

BACHAT NAMA

MAY 2017



DEAR INVESTORS,

Assalam-o-Alaikum and greetings from your preferred fund manager!

Thank you for taking out your time to review our Fund Manager's report for the month of May 2017. We extend our earnest gratitude to our investors for their sustained confidence on us which has been a great motivating factor for us to continuously provide you with better quality products and services.

With all the hype about "MSCI-Emerging Market" going around, we would like to take this opportunity to brief our investors about what it actually is and what it means for our equity market. Pakistan was part of the MSCI Emerging Market Index (Emerging Market Index) from 1994 to 2008. However, the temporary closure of the Pakistan Stock Exchange in 2008 led MSCI to remove it from the Emerging Market Index as it was not meeting the liquidity criteria in order to be held eligible for Emerging Market status. Thus, Pakistan was downgraded to the Frontier Markets Index in May 2009 and it has remained as such since then.

What is the difference between Emerging and Frontier Markets and why investors should be concerned about them. While there is no universally acceptable definition of these markets, there are no clear linings which can differentiate between them. An emerging market is a country in the process of rapid growth and development with lower per capita incomes. This includes countries like Brazil, Russia, India and China. On the other hand, Frontier market is one with little market liquidity, marginally developed capital markets and lower per capita incomes vis à vis the more developed emerging markets like China and India. An estimated USD 1.5 trillion of investment falls under Emerging Market compared to USD 15 billion for frontier markets. Technically Speaking, Pakistan was out of the investment radar of global fund managers managing USD 1.5 trillion of assets. After all, only a genuinely odd investor would get excited about companies that are too small to build a meaningful position in.

The Pakistani equity market has grown significantly and its liquidity has greatly improved over the past years. Due to a number of positive developments in Pakistani equity market over previous years, Pakistan has been reclassified to Emerging Market Index last year in May 2016 and officially included in the index recently on 1st June 2017. The inclusion was an indication of the confidence of the international institutions in Pakistan's economy. Since the decision to upgrade, KSE 100 index has gained ~40%.

The classification as emerging market helps in a multitude of ways for any nation; it opens up the prospects of investments from foreign investors, introduces a degree of reliability for the particular market and enhances its capital raising abilities. Going forward we remain positive with regards to MSCI upgrade as our market is trading at a ~20% discount to the general value of a Emerging Market country. We expect active foreign investors to take interest in PSX with Pakistan being continually highlighted in foreign markets due to CPEC and other infrastructure projects.

For Investment-related queries, please call us at our Toll Free Bachat Number: 0800-62224 (0800-MCBAH) from Monday to Saturday where our friendly staff will assist you or you can email us at info@mcbah.com. We assure you of our best services at all times.



Muhammad Saqib Saleem

Chief Executive Officer

MACRO-ENVIRONMENT REVIEW AND OUTLOOK

Fiscal budget unveiled this month, as expected remained focus on infrastructure spending and set aside a significant increase in PSDP with total consolidated development spending target of above 2.1 trn (5.9% of GDP). More importantly, government continue to target disciplined progressive recovery with GDP growth target at 6% and fiscal deficit near 4%. External Account though remains an area of concern where absent any major initiatives, government targets for improving trade deficit defy the trends witnessed during the current year. Alongside focus on external borrowing without support from FDI highlights sustainability risks in Balance of Payments.

The LSM growth recorded a sharp rebound to record a double digit growth of 10% in the month of Mar'17, taking the growth of 9MFY17 to 4.94%. Major contribution to growth came from automobiles, construction and consumer goods.

The current account witnessed a deficit of USD 7.25billion during the period of 10MFY17 compared to a deficit of USD 2.38 billion last year. Imports increased by 15.5% while exports remained flat during this period leading trade deficit to worsen by 36.43% YoY. Imports of Petroleum, Food, Machinery and transport were the biggest contributor towards trade deficit. Worker's remittances recorded marginal decrease of -2.8% to stand at USD 15.59billion during 10MFY17. Balance of payments is expected to remain under pressure due to continuing import of machinery under CPEC and rising petroleum prices coupled with increased LNG import.

As at 26th May, foreign exchange reserves stood at -USD 21.77 billion. With -USD 750million Euro bond payment to be made in June, we expect the recent recovery to reverse. The foreign exchange reserves are expected to remain under pressure with widening external account deficit.

