



BACHAT SHARIAT KE MUTABIQ

MONEY MATTERS

Fund Manager's Report
DECEMBER 2018



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY PACRA

FUND PERFORMANCE



Fund Returns

| Funds | YTD (FY 19) | (July 2017 to June 2018) | (July 2016 to June 2017) |
|--|-------------|--------------------------|--------------------------|
| Islamic Income Scheme | | | |
| Alhamra Islamic Income Fund | 6.70% | 4.96% | 6.49% |
| Alhamra Daily Dividend Fund (Inception Date: 10-Apr-2018) | 6.72% | 4.97%* | n/a |
| Shariah Compliant Fund of Funds | | | |
| Alhamra Islamic Active Allocation Plan-I (Inception Date: 29-Dec-2016) | 0.52% | -6.84% | 0.81%** |
| Alhamra Islamic Active Allocation Plan-II (Inception Date:16-Jun-2017) | -2.59% | -0.43% | 0.19*** |
| Islamic Equity Scheme | | | |
| Alhamra Islamic Stock Fund | -11.22% | -12.00% | 29.97% |
| Islamic Asset Allocation Scheme | | | |
| Alhamra Islamic Asset Allocation Fund | -3.73% | -4.06% | 27.74% |
| Islamic Voluntary Pension Scheme | | | |
| Alhamra Islamic Pension Fund-Debt | 5.24% | 2.99% | 4.46% |
| Alhamra Islamic Pension Fund-Money Market | 5.44% | 3.34% | 3.78% |
| Alhamra Islamic Pension Fund-Equity | -9.92% | -12.16% | 33.21% |

* From April 10, 2018 to June 30, 2018
 ** From December 29, 2016 to June 30, 2017
 *** From June 16, 2017, to June 30, 2017

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

Annualized Returns for: Islamic Income Schemes and Alhamra Islamic Pension Fund (Debt and Money Market).
 Absolute Returns for: Shariah Compliant Fund of Funds, Islamic Equity, Islamic Asset Allocation Schemes, Alhamra Islamic 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

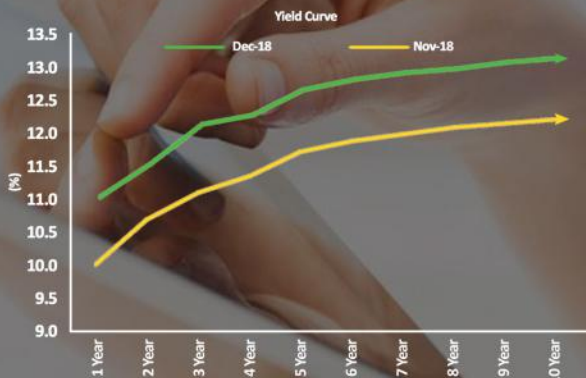
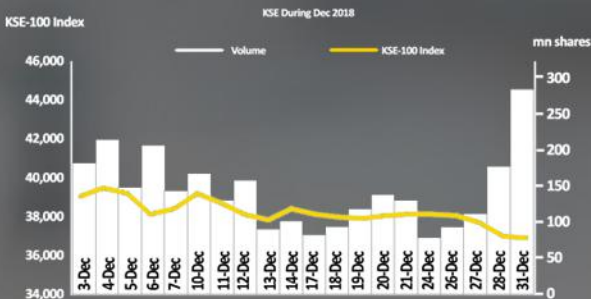
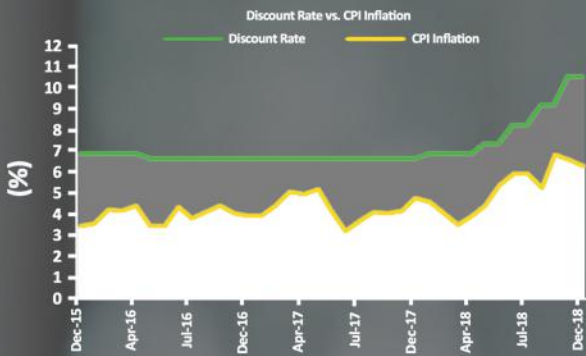
SBP increased policy rate above the market expectation in last MPS announced at November 2018 end majorly owing to rising inflation, high fiscal deficit and low foreign exchange reserves. In anticipation of further monetary tightening the yield curve during the month showed an upward trajectory. Whereas, 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 | Shariah Compliant (Islamic) 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 |
| Launch Date | 20-Jun-2011 |
| Fund Manager | Syed Mohammad Usama Iqbal |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | Deloitte Yousuf Adil & Co., Chartered Accountants |
| Management Fee | 10% of Gross Earnings subject to minimum fee of 0.25% of average daily Net Assets [Actual rate of Management Fee:1.04%] |
| 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 date 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 | Pakistan Stock Exchange |
| Listing | Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP |
| Benchmark | Forward |
| Pricing Mechanism | Monday - Friday |
| Dealing Days | Mon - Fri (9:00AM to 4:30 PM) |
| Cut off Timing | Nil |
| Leverage | Nil |
| *Subject to government levies | |

