



Bachat ka Doosra Naam

Bachat Nama

Fund Manager's Report (March - 2015)



MCB-Arif Habib Savings and Investments Limited

March 31, 2015

PERSPECTIVE



Macro-Environment Review and Outlook

Headline CPI clocked-in at 2.5% in March, bringing average inflation to around 5.15% during the first nine months of the current fiscal year. Lower crude oil price have been keeping monthly inflation figures below 5 percent since November 2014. Going forward sustained lower energy and food prices expected to keep inflation in check and average CPI is expected to remain below 5 percent in FY15.

In consideration of low inflation, central bank reduced discount rate by 50 bps in monetary policy announced during the month and reset discount rate to 8% from 8.5%. Improvement in economic indicators prompted Moody's Investors Service to raise Pakistan's credit rating outlook to positive from stable. The rating agency attributed improved outlook to strengthening external liquidity position, continued efforts toward fiscal consolidation, and Government's steady progress toward structural reforms under the IMF program.

As per latest available data, the country's current account deficit stood at \$1.6 billion during the first eight months of the current fiscal year, as opposed to the deficit of around \$2.45 billion during the same period last fiscal year. Country's forex reserve balance stood close to \$16 billion at the end of month (20-March-15). With IMF program on track and positive developments on privatization program, country's foreign reserves are expected to improve further by the end of current fiscal year. This, if happens should be able to attract project financing and grants.

Equity Market Performance Review and Outlook

In the wake of selling pressure, the KSE-100 index fell by 10 percent during the month and brought benchmark index to 30,233.87 at the end of March, 2015. Liquidation of foreign funds and changes in CGT rules for foreign investors were the key factors responsible for negative sentiments in the market. Offshore investors remained net sellers, with total outflow of around \$71 million in March, 2015.

Due to negative performance in March Karachi Stock Exchange was ranked as the worst-performing market during the first three months of CY15 in the MSCI FM Index. Performance of all major sectors remained in the red. Commercial Banks and Oil and gas sectors, where concentration of foreign holding was high, posted the biggest drop in share prices while power sector, where scripts are offering high dividend yield, managed to outperform the market. Average turnover deteriorated to 167 million shares in March as opposed to average turnover of 264 million shares during the previous three months.

Continuation of expansionary environment expected to keep high yielding stocks in lime light especially stocks belonging to Power and Fertilizer sectors. Lower interest rates also bodes well for the debt-laden companies and improves market valuations.

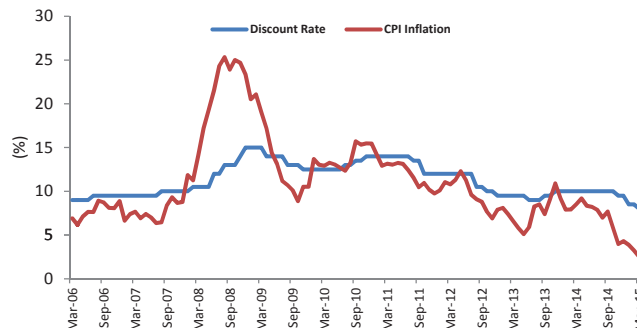
Money Market Performance Review and Outlook

Money market remained quite active during the month after 50 bps cut in the discount rate announced in March 2015. Lower CPI outlook has built strong sentiments in the market that the monetary policy committee may further slash discount rate in the upcoming monetary policy. These expectations resulted in aggressive participation in T-bills & Bond auctions particularly in longer tenors causing strain on short term liquidity. SBP intervened several times in the market and injected sizeable amount of liquidity through several OMO.

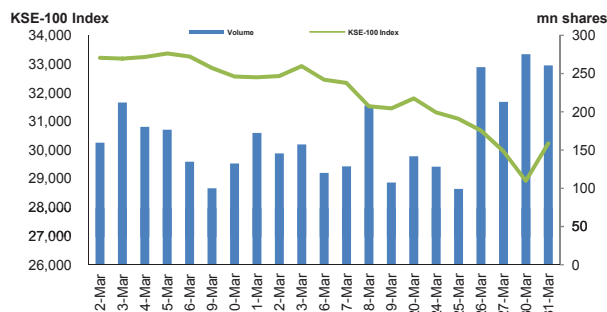
The State Bank of Pakistan accepted an amount of Rs 45.60 billion against bids of Rs 96.10 billion placed in the PIB auction held in March. The auction target was Rs 50 billion while the maturing amount was Rs. 6 billion. The acceptance was skewed towards the 3-Year tenor (43 percent), while acceptance in 5-Year and 10-Year tenors came at 33 percent and 24 percent, respectively. No bid was received for 20-Year tenor. The yield for 3-Year, 5-Year and 10-Year tenors came at 8.29 percent, 8.75 percent and 9.50 percent, respectively.