EQUITY MARKET REVIEW AND OUTLOOK

The day finally arrived for Pakistani Stock Market with its formal inclusion to MSCI Emerging Market Index at the month end. The index closed near 51k and gained 2.6% during the month. Prior to inclusion, the index gained more than 5% with MSCI based scrips leading the chart. Fiscal Budget also failed to live up to the market expectations with the dampener coming from a) continuation of supertax b) increase in WHT on dividends and c) change in the CGT slab to uniform rate. Though budget encourages a higher payout ratio and tax credit on new listings which are positive for market sentiments, overall sector related impacts remain muted or largely anticipated. In continuation of the full year trend, foreigners remained net sellers of near USD 60m during the month which the local investors absorbed in anticipation of incoming investment from MSCI EM funds at the month end. However market saw a startling negative outflow of USD 82 million against market expectations of USD 250 million of net inflows which resulted in tumultuous effect on market in general and MSCI Index stocks in particular. The selling from existing foreign investors caused a supply overhang which however has created attractive opportunity for investors as the fundamentals continue to remain strong with strong fiscal spending led macro economic framework.

Oil & Gas Exploration sector lead the charts, outperforming the benchmark index by 10.0% during the month, as Oil prices rose by 6% to hit a peak of USD 52/BBL on announcement of extension in cuts by OPEC and Non OPEC Oil producers. Alongside, OGDC's inclusion to the Emerging Market Index triggered a buoyancy in the sector. Similarly, Oil & Gas marketing sector gained 6.5%, with SNGP remaining on the forefront with its unexpected inclusion in the MSCI Small Cap Index. On the flip side, cement sector turned out to be a laggard losing 4.5% during the month as the economics of cartel were challenged after Cherat Cement doubled its capacity in the Northern region. As a result, cement prices were reduced by 4-5% in the region causing the stock prices to remain under pressure.

Going forward, equities may remain under pressure in the short term owing to disappointing foreign flows along with political noise getting louder. However, with Pakistan's formal inclusion to the Emerging Market Index after 8 years, Pakistan is a small fish in a big pond and given the expected strong macroeconomic performance, chances of attracting active investment from foreign funds shall remain high. Alongside, dearth of returns in the alternate asset classes will keep domestic liquidity robust. We recommend our investors to focus on the long term value offered by the local bourse through our equity funds.

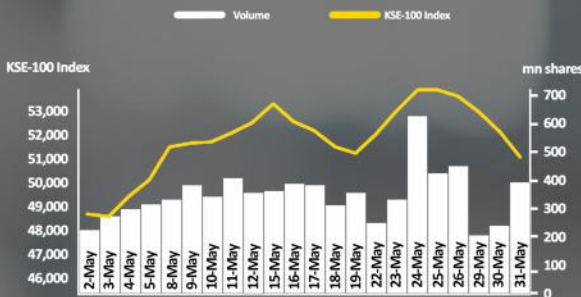
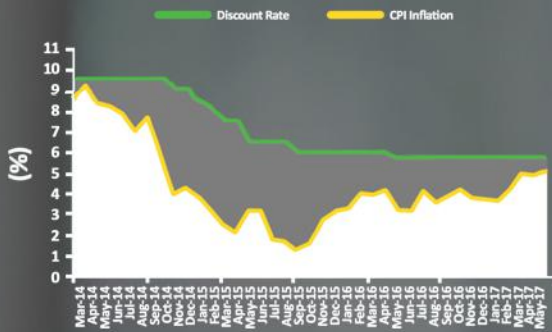
MONEY MARKET REVIEW AND OUTLOOK

Yield curve remained almost stable during the month. Commercial banks remained active in overnight market where majority of activity was witnessed near policy rate. In the recent PIB auction, participation equaled PKR 85 billion out of which 3 years PIB received the majority of bids amounting to PKR 57 billion, whereas 5 years PIB received PKR 19 billion and 10 years PIB received only PKR 9 billion. The target of the said auction was set at PKR 50 billion. SBP accepted PKR 40 billion out of which PKR 34 billion was accepted in 3 years PIB, highlighting the fact that market is reluctant going into longer tenor bonds.

In last Treasury bill auction cut off yield for 3 and 6 months paper was maintained at previous level of 5.9910% and 6.0109% respectively, whereas cut off yield for 12 months paper was increased to 6.0499%. The target for the auction was PKR 400 billion, whereas the participation was of around PKR 399 billion out of which PKR 347 billion was accepted. Short term liquidity remained comfortable as SBP conducted regular OMOs throughout the month.

Pace of widening trade deficit remained alarmingly high which also kept on eating up the forex reserves, keeping movement particularly across longer tenor securities in check despite decent premium over policy rate and short term yields.

Going forward surge in import payments, marginal recovery in exports and slow down in worker remittances could potentially put further pressure on current account though government still remains confident on funding BoP through borrowing.