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. 6.57 million ,if the same were not made the NAV per units of ALHIIF would be higher by Rs. 0.2127 and YTD return would be higher by 0.21% .For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIIF.

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 |

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 | Dec-18 | Nov-18 |
|-------------------------------------|--------|--------|
| Cash | 52.3% | 38.7% |
| Others including receivables | 0.9% | 0.6% |
| Shariah Compliant Commercial Papers | 17.9% | 28.5% |
| Sukuks | 18.6% | 32.2% |
| Term Deposit Receipts | 10.3% | 0.0% |
| | | |
| | | |

Note: Amount invested by Fund of funds is PKR 1,611 million (49.5% of Total Assets) as of December 31, 2018.

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 a return of 8.51% against its benchmark return of 3.2 %. The fund maintained a balance between investment in Sukuks and Shariah Compliant Commercial Paper.

Performance Information (%)

| Particulars | ALHIIF | Benchmark |
|--|--------|-----------|
| Year to Date Return (Annualized) | 6.70 | 2.86 |
| Month to Date Return (Annualized) | 8.51 | 3.20 |
| 180 Days Return (Annualized) | 6.79 | 2.86 |
| 365 Days Return (Annualized) | 6.08 | 2.65 |
| Since inception (CAGR) | 7.20 | 5.55 |
| Average Annual Return (Geometric Mean) | 7.18 | - |

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

Top Sukuk Holding (% of Total Assets)

| | |
|--|-------|
| International Brands Limited (15-Nov-17) | 10.5% |
| Aspin Pharma (Private) Limited (30-Nov-17) | 6.0% |
| Ghani Gases Limited (2-Feb-17) | 2.2% |
| | |

Fund Facts / Technical Information

| | |
|---|----------|
| NAV per Unit (PKR) | 104.5447 |
| Net Assets (PKR M) | 3,226 |
| Net Assets excluding Fund of Funds (PKR M) | 1,615 |
| Weighted average time to maturity (Days) | 264 |
| Sharpe Ratio | -0.01 |
| Standard Deviation | 0.04 |
| Correlation*** | 12.26% |
| Total expense ratio with government levy** | 0.74% |
| Total expense ratio without government levy | 0.57% |

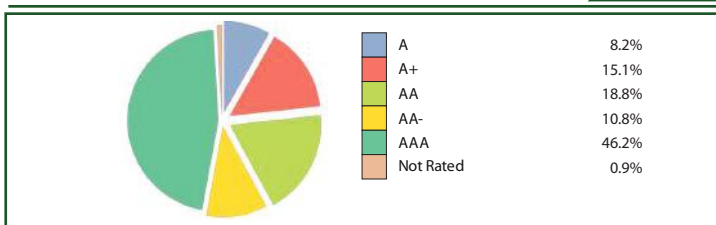
**This includes 0.17% representing government levy, Sindh Workers' Welfare Fund and SECP Fee.