The State Bank of Pakistan accepted an amount of Rs 241.59 billion against bids of Rs 487.17 billion placed in the last T Bill auction held in March 2015. The auction target was Rs 250 billion while the maturing amount was Rs 192 billion. The bidding participation was skewed towards the 12-month (48 percent) and 6-month (42 percent) papers, while participation for 3-month stood at 6 percent. The yield for 3-month, 6-month and 12-month paper stood at 8.19 percent, 7.99 percent and 7.84 percent, respectively.

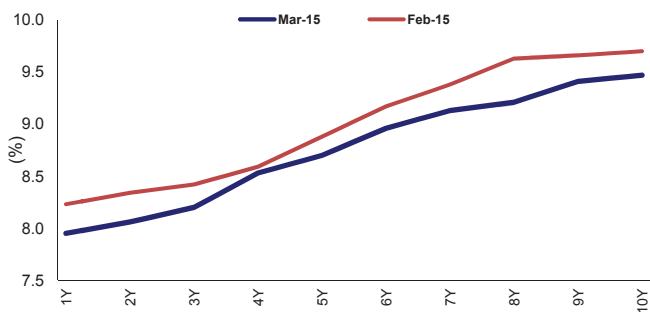
Discount Rate vs. CPI Inflation



KSE During March 2015



Yield Curve



MCB Islamic Income Fund

March 31, 2015

NAV - PKR 104.8728



General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant (Islamic) Income Scheme
Asset Manager Rating	AM2 (AM Two) by PACRA (10-Apr-14)
Stability Rating	AA-(f) by PACRA (19-Mar-15)
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*	Class "A" Transaction less than or equal to Rs 15m 1.5% Transaction more than Rs15m Nil For Corporate Nil
Back end Load*	Class "B" 0% 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)	104.8728
Net Assets (PKR M)	1,396
Weighted average time to maturity (days)	312.00
Sharpe Measure	0.18
Correlation	7.2%
Standard Deviation	0.04
Alpha	0.007%

Top Sukuk Holding (% of Total Assets)

Engro Fertilizers Limited (09-Jul-14)	8.3%
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Members of the Investment Committee

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

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 7.41% as against its benchmark return of 6.25%. The fund reduced its exposure in GoP Ijara Sukuk from 66.1% last month to 63.5% at month end. Around 27.4% 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

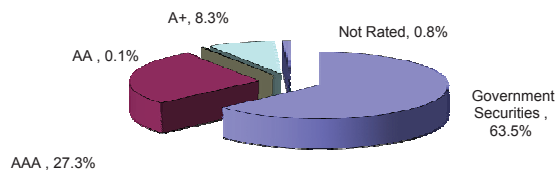
MCB-IIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 11.50 million, if the same were not made the NAV per unit of MCB-IIF would be higher by Rs. 0.8640 and YTD return would be higher by 0.86%. For details investors are advised to read Note 9 of the latest Financial Statements for the half year ended December 31, 2014 of MCB-IIF.

Asset Allocation (%age of Total Assets)	Mar-15	Feb-15
Cash	27.4%	22.7%
GoP Ijara Sukuks	63.5%	66.1%
Others including receivables	0.8%	3.0%
Sukuk	8.3%	8.2%

Performance Information (%)	MCB IIF	Benchmark
Year to Date Return (Annualized)	6.45	6.38
Month to Date Return (Annualized)	7.41	6.25
180 Days Return (Annualized)	6.77	6.38
365 Days Return (Annualized)	6.49	6.43
Since inception (CAGR)	8.66	6.41

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.

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.

Pakistan International Element Islamic Asset Allocation Fund

March 31, 2015

NAV - PKR 61.07



General Information

Fund Type	An Open End Scheme
Category	Shariah Compliant Islamic Asset Allocation Scheme
Asset Manager Rating	AM2 (AM Two) by PACRA (10-Apr-14)
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 -4.64% as against its benchmark return of -7.01% during the month. Exposure in equities was decreased to 60.1% as compared to 79.4% in the previous month. Major sectors witnessed a decrease due to reduction in overall equity exposure. Electricity, Chemicals, Construction & Materials sectors were reduced significantly.

Provision against WWF liability

PIEIF has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs 7.95 million, if the same were not made the NAV per unit of PIEIF would be higher by Rs. 0.9532 and YTD return would be higher by 1.93%. For details investors are advised to read Note 9 of the latest Financial Statements for the half year ended December 31, 2014 of PIEIF.