General Information

| | |
|-------------------------------|--|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant (Islamic) Income Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Jun-16) |
| Stability Rating | AA-(f) by PACRA (30-Dec-16) |
| Risk Profile | Low |
| Launch Date | 20-Jun-2011 |
| Fund Manager | Syed Mohammad Usama Iqbal |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | A.F.Ferguson & Co. Chartered Accountants |
| Management Fee | 10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets |
| Front end Load* | Class "A" Units: Individual ----- 1.5% Corporate ----- Nil Class "B" Units ----- 0% Bachat Units ----- Nil |
| Back end Load* | Class "A" Units ----- 0% Class "B" Units: 1.5% on redemption in the first (1st) year from the date of investment 1.0% on redemption in the second (2nd) year from the date of investment 0.0% on redemption after completion of two (2) years from the date of investment Bachat Units: 3% if redeemed before completion of two years from the d of initial investment. 0% if redemption after completion of two years from the date of initial investment Growth & Bachat Units ----- PKR 500 Income Units ----- PKR 100,000 |
| Min. Subscription | |
| Listing | Pakistan Stock Exchange |
| Benchmark | Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) |
| Cut off Timing During Ramadan | Mon - Thur (9:00AM to 1:00 PM) Fri (9:00AM to 12:00 PM) |
| Leverage | Nil |
| *Subject to government levies | |

Investment Objective

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

Manager's Comment

During the month the fund generated an annualized return of 6.55% as against its benchmark return of 2.40%. The fund decreased its exposure in certificate of Modaraba.

Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 106.5096 |
| Net Assets (PKR M) | 1,201 |
| Weighted average time to maturity (Years) | 1.6 |
| Sharpe Ratio | 0.14 |
| Correlation | 9.5% |
| Standard Deviation | 0.05 |
| Total expense ratio with government levy** | 1.34% |
| Total expense ratio without government levy | 1.03% |

**This includes 0.31% representing government levy, Sindh workers' welfare fund and SECP Fee.

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIIF has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2.23 million, if the same were not made the NAV per unit of ALHIIF would be higher by Rs. 0.1973 and YTD return would be higher by 0.20%. For details investors are advised to read Note 7.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIIF.

Top Sukuk Holding (% of Total Assets)

| | |
|--------------------------------------|-------|
| Meezan Bank Limited (22-Sep-16) | 8.60% |
| Engro Fertilizer Limited (09-Jul-14) | 8.03% |
| Ghani Gases Limited (02-Feb-17) | 7.95% |

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 | Senior Research Analyst |

MCBAH Shariah Supervisory Board

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

Asset Allocation (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Cash | 57.7% | 43.5% |
| GoP Ijara Sukuks | 8.6% | 9.6% |
| Sukuk | 24.6% | 27.8% |
| Certificate of Musharakah | 0.0% | 8.8% |
| Certificate of Modaraba | 8.2% | 9.2% |
| Others including receivables | 0.9% | 1.1% |

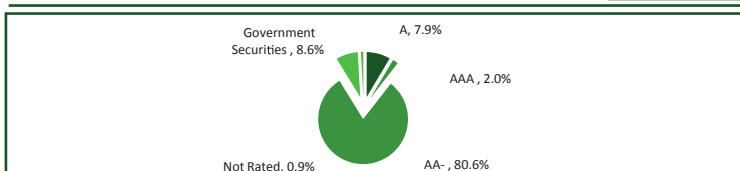
Performance Information (%)

| Particulars | ALHIIF | Benchmark |
|--|--------|-----------|
| Year to Date Return (Annualized) | 6.32 | 3.38 |
| Month to Date Return (Annualized) | 6.55 | 2.40 |
| 180 Days Return (Annualized) | 7.00 | 2.72 |
| 365 Days Return (Annualized) | 6.04 | 3.51 |
| Since inception (CAGR) | 7.60 | 6.39 |
| Average Annual Return (Geometric Mean) | 5.87 | - |

Annualized

| Particulars | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|------|------|------|------|------|
| Benchmark (%) | 6.6 | 6.30 | 6.09 | 6.29 | 4.42 |
| ALHIIF (%) | 10.4 | 8.90 | 8.38 | 6.55 | 5.05 |