*** as against Benchmark

Annualized

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|------|------|------|------|
| Benchmark (%) | 6.09 | 6.29 | 4.42 | 3.31 | 2.44 |
| ALHIIF(%) | 8.38 | 6.55 | 5.05 | 6.49 | 4.96 |

Asset Quality (%age of Total Assets)



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



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-Oct-18) |
| Stability Rating | AA-(f) by PACRA (31-Dec-18) |
| Risk Profile | Low |
| Launch Date | 10-Apr-18 |
| Fund Manager | Saad Ahmed |
| Trustee | Central Depository Company of Pakistan Limited |
| Auditor | EY Ford Rhodes, Chartered Accountants |
| Management Fee | 20% of the gross earnings subject to a minimum of 0.25% 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: 1.56%] |
| Front end Load* | Individuals ----- Nil Corporate ----- Nil |
| Back end Load* | Nil |
| Min. Subscription | PKR 500 |
| Listing | Not Listed |
| Benchmark | Six (6) months of average deposit rates of three (3) A rated Scheduled Islamic Banks or Islamic window of Conventional Banks as selected by MUFAP. |
| Pricing Mechanism | Backward |
| Dealing Days | Online Investment, Redemption & Conversion... Monday - Sunday Investment, Redemption & Conversion through Physical Form... Monday - Friday |
| Cut off Timing | Online Investment, Redemption & Conversion... 11:59:59 PM Online Conversion of Backward Pricing Fund(s)... 4:30 PM Investment, Redemption & Conversion through Physical Form... 4:30 PM |
| Leverage | Nil |
| *Subject to government levies | |

Investment Objective

The scheme is aimed at meeting investors' short to medium term investment requirements. The scheme seeks to provide investors' a daily dividend through investment in Shariah Compliant instruments.

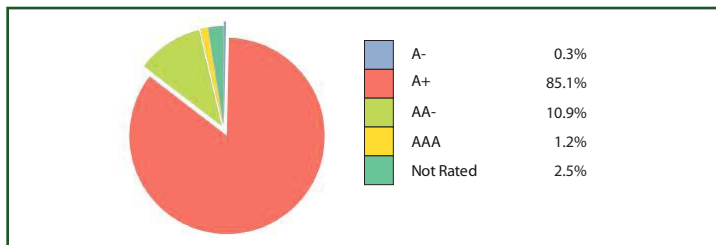
Manager's Comment

During the month, the fund posted a return of 8.83% against its benchmark return of 3.20%. The exposure in cash was decreased.

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 Quality (%age of Total Assets)



Others

Provision against Sindh Workers' Welfare Fund's liability

ALHDDF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.13 million, if the same were note the NAV per unit of ALHDDF would be higher by Rs. 0.0532 and YTD return would be higher by 0.06%. For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHDDF.

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 | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Others including receivables | 2.4% | 2.1% |
| Term Deposit Receipts | 7.0% | 0.0% |
| Cash | 90.6% | 97.9% |

Fund Facts / Technical Information

| | |
|--|----------|
| NAV per Unit (PKR) | 100.0000 |
| Net Assets (PKR M) | 244 |
| Weighted Average time to maturity (Days) | 4.9 |
| Total expense ratio with government levy** | 0.89% |
| Total expense ratio without government levy | 0.73% |
| **This includes 0.16% representing government levy, Sindh Worker's Welfare Fund and SECP fee | |

Performance Information (%)

| Particulars | ALHDDF | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | 6.72 | 2.85 |
| Month to Date Return | 8.83 | 3.20 |
| 180 Days Return | 6.74 | 2.85 |
| 365 Days Return | - | - |
| Since inception | 6.23 | 2.70 |

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

Annualized

| Particulars | 2018* |
|---------------|-------|
| Benchmark (%) | 2.36% |
| ALHDDF (%) | 4.97% |

*From April 10, 2018 to June 30, 2018.

DISCLAIMER

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MUFAP's Recommended Format



December 31, 2018

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-Oct-18) |
| 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 | A.F.Ferguson & Co. 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 |
| | Type B Units: Nil |
| | Type C Units (Bachat Units) : Nil |
| Back end Load* | 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 Back end load for two years option: 3% if redeemed before completion of one year (12 Months) from the date of initial investment. 2% if redeemed after completion of one year (12 Months) but before two years (24 Months) from the date of initial investment. 0% if redemption after completion of two years (24 Months) from the date of initial investment. Back end load for three years option: 3% if redeemed before completion of one and a half year (18 Months) from the date of initial investment. 2% if redeemed after completion of one and a half year (18 Months) but before three years (36 Months) from the date of initial investment. 0% if redemption after completion of three years (36 Months) 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) |
| 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

During the month, the fund generated a return of -4.57% against its benchmark return of -8.12%. Exposure in cash was reduced.