Fund Facts / Technical Information	PIEIF	KMI-30
NAV per Unit (PKR)	61.07	
Net Assets (PKR M)	509	
Price to Earning (x)	9.81	9.58
Dividend Yield (%)	7.1%	4.5%
No. of Holdings - Equity	23	30*
Wt. Avg Mkt Cap (PKR Bn)	64.63	102.78
Sharpe Measure	0.04	0.05
Beta	0.64	1.00
Correlation	80.9%	
Max draw up	304.5%	560.7%
Max draw Down	-28.9%	-39.6%
Standard Deviation	0.77	0.97
Alpha	1.09%	
*prospective earnings		

Performance Information (%)	PIEIF	Benchmark
Year to Date Return	23.87	3.60
Month to Date Return	-4.64	-7.01
180 Days Return	19.35	1.50
365 Days Return	28.54	10.58
Since inception	175.89	259.67

Asset Allocation (%age of Total Assets)	Mar-15	Feb-15
Cash	38.0%	17.7%
Stock /Equities	60.1%	79.4%
Sukuk	0.0%	0.0%
Others including receivables	1.9%	2.9%

Top 10 Holdings (%age of Total Assets)

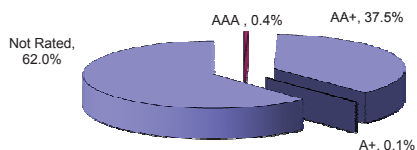
Hub Power Company Limited	Equity	11.2%
Fatima Fertilizer Limited	Equity	5.0%
Maple Leaf Cement Factory Limited	Equity	4.2%
Pakistan State Oil Company Limited	Equity	4.2%
Kot Addu Power Company Limited	Equity	4.0%
Mari Petroleum Company Limited	Equity	3.8%
Ghani Glass Limited	Equity	3.3%
Fauji Fertilizer Limited	Equity	3.1%
Fauji Fertilizer Bin Qasim Limited	Equity	3.0%
Nestle Pakistan Limited	Equity	2.7%

Members of the Investment Committee

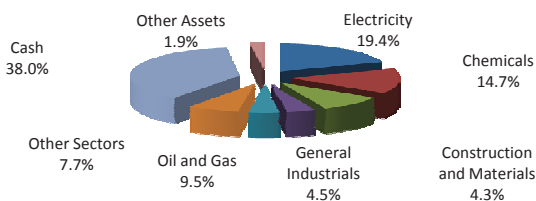
Yasir Qadri	Chief Executive Officer
Muhammad Asim, CFA	Chief Investment Officer
Saad Ahmed	Sr. Manager Fixed Income
Mohsin Pervaiz	VP - Investments
Manal Iqbal, CFA	Head of Research

	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

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



Sector Allocation (%age of Total Assets)



NOTE

The Debt Instrument Rating of Pak Elektron Limited - Sukuk (Issue date: 28-Sep-07) has been upgraded to A- (A Minus) with effect from January 06, 2015. After this upgrading, Pak Elektron Limited- Sukuk has become a compliant investment in accordance with the requirements of constitutive documents. Pak Elektron Limited Sukuk has a outstanding face value of Rs. 6.43 million and is fully provided in the books of accounts.

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MUFAP's Recommended Format.

Pakistan Islamic Pension Fund

March 31, 2015



General Information

Fund Type	An Open End Scheme
Category	Islamic Voluntary Pension Scheme
Asset Manager Rating	AM2 (AM Two) by PACRA (10-Apr-14)
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 negative return of 8.42% during the month against KSE-100 index return of -10.10%. Many changes in sector and company allocations were made in response to prudently incorporate the changing local and global dynamics. Allocations to Electricity, Construction & Materials, General Industrials and Chemicals sectors were decreased while the fund increased its exposure in Oil & Gas.

Debt sub-fund generated an annualized return of 6.26% during the month. The fund has increased exposure in cash. Whereas, the fund has marginally decreased its exposure towards GoP Ijarah Sukuk from 95.5% to 95.3%.

Money Market sub-fund generated an annualized return of 5.12% during the month. The fund has marginally decreased its exposure in GoP Ijarah Sukuk from 95.7% to 95.2%.

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 1.2227 and YTD return would be lower by 0.45%. For details investors are advised to read Note 9 of the latest Financial Statements for the half year ended December 31, 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 0.4699 and YTD return would be lower by 0.28%. For details investors are advised to read Note 9 of the latest Financial Statements for the half year ended December 31, 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 0.5861 and YTD return would be lower by 0.37%. For details investors are advised to read Note 9 of the latest Financial Statements for the half year ended December 31, 2014 of PIPF.