Asset Quality (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format



General Information

| | |
|----------------------|--|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant Islamic Asset Allocation Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Jun-16) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 2-May-2006 |
| Fund Manager | Awais Abdul Sattar, CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, Chartered Accountants |
| Management Fee | 2% per annum of the average daily Net Assets of the scheme |
| Front end Load* | Type A Units: Individual 3% Corporate Nil |
| Back end Load* | Type B Units: Nil Type C Units (Bachat Units) : Nil Type A Units ---NIL Type B Units 3.0% for first year after investment 2.0% for second year after investment 1.0% for third year after investment NIL for redemptions after completion of 3 years from investment Type C-Bachat Units Bachat Units (Two Years): 3% if redeemed before completion of two years from the date of initial investment. 0% if redemption after completion of two years from the date of initial investment. Bachat Units (Three Years): 3% if redeemed before completion of three years from the date of initial investment. 0% if redemption after completion of three years from the date of initial investment. |
| Min. Subscription | PKR 500 |
| Listing | Pakistan Stock Exchange |
| Benchmark | KMI 30 Index and Six (6) months average deposit rates of three (3) A rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the Scheme |
| Pricing Mechanism | Forward |
| Dealing Days | Monday -Friday |
| Cut off Timing | Mon-Fri (9:00 AM to 4:30 PM) |
| Cut off Timing | Mon-Thur (9:00 AM to 1:00PM) |
| Durning Ramadan | Fri (9:00 AM to 12:00PM) |
| Leverage | Nil |

*Subject to government levies

Investment Objective

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

Manager's Comment

The fund posted a return of 3.11% as against its benchmark return of 3.33% during the month. Exposure in equities was decreased to 66.0% as compared to 77.1% in the previous month while allocation in cash increased to 31.8% from 22.1% over the same period.

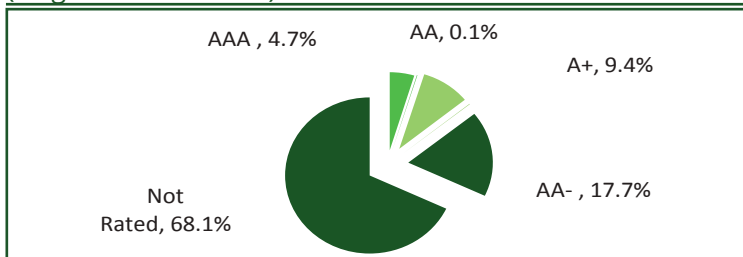
Members of the Investment Committee

| | |
|---------------------------|---------------------------------------|
| 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 | Senior Research Analyst |
| Mohammad Aitazaz Farooqui | Research Analyst |

MCBAH Shariah Supervisory Board

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

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



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHAA has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 7.78 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.4241 and YTD return would be higher by 0.67%. For details investors are advised to read Note 6.2 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHAA.

Asset Allocation (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Cash | 31.8% | 22.1% |
| Stock /Equities | 66.0% | 77.1% |
| Sukuk | 0.1% | 0.1% |
| Others including receivables | 2.1% | 0.7% |

Performance Information (%)

| Particulars | ALHAA | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | 34.88 | 29.97 |
| Month to Date Return | 3.11 | 3.33 |
| 180 Days Return | 18.55 | 19.48 |
| 365 Days Return | 38.81 | 35.10 |
| Since inception | 328.07 | 501.74 |

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark (%) | 11.00 | 46.60 | 28.51 | 17.47 | 13.53 |
| ALHAA (%) | 15.70 | 28.40 | 18.89 | 35.59 | 5.09 |

Top 10 Holdings (%age of Total Assets)

| | | |
|---|--------|------|
| Lucky Cement Limited | Equity | 5.7% |
| Hub Power Company Limited | Equity | 5.2% |
| Engro Corporation Limited | Equity | 5.1% |
| Oil and Gas Development Company Limited | Equity | 3.7% |
| Pak Elektron Limited | Equity | 3.3% |
| Sui Northern Gas Company Limited | Equity | 3.1% |
| D.G. Khan Cement Company Limited | Equity | 2.9% |
| International Industries Limited | Equity | 2.8% |
| Pakistan Oil Fields Limited | Equity | 2.4% |
| Cherat Cement Company Limited | Equity | 2.4% |

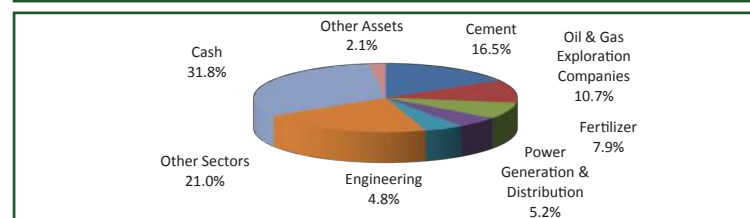
Fund Facts / Technical Information

| Particulars | ALHAA | KMI-30 |
|---|---------|---------|
| NAV per Unit (PKR) | 85.6774 | |
| Net Assets (PKR M) | 1,572 | |
| Sharpe Ratio | 0.05 | 0.06 |
| Beta | 0.66 | 1.00 |
| Correlation | 83.0% | |
| Max draw up | 502.93% | 950.40% |
| Max draw Down | -28.91% | -39.65% |
| Standard Deviation | 0.75 | 0.94 |
| Total expense ratio with government levy** | 3.71% | |
| Total expense ratio without government levy | 2.71% | |