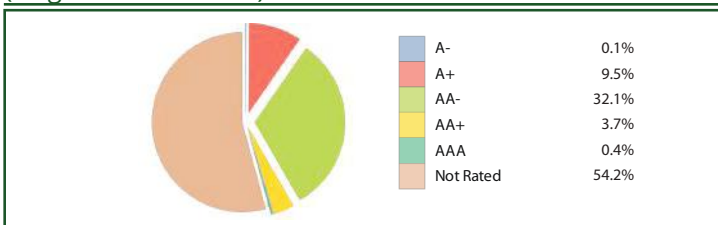
Members of the Investment Committee

| | |
|-------------------------------|---------------------------------------|
| 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 Farooqi, 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 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. 7.62 million, if the same were not made the NAV per unit of ALHAA would be higher by Rs. 0.1430 and YTD return would be higher by 0.20%. For details investors are advised to read Note 12.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHAA.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Others including receivables | 0.6% | 0.7% |
| Stock /Equities | 53.7% | 50.7% |
| Cash | 45.7% | 48.6% |
| | | |
| | | |

Performance Information (%)

| Particulars | ALHAA | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | -3.73 | -10.81 |
| Month to Date Return | -4.57 | -8.21 |
| 180 Days Return | -1.39 | -7.53 |
| 365 Days Return | -2.78 | -8.69 |
| Since inception | 274.45 | 348.74 |

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

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark (%) | 28.51 | 17.47 | 13.53 | 18.07 | -7.96 |
| ALHAA (%) | 18.89 | 35.59 | 5.09 | 27.74 | -4.06 |

Top 10 Holdings (%age of Total Assets)

| Particulars | Equity | % |
|---------------------------------------|--------|------|
| Oil & Gas Development Company Limited | Equity | 4.8% |
| Engro Corporation Limited | Equity | 4.0% |
| Pakistan Petroleum Limited | Equity | 5.8% |
| Engro Fertilizer Limited | Equity | 4.1% |
| Hub Power Company Limited | Equity | 4.4% |
| Lucky Cement Limited | Equity | 4.5% |
| Pakistan Oilfields Limited | Equity | 3.4% |
| Sui Northern Gas Company Limited | Equity | 2.6% |
| Meezan Bank Limited | Equity | 3.2% |
| Engro Polymer and Chemicals Limited | Equity | 4.8% |

Fund Facts / Technical Information

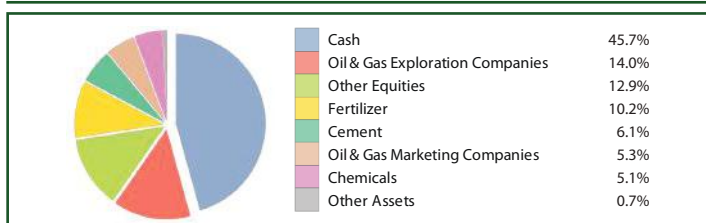
| Particulars | ALHAA |
|---|---------|
| NAV per Unit (PKR) | 67.4363 |
| Net Assets (PKR M) | 3,595 |
| Sharpe Ratio | 0.04 |
| Beta | 0.64 |
| Standard Deviation | 0.74 |
| Correlation*** | 82.14% |
| Total expense ratio with government levy** | 1.64% |
| Total expense ratio without government levy | 1.45% |

***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 |
|--|-----------|-----------|
| | 1,268,197 | 7,653,643 |

Sector Allocation (%age of Total Assets)



DISCLAIMER

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MUFAP's Recommended Format



December 31, 2018

General Information

| | |
|-------------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Shariah Compliant 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-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 | Deloitte Yousuf Adil & Co., Chartered Accountants |
| Management Fee | 2.0% p.a. |
| Front end Load* | Type "B" Units: Individual 3% Corporate Nil |
| Back end Load* | Type "C" Units Bachat Units(Two Years)-----Nil Bachat Units(Three Years)-----Nil Type "B" Units ----- Nil Type "C" Units - Bachat Units(Two Years): 3% if redeemed before completion of two (2) years from the date of intial investment. 0% if redemption after completion of two (2) years from the date of initial investment. Type "C" Units - Bachat Units(Three Years): 3% if redeemed before completion of three (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 Pakistan Stock Exchange |
| Benchmark | KMI-30 Index |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon - Fri (9:00AM to 4:30 PM) |
| Leverage | Nil |
| *Subject to government levies | |

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHISF has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 9.95 million, if the same were not made the NAV per unit of ALHISF would be higher by Rs. 0.0392 and YTD return would be higher by 0.36%. For details investors are advised to read Note 7.1 of the latest Financial Statements for the quarter ended September 30, 2018* of ALHISF.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Stock / Equities | 83.7% | 85.4% |
| Cash | 14.6% | 13.7% |
| Others including receivables | 1.7% | 0.9% |

Note: Amount invested by fund of funds is PKR 393 million (15.4% of Total Assets) as of December 31, 2018.

