – Alhamra Daily Dividend Fund. The entire income generated by the Fund during a day is distributed among the unit-holders of the Fund on a daily basis through an automated system requiring minimum human intervention. Till now the only Fund which has a 24 hours cut off;
- First Asset Management Company to issue its own Proprietary Debit Cards for the investors of the Funds under its management; and
- First AMC to have its online digital platform to open accounts.



## Achievements

- During the year, the Company was awarded Corporate Excellence Award in the Financial Category by the Management Association of Pakistan;
- The Company was also awarded the "Best Digital Innovation" for iSave at the Pakistan Digi Awards 2019.



# Financial Details



Statement of Profit or Loss Account	June-19	June-18	June-17	June-16
Management Fee / Investment Advisory Fee	730,643	701,640	663,730	703,548
Other Income	39,034	74,997	22,015	25,948
	769,677	776,637	685,745	729,496
<b>Expenses</b>				
Administrative expenses	(574,941)	(458,559)	(345,287)	(285,558)
Selling and distribution expenses	(55,946)	(96,922)	(170,352)	(139,117)
Other expenses	(7,813)	(4,493)	(6,628)	(7,883)
	(638,700)	(559,974)	(522,267)	(432,558)
Income from Operations	130,977	216,663	163,478	296,938
Income from Investments	(45,812)	(20,093)	122,480	52,872
Profit before taxation	85,165	196,570	285,958	349,810
Taxation	(60,930)	(72,381)	(83,764)	(110,701)
<b>Profit for the year</b>	<b>24,235</b>	<b>124,189</b>	<b>202,194</b>	<b>239,109</b>
<b>Earnings Per Share</b>	<b>0.34</b>	<b>1.72</b>	<b>2.81</b>	<b>3.32</b>



MCB-ARIF HABIB  
Savings and Investments Limited

During the year ended June 30, 2019, the Mutual Funds Industry witnessed a negative growth of 11.4 per cent and a fall of 70 billion was witnessed in the AUMs which closed at Rs. 540 billion.

## **Current Year Profitability**

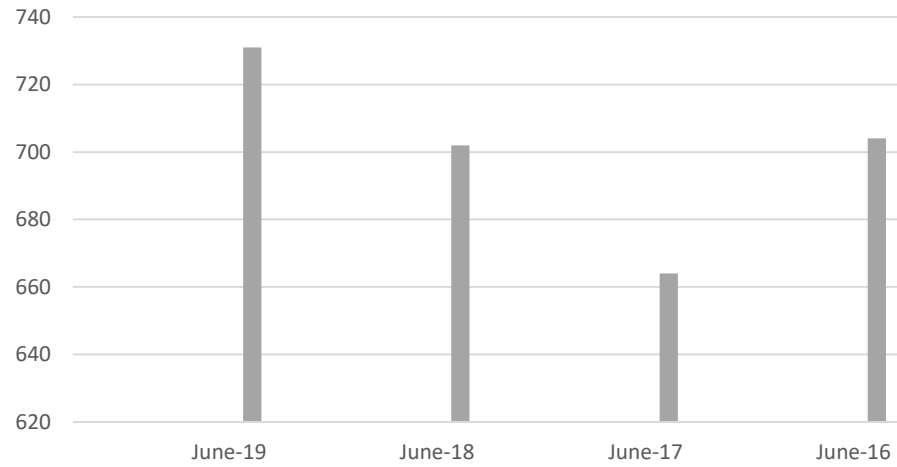
Highest top line witnessed in the current year as compared to the last five years;

Underperformance is mainly attributed to three factors:

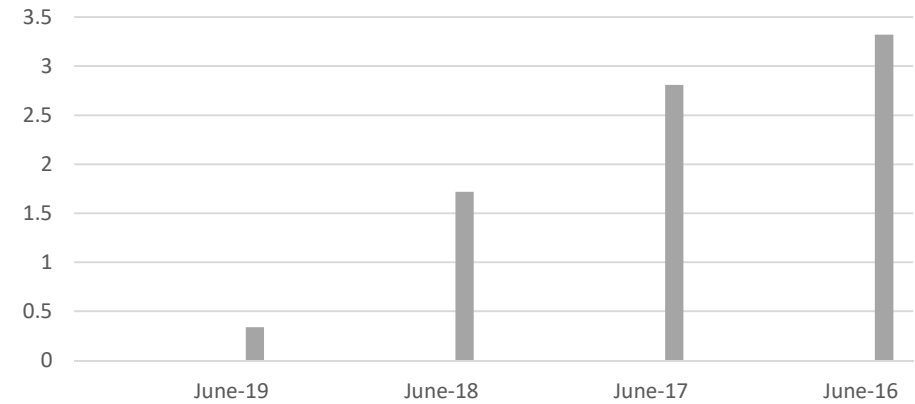
1. One off charge on account of the following:
  - a. Impairment on furniture and fixtures;
  - b. Provision of Rs. 5.3 million booked due to change in accounting policies in compliance with IFRS 9;
2. Valuation Loss on Equity Portfolio; and
3. Unusual Tax Charge.



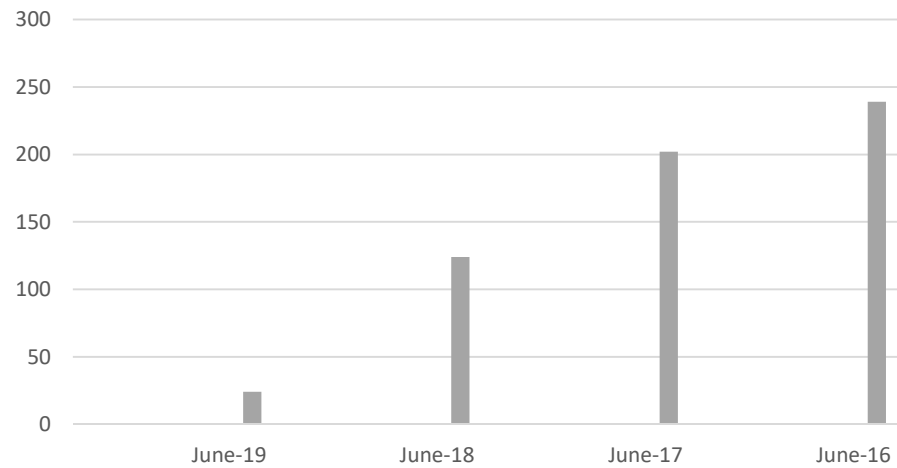
### Management Fee / Investment Advisory Fee



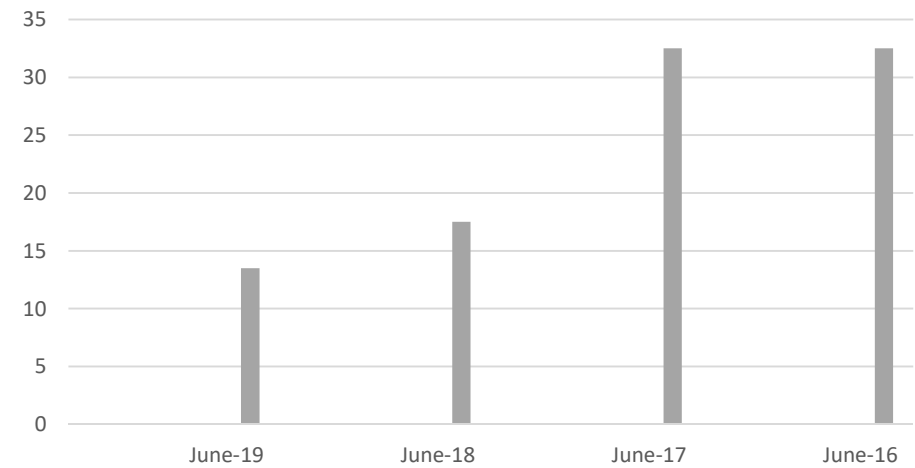
### Earnings per share



### Profit Before Tax



### Dividend



# Question and Answers

Thanks