*Prospective earnings

** This includes 1.00% representing government levy, Sindh workers' welfare fund and SECP Fee

Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format



General Information

| | |
|---------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant Equity Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Jun-16) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 11-Sept-2004 (Converted into Shariah Compliant Islamic Fund with effect from July 01,2015) |
| Fund Manager | Awais Abdul Sattar, CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, Chartered Accountants Chartered Accountants |
| Management Fee | 2.0% p.a. |
| Front end Load* | Type "B" Units: Individual -----3% Corporate -----Nil Type "C" Units Bachat Units(Two Years)-----Nil Bachat Units(ThreeYears)-----Nil |
| Back-end load* | Type "B" Units -----Nil Type "C" Unit s -Bachat Units(Two Years): 3% if redeemed before completion oftwo (2) years from the date of initial investment. 0% if redemption after completion of two(2) years from the date of initial investment. Type "C" Unit s -Bachat Units(Three Years): 3% if redeemed before completion ofthree (3) years from the date of initial investment. 0% if redemption after completion of three(3) years from the date of initial investment. |
| Min. Subscription Listing | PKR 500 |
| Benchmark | PakistanStock Exchange KMI-30 Index |
| Pricing Mechanism | Forward |
| Dealing Days | Monday -Friday |
| Cut off Timing | Mon-Fri (9:00 AM to 4:30PM) |
| Cut off Timing | Mon-Thur (9:00 AM to 1:00PM) |
| Durning Ramadan | Fri (9:00 AM to 12:00PM) |
| Leverage | Nil |

*Subject to government levies

Investment Objective

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

Manager's Comment

The fund posted a 2.87% return in May 2017 compared to the benchmark return of 3.53% with an underperformance of 66 basis points. This was mainly on account of underweight exposure in select oil stocks. For fiscal year to date however, the fund posted a 38.42% return, a 625 basis point above the benchmark, which posted a return of 32.17%. During the month we reduced exposure in cement sector, amid expected demand slowdown ahead due to Ramadan and monsoon season. We increased exposure in E&Ps by 2.6% due to improving oil prices in the international market. The fund was invested 80.1% 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 | Senior Research Analyst |
| Mohammad Aitazaz Farooqui | Research Analyst |

MCBAH Shariah Supervisory Board

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

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers' Welfare Funds' liability to the tune of Rs.14.12 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs.0.0697 and YTD return would be higher by 0.66%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHISF.

Asset Allocation (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Stock / Equities | 80.1% | 89.6% |
| Cash | 12.3% | 8.6% |
| Others including receivables | 7.6% | 1.8% |

Performance Information (%)

| Particulars | ALHISF | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | 38.42 | 32.17 |
| Month to Date Return | 2.87 | 3.53 |
| 180 Days Return | 19.61 | 20.23 |
| 365 Days Return | 42.01 | 38.23 |
| Since inception | 43.11 | 50.35 |

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark (%) | 10.40 | 52.20 | 41.16 | 16.01 | 15.53 |
| ALHISF(%) | 14.90 | 32.30 | 31.38 | 19.20 | 3.90 |

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---|------|
| Lucky Cement Limited | 7.2% |
| Hub Power Company Limited | 5.8% |
| Engro Corporation Limited | 5.0% |
| Oil and Gas Development Company Limited | 4.2% |
| Sui Northern Gas Company Limited | 3.6% |
| Pakistan Petroleum Limited | 3.4% |
| D.G. Khan Cement Company Limited | 3.3% |
| Pak Elektron Limited | 3.0% |
| Cherat Cement Company Limited | 2.9% |
| International Industries Limited | 2.9% |