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 |

MCBAH Shariah Supervisory Board

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

Top 10 Equity Holdings (%age of Total Assets)

| | |
|---------------------------------------|-------|
| Pakistan Petroleum Limited | 10.4% |
| Oil & Gas Development Company Limited | 9.1% |
| Engro Polymer and Chemicals Limited | 6.8% |
| Hub Power Company Limited | 6.0% |
| Meezan Bank Limited | 5.8% |
| Engro Fertilizer Limited | 4.6% |
| Engro Corporation Limited | 4.5% |
| Lucky Cement Limited | 4.4% |
| Pakistan Oilfields Limited | 4.3% |
| Pakistan State Oil Company Limited. | 3.9% |

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's NAV dropped by 8.7% in December 2018 compared to 10.6% drop in its benchmark resulting in an outperformance of 187 basis points. During the month we decreased exposure in Fertilizers, while increasing exposure in the E&Ps and Cements. The Fund at the month end was 84% invested in equities, while remaining in cash and cash equivalent.

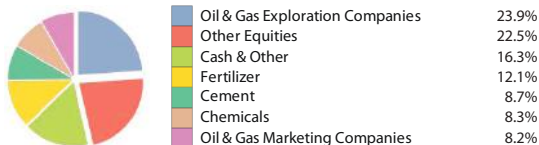
Performance Information

| Particulars | ALHISF | Benchmark |
|----------------------|--------|-----------|
| Year to Date Return | -11.22 | -13.91 |
| Month to Date Return | -8.68 | -10.55 |
| 180 Days Return | -11.22 | -13.91 |
| 365 Days Return | -8.86 | -10.84 |
| Since inception | 4.98 | 5.18 |

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

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|-------|-------|--------|
| Benchmark (%) | 41.16 | 16.01 | 15.53 | 18.80 | -9.59 |
| ALHISF (%) | 31.38 | 19.20 | 3.90 | 29.97 | -12.00 |

Sector Allocation (%age of Total Assets)



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MUFAP's Recommended Format

Branch Renovation Expense Charged to the Fund (PKR)

| | MTD | YTD |
|--|---------|-----------|
| | 830,885 | 6,671,891 |

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-Oct-18) | |
| Stability Rating | Not Applicable | |
| Risk Profile | Moderate to High | |
| Launch Date | 29-Dec-16 | |
| Fund Manager | Syed Abid Ali | |
| Trustee | MCB Financial Services Limited | |
| Auditor | EY Ford Rhodes, 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 | 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 on the basis of actual proportion held by the scheme | |
| Pricing Mechanism | Forward | |
| Dealing Days | Monday - Friday | |
| Cut off Timing | Mon-Thurs (9:00 AM to 4:30 PM) | |
| Leverage | Nil | |

*Subject to government levies

Investment Objective

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

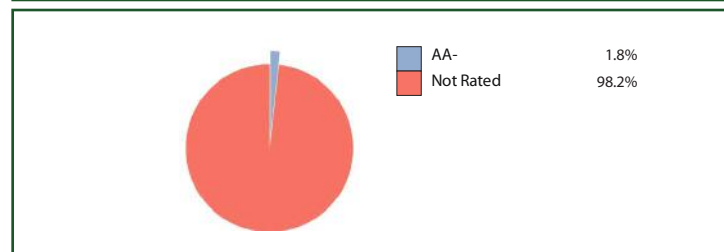
Manager's Comment

During the month, the fund posted a return of -1.72% against its benchmark return of -9.92%. The exposure in cash was decreased and exposure in Alhamra Islamic Stock F und was decreased.