Top 10 Equity Holdings (%age of Total Assets)

Fauji Fertilizer Company Limited	9.9%
Hub Power Company Limited	9.8%
Engro Corporation Limited	6.3%
Pakistan State Oil Company Limited	6.2%
Mari Petroleum Company Limited	6.0%
Maple Leaf Cement Factory Limited	5.6%
Kot Addu Power Company Limited	4.5%
Bata Pakistan Limited	3.7%
Ghani Glass Limited	3.0%
Pakistan Oil Fields Limited	3.0%

PIPF -Money Market (%age of Total Assets)	Mar-15	Feb-15
Cash	2.8%	1.2%
GoP Ijarah Sukuk	95.2%	95.7%
Others including receivables	2.0%	3.1%

PIPF-Debt (%age of Total Assets)	Mar-15	Feb-15
Cash	2.9%	1.5%
GoP Ijarah Sukuk	95.3%	95.5%
Sukuk	0.0%	0.0%
Others including receivables	1.8%	3.0%

Performance Information & Net Assets			PIPF-EQ*	PIPF-DT**	PIPF-MM**
Year to Date Return (%)			20.88	4.43	4.53
Month to Date Return (%)			-8.42	6.26	5.12
Since inception (%)			230.46	10.17	8.27
Net Assets (PKR M)			188.63	131.53	67.22
NAV (Rs. Per unit)			331.12	175.73	161.62
	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				

* Total Return ** Annualized return

PIPF-Equity (%age of Total Assets)	Mar-15	Feb-15
Chemicals	20.5%	24.7%
Oil and Gas	19.2%	14.6%
Electricity	14.2%	15.3%
General Industrials	10.8%	11.8%
Construction and Materials	6.9%	11.4%
Other equity sectors	13.5%	19.8%
Cash	9.5%	0.9%
Others including receivables	5.4%	1.5%

Members of the Investment Committee

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

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UAN & TOLL FREE NUMBERS

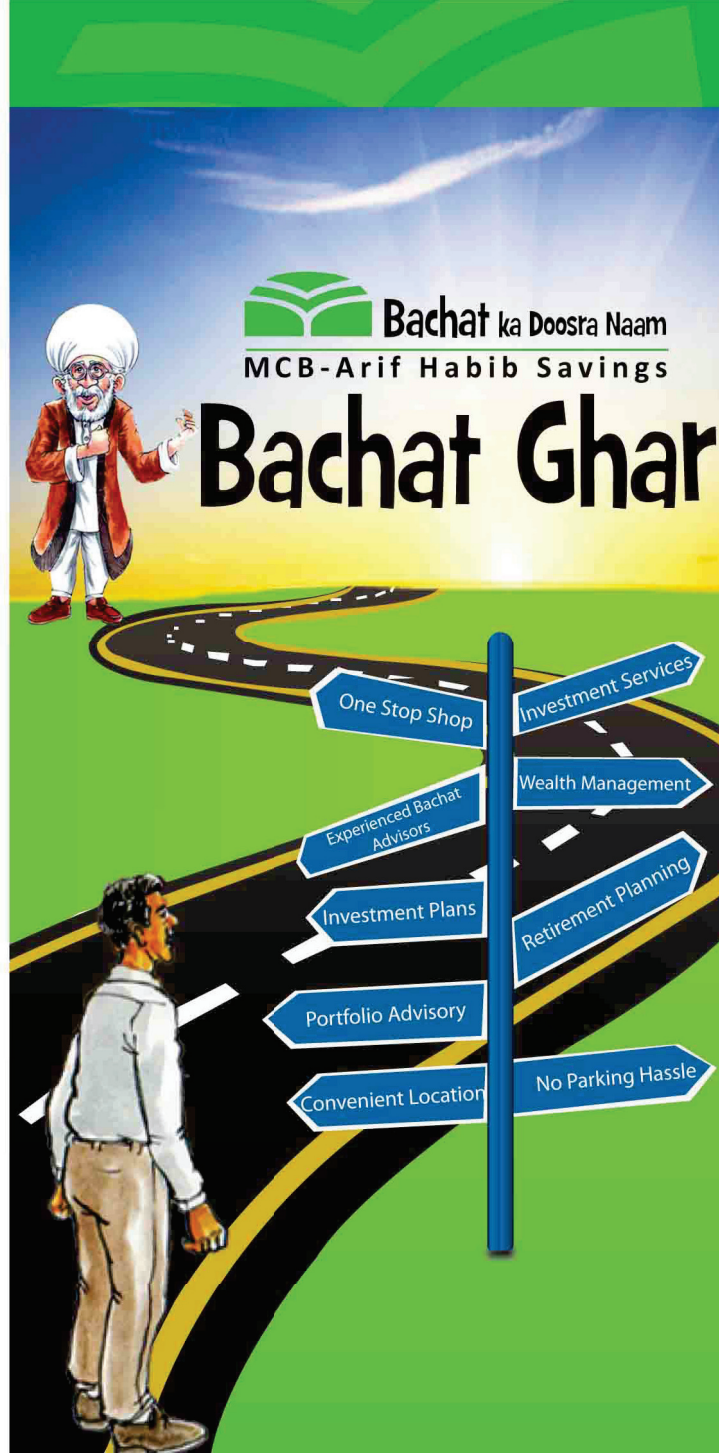
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by typing: Bachat Ka Doosra Naam

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