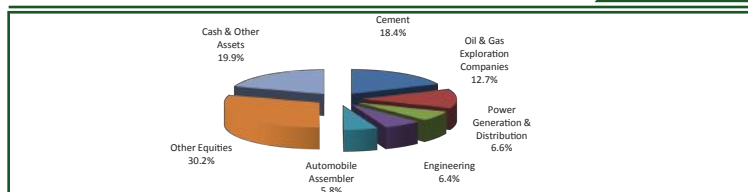
Fund Facts / Technical Information

| Particulars | ALHISF | KMI-30 |
|---|---------|---------|
| NAV per Unit (PKR) | 14.70 | |
| Net Assets (PKR M) | 2,980 | |
| Price to Earning (x)* | 11.71 | 12.50 |
| Dividend Yield (%) | 3.41 | 5.40 |
| No. of Holdings | 50.0 | 30 |
| Weighted Avg. Market Cap. (PKR Bn) | 115.52 | 184.5 |
| Sharpe Ratio | 0.04 | 0.04 |
| Beta | 0.76 | 1.00 |
| Correlation | 90.3% | |
| Max draw up | 656.54% | 785.16% |
| Max draw down | -60.10% | -14.70% |
| Standard Deviation | 1.07 | 1.28 |
| Total expense ratio with government levy** | 4.05% | |
| Total expense ratio without government levy | 2.84% | |

*prospective earnings

**This includes 1.21% representing government levy, Sindh Workers' Welfare fund and SECP fee

Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format



General Information

| | |
|-------------------------------|---|
| Plan Type | An Open End Scheme |
| Category | Shariah Compliant Islamic Asset Allocation Plan |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Jun-16) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 29-Dec-2016 |
| Fund Manager | Syed Abid Ali |
| Trustee | MCB Financial Services Limited |
| Auditor | A.F. Ferguson & Co. Chartered Accountants |
| Management Fee | 1% p.a. on average annual net assets on a portion not invested in mutual funds of MCB Arif Habib Savings and Investments Limited |
| Front end Load* | Individuals 3% Corporate Nil |
| Back end Load* | Nil |
| Contingent Load* | 3% |
| Min. Subscription | PKR 500 |
| Listing | Listing in progress |
| Benchmark | KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme. |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) |
| Cut off Timing During Ramadan | Mon - Thur (9:00AM to 1:00 PM) Fri (9:00AM to 12:00 PM) |
| Leverage | Nil |

*Subject to government levies

Investment Objective

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

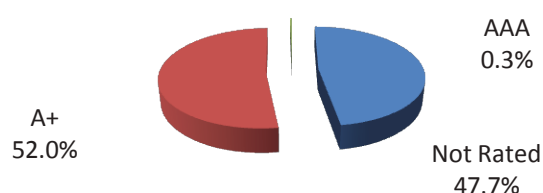
Manager's Comment

During the month, the fund posted a return of 1.59% against its benchmark return of 2.07%. The fund increased its exposure in cash from 44.3% to 52.3% while decreased its exposure in equity from 55.2% to 47.2%.

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 | Senior Research Analyst |
| Muhammad Aitazaz Farooqui | Research Analyst |

Asset Quality (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIAAP-I has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs 1.56 million, if the same were not made the NAV per unit of ALHIAAP-1 would be higher by Rs.0.0985 and YTD return would be higher by 0.1%. For details investors are advised to read Note 5.1 of the latest Financial Statements for the nine months ended March 31, 2017 of ALHIAAP-I.

Asset Allocation (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Cash | 52.3% | 44.3% |
| Alhamra Islamic Stock Fund | 47.2% | 55.2% |
| Alhamra Islamic Income Fund | 0.0% | 0.0% |
| GoP Ijara Sukuk | 0.0% | 0.0% |
| Others including receivables | 0.5% | 0.5% |

Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 104.8350 |
| Net Assets (PKR M) | 1,662 |
| Total expense ratio with government levy* | 0.65% |
| Total expense ratio without government levy | 0.46% |

*This includes 0.19% representing government levy, Sindh Workers' Welfare fund and SECP fee

Performance Information (%)

| Particulars | ALHIAAP- I | Benchmark |
|----------------------|------------|-----------|
| Year to Date Return | 4.83 | 3.69 |
| Month to Date Return | 1.59 | 2.07 |
| 180 Days Return | - | - |
| 365 Days Return | - | - |
| Since inception | 4.83 | 3.69 |

DISCLAIMER

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MUFAP's Recommended Format



General Information

| | |
|-------------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Islamic Voluntary Pension Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Jun-16) |
| Stability Rating | Not Applicable |
| Launch Date | 15-Nov-07 |
| Fund Manager | Awais Abdul Sattar, CFA |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | Deloitte Yousuf Adil & Co., Chartered Accountants |
| Management Fee | 1.5% p.a. |
| Front / Back end Load* | 3% / 0% |
| Min. Subscription | PKR 500 |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00 AM to 5:00 PM) |
| Cut off Timing | Mon - Thur (9:00 AM to 1:00 PM) |
| During Ramadan | Fri (9:00 AM to 12:00 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 2.63% during the month. Overall allocation in equity was reduced.