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 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. 0.41 million ,if the same were not made the NAV per unit of ALHIAAP-I would be higher by Rs. 0.0283 and YTD return would be higher by 0.03% .For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIAAF.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Alhamra Islamic Income Fund | 83.2% | 20.7% |
| Alhamra Islamic Stock Fund | 10.1% | 74.4% |
| Others including receivables | 4.8% | 0.1% |
| Cash | 1.9% | 4.8% |

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 93.6579 |
| Net Assets (PKR M) | 1,356 |
| Total expense ratio with government levy* | 0.3% |
| Total expense ratio without government levy | 0.22% |

*This includes 0.08% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Performance Information (%)

| Particulars | ALHIAAP- I | Benchmark |
|----------------------|------------|-----------|
| Year to Date Return | 0.52 | -13.06 |
| Month to Date Return | -1.72 | -9.92 |
| 180 Days Return | 2.46 | -9.28 |
| 365 Days Return | 2.06 | -10.06 |
| Since inception | -5.59 | -21.88 |

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

Absolute

| Particulars | 2017* | 2018 |
|---------------|-------|-------|
| Benchmark (%) | -1.35 | -8.91 |
| ALHIAAP-I (%) | 0.81 | -6.84 |

*From December 29, 2016 to June 30, 2017.

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-Oct-18) |
| Stability Rating | Not Applicable |
| Risk Profile | Moderate to High |
| Launch Date | 16-June-17 |
| Fund Manager | Syed Abid Ali |
| Trustee | MCB Financial Services Limited |
| Auditor | EY Ford Rhodes, 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% if redeemed within twelve months from the date of Investment 1% if redeemed after twelve months and before twenty four months from the date of Investment. |
| Min. Subscription Listing | PKR 500 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 on the basis of actual proportion held by the scheme |
| Pricing Mechanism | Forward |
| Dealing Days | Monday - Friday |
| Cut off Timing | Mon-Thurs (9:00 AM to 4:30 PM) |
| Leverage | Nil |

*Subject to government levies

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIAAP-II has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.18 million ,if the same were not made the NAV per unit of ALHIAAP-II would be higher by Rs. 0.0227 and YTD return would be higher by 0.02% .For details investors are advised to read Note 6.1 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIAAF.

Asset Allocation (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|-----------------------------|--------|--------|
| Cash | 2.3% | 2.3% |
| Alhamra Islamic Stock Fund | 34.0% | 74.4% |
| Alhamra Islamic Income Fund | 63.7% | 23.3% |
| | | |

Fund Facts / Technical Information

| | |
|---|---------|
| NAV per Unit (PKR) | 96.7957 |
| Net Assets (PKR M) | 750 |
| Total expense ratio with government levy* | 0.19% |
| Total expense ratio without government levy | 0.12% |

*This includes 0.07% representing government levy, Sindh Worker's Welfare Fund and SECP fee

Investment Objective

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

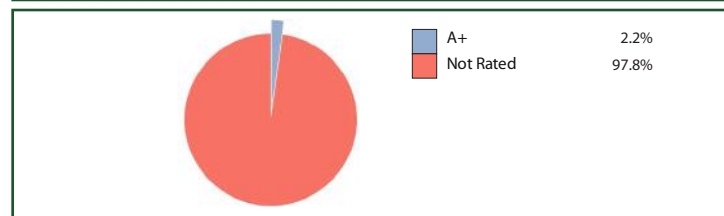
Manager's Comment

During the month, the fund posted a return of -2.89% against its benchmark return of -10.28%. The exposure in Alhamra Islamic Stock Fund was decreased.

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 Quality (%age of Total Assets)



Performance Information (%)

| Particulars | ALHIAAP- II | Benchmark |
|----------------------|-------------|-----------|
| Year to Date Return | -2.59 | -13.58 |
| Month to Date Return | -2.89 | -10.28 |
| 180 Days Return | -0.68 | -9.71 |
| 365 Days Return | -1.64 | -10.65 |
| Since inception | -2.83 | -21.24 |

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

Absolute

| Particulars | 2017* | 2018 |
|----------------|-------|-------|
| Benchmark (%) | 0.10 | -8.96 |
| ALHIAAP-II (%) | 0.19 | -0.43 |

*From June 16, 2017 to June 30, 2017.



General Information

| | |
|------------------------|---|
| Fund Type | An Open End Scheme |
| Category | Islamic Voluntary Pension Scheme |
| Asset Manager Rating | AM2++ (AM Two Double Plus) by PACRA (08-Oct-18) |
| Stability Rating | Not Applicable |
| Launch Date | 15-Nov-07 |
| Fund Manager | Awais Abdul Sattar, CFA |
| 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 (9:00 AM 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 -7.73% during the month. Overall allocation in equity was slightly decreased.

Debt sub-fund generated a return of 7.99% during the month. GOP Ijara Sukuk exposure was decreased.

Money Market sub-fund generated a return of 7.50% during the month. The exposure in cash was increased.

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 |
| 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 |
| Muhammad Aitazaz Farooqui, CFA | Senior Research Analyst |

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

| | |
|---------------------------------------|------|
| Hub Power Company Limited | 7.7% |
| Engro Fertilizer Limited | 7.6% |
| Pakistan Petroleum Limited | 7.4% |
| Oil & Gas Development Company Limited | 6.6% |
| Engro Corporation Limited | 5.7% |
| Pakistan Oilfields Limited | 5.5% |
| Engro Polymer and Chemicals Limited | 5.2% |
| Lucky Cement Limited | 4.8% |
| Sui Northern Gas Company Limited | 4.1% |
| Systems Limited | 4.0% |

Others

Provision against Sindh Workers' Welfare Fund's liability

ALHIPF-DT has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.59 million, if the same were not made the NAV per unit would be higher by Rs. 0.4853 per unit and YTD return would be higher by 0.24%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF.

ALHIPF-EQ has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 2.35 million, if the same were not made the NAV per unit would be higher by Rs. 2.4323 per unit and YTD return would be higher by 0.47%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF.

ALHIPF-MM has maintained provisions against Sindh Workers Welfare Fund's Liability to the tune of Rs. 0.21 million, if the same were not made the NAV per unit would be higher by Rs. 0.3973 per unit and YTD return would be higher by 0.22%. For details investors are advised to read Note 8.2 of the latest Financial Statements for the quarter ended September 30, 2018' of ALHIPF.

ALHIPF -Money Market (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Cash | 93.2% | 16.3% |
| Others including receivables | 0.7% | 2.5% |
| Commercial Paper | 4.0% | 4.1% |
| GoP Ijara Sukuk | 2.1% | 77.1% |

ALHIPF -Debt (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|------------------------------|--------|--------|
| Sukuk | 10.2% | 10.4% |
| Cash | 47.0% | 26.1% |
| Others including receivables | 1.4% | 2.0% |
| Commercial Paper | 7.8% | 7.9% |
| GoP Ijara Sukuk | 33.6% | 53.6% |

ALHIPF -Equity (%age of Total Assets)

| Particulars | Dec-18 | Nov-18 |
|---------------------------------|--------|--------|
| Other equity sectors | 31.4% | 31.6% |
| Fertilizer | 13.3% | 13.5% |
| Power Generation & Distribution | 7.7% | 7.1% |
| Cement | 8.6% | 9.1% |
| Oil & Gas Exploration Companies | 22.5% | 20.5% |
| Cash | 6.8% | 8.4% |
| Others including receivables | 1.2% | 1.2% |
| Oil & Gas Marketing Companies | 8.5% | 8.6% |

Performance Information & Net Assets

| Particulars | ALHIPF-EQ* | ALHIPF-DT** | ALHIPF-MM** |
|--------------------------|------------|-------------|-------------|
| Year to Date Return (%) | -9.92 | 5.24 | 5.44 |
| Month to Date Return (%) | -7.73 | 7.99 | 7.50 |
| Since inception (%) | 361.72 | 6.61 | 5.63 |
| Net Assets (PKR M) | 447.11 | 250.92 | 96.56 |
| NAV (Rs. Per unit) | 462.64 | 204.68 | 184.77 |

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

| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|-------|-------|-------|-------|--------|
| ALHIPF - EQ* | 42.10 | 39.53 | 14.84 | 33.21 | -12.16 |
| ALHIPF - DT** | 8.22 | 4.76 | 4.04 | 4.46 | 2.99 |
| ALHIPF - MM** | 6.86 | 4.80 | 2.36 | 3.78 | 3.34 |

* Total Return ** Annualized return

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MUFAP's Recommended Format

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iSave is an online savings platform that helps you plan, start and manage your savings with minutes, helping you achieve your goals and plans!

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