Debt sub-fund generated a return of 3.20% during the month. Exposure were Maintained.

Money Market sub-fund generated an return of 3.14% during the month. The exposure in cash was decreased.

MCBAH Shariah Supervisory Board

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

Members of the Investment Committee

| | |
|---------------------------|---------------------------------------|
| Muhammad Saqib Saleem | Chief Executive Officer |
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| Muhammad Aitazaz Farooqui | Research Analyst |

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---------------------------------------|------|
| Hub Power Company Limited | 8.4% |
| Lucky Cement Limited | 7.0% |
| Engro Corporation Limited | 6.5% |
| Mari Petroleum Company Limited | 4.6% |
| Oil & Gas Development Company Limited | 4.1% |
| Cherat Cement Company Limited | 3.6% |
| Pakistan Oil Fields Limited | 3.5% |
| Pakistan Petroleum Limited | 3.2% |
| Pak Elektron Limited | 2.9% |
| International Industries Limited | 2.8% |

Others

Provision against Sindh Workers' Welfare Fund's liability

PIPF-EQ has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2.76 million, if the same were not made the NAV per unit would be higher by Rs. 3.6421 per unit and YTD return would be higher by 0.83%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

PIPF-DT has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.28 million, if the same were not made the NAV per unit would be higher by Rs. 0.2767 per unit and YTD return would be higher by 0.15%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

PIPF-MM has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.09 million, if the same were not made the NAV per unit would be higher by Rs. 0.2068 and YTD return would be higher by 0.12%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the nine months ended March 31, 2017 of PIPF.

PIPF -Money Market (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Cash | 58.9% | 66.7% |
| GoP Ijara Sukuk | 22.2% | 15.0% |
| Certificate of Modaraba | 17.9% | 17.5% |
| Others including receivables | 1.0% | 0.8% |

PIPF -Debt (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|------------------------------|--------|--------|
| Cash | 25.1% | 26.8% |
| GoP Ijara Sukuk | 50.4% | 49.5% |
| Others including receivables | 1.7% | 1.3% |
| TFCs | 6.2% | 6.1% |
| Certificate of Modaraba | 16.6% | 16.3% |

PIPF -Equity (%age of Total Assets)

| Particulars | May-17 | Apr-17 |
|---------------------------------|--------|--------|
| Cement | 15.5% | 23.6% |
| Oil & Gas Exploration Companies | 15.4% | 13.5% |
| Automobile Assembler | 7.1% | 9.1% |
| Power Generation & Distribution | 8.4% | 8.9% |
| Fertilizer | 6.5% | 5.8% |
| Other equity sectors | 33.3% | 32.2% |
| Cash | 13.0% | 5.8% |
| Others including receivables | 0.8% | 1.1% |

Performance Information & Net Assets

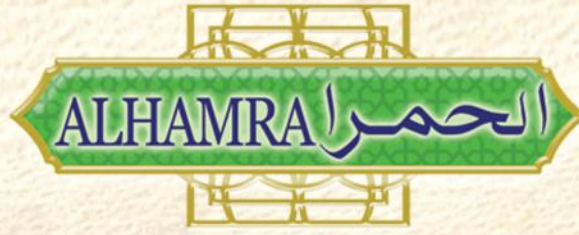
| Particulars | PIPF-EQ* | PIPF-DT** | PIPF-MM** | | |
|--------------------------|----------|-----------|-----------|-------|-------|
| Year to Date Return (%) | 43.28 | 3.90 | 3.54 | | |
| Month to Date Return (%) | 2.63 | 3.20 | 3.14 | | |
| Since inception (%) | 527.59 | 7.02 | 5.87 | | |
| Net Assets (PKR M) | 476.58 | 196.73 | 71.88 | | |
| NAV (Rs. Per unit) | 628.85 | 192.01 | 173.14 | | |
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| PIPF - EQ* | 24.70 | 41.80 | 42.10 | 39.53 | 14.84 |
| PIPF - DT** | 8.40 | 6.80 | 8.22 | 4.76 | 4.04 |
| PIPF - MM** | 8.30 | 7.70 | 6.86 | 4.80 | 2.36 |

* Total Return

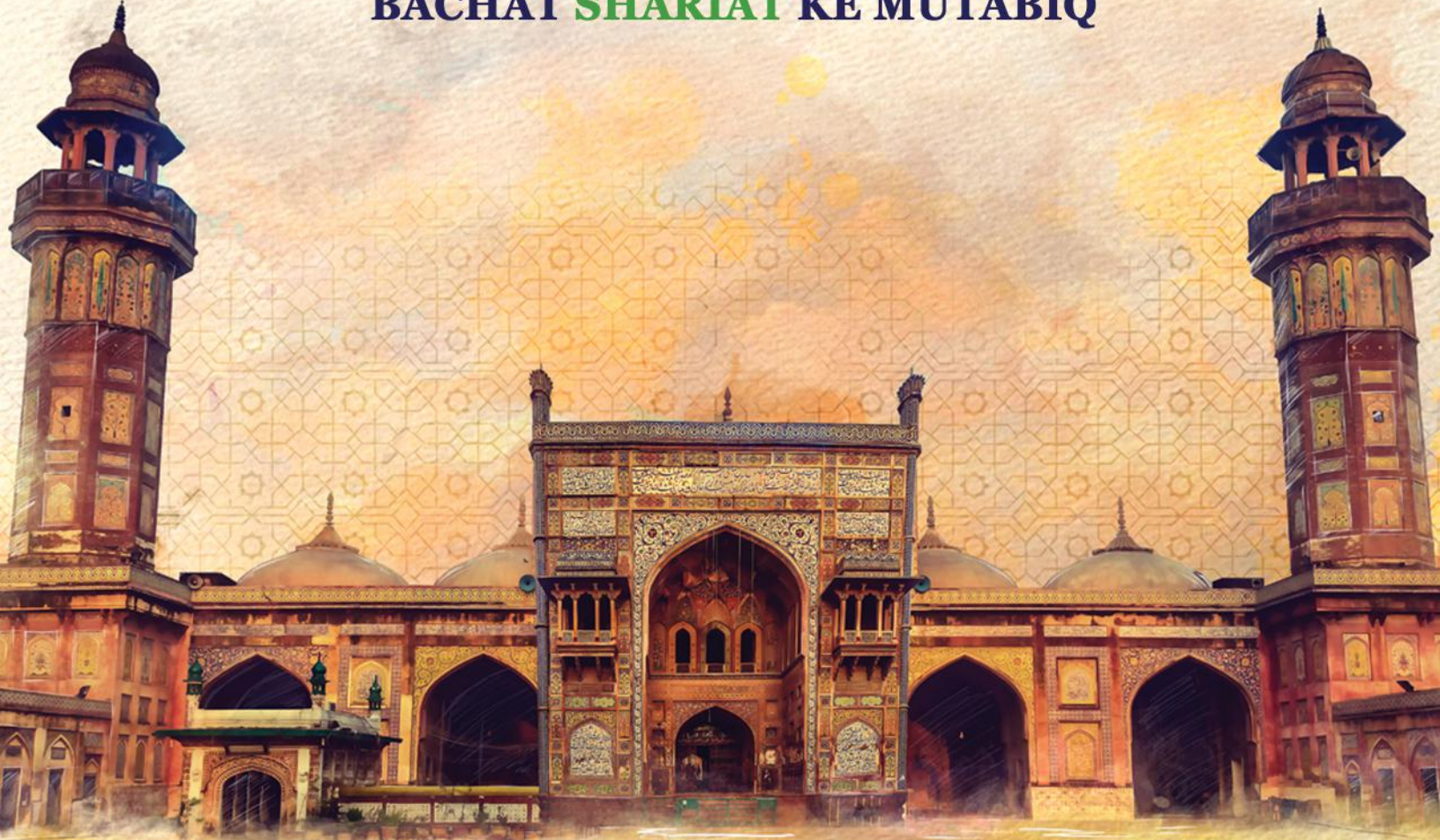
** Annualized return

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BACHAT SHARIAT KE MUTABIQ



HALAL SARMAYAKARI

Alhamra Islamic Active Allocation Plan II
Shari'ah Compliant Islamic Asset Allocation Plan of Alhamra Islamic Active Allocation Fund
(An open-end Shari'ah Compliant Asset Allocation Fund of Funds Scheme)

Initial Offering Period From
June 01, 2017 To June 15, 2017

 **Bachat ka Doosra Naam**
MCB ARIF HABIB
Rated AM2++ by PACRA

To Find Out More Call ☎ 0800-62224 | ✉ SMS ALHAMRA to 8622

Disclaimer: All investments in mutual fund are subject to market risks. The investors are advised in their own interest to carefully read the contents of Offering Document in particular the Investment Policies mentioned in clause 2.2.12, Risk Factors mentioned in Clause 2.7 and Warnings in clause 9.1 before making any investment decision.