

Funds Research Monthly



SixthSense

April-May 2009

CONTENTS

1	ALL AROUND THE MARKETS APR09-MAY09.....	2
2	INDUSTRY UPDATE APR09-MAY09.....	4
3	INCOME FUNDS.....	6
4	CASH FUNDS	9
5	ISLAMIC INCOME FUNDS	12
6	EQUITY FUNDS.....	15
7	APPENDIX: DATA.....	17

1

All Around the Markets April - May 2009

THE BALANCING ACT

Economy: Recovery uncertain

In contrast to the inflow of positive news in Apr09, May09 was a more uncertain month for the both the country and the economy. On the national front the fight against militants continues and while the authorities seem to be making headway in the struggle, ambiguity as to the viability and timetable of a final victory has depressed sentiment. Though Pakistan has met the quantitative performance criteria for end Mar09, the IMF has stated that the disbursement of the third tranche due at end Jun09 has been delayed for a month because the government did not furnish the required budget estimates according to schedule. In conjunction with heavy dollar demand for import payments, the PKR has now climbed above the 81.0 mark against the USD. Meanwhile the national accounts committee has revised the FY08 GDP growth figure downwards from 5.8% to 4.1% and is projecting around 2.4% growth for FY09E and 3.3% for FY10EE. However with the LSM sector declining by 7.7% over 9MFY09 and chances of a recovery in the last quarter next to none, even 2.0% growth would be an achievement in the current fiscal. On the other hand the IMF has eased the target fiscal deficit for FY10EE from 3.3% to 4.6%, this additional space has been allowed so that the government can employ a counter cyclical fiscal policy to stimulate economic growth. A PKR750bn PSDP program has thus been proposed for the FY10E budget with concentration on the previously ignored health and education sectors. With the SBP expected to move aggressively with regards to the discount rate, recovery in GDP growth is widely expected.

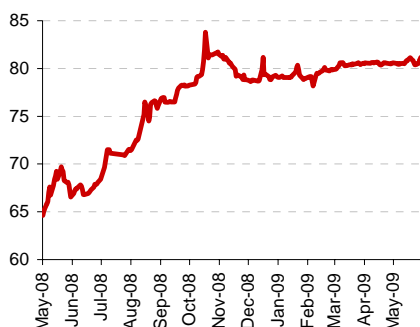
External deficits: Vulnerabilities remain

For 10MFY09 the current account deficit is USD8.55bn, which is a 23.5% or USD2.63bn improvement over the corresponding period last year. Similarly the trade deficit has declined by 12.3% to USD10.79bn and is projected at under USD12.5bn for the full year. However export earnings have been disappointing and have fallen by 2.6% to USD15.98bn. At the current rate and in a recessionary environment it seems unlikely that the country will be able to reach even the USD19.0bn mark. Imports are chiefly responsible for the narrowing deficit and have decreased by 6.8% to USD26.78bn. Pakistan remains vulnerable to any spike in commodity prices and the authorities should be wary of the recent rally in crude oil which has seen it climb to nearly USD70/barrel. The government which is projected to earn PKR12bn in PDL during Jun09 is cognizant of the fact that oil at USD80/barrel would neutralize levy earnings to zero. On a more positive note the expected decline in worker remittances has not materialized though the downside risk can by no means said to have been eliminated. With USD6.36bn received so far, the FY09E target of USD7.5bn is expected to be achieved. Unfortunately inflows on the financial account have dried up with FDI declining to USD3.21bn against USD3.72bn last year. Allied to USD992mn in portfolio outflows and it is easy to see why concerns over the balance of payments deficit (FY09E: USD4.5 – 5.0bn) remain.

Currency: Pressures remain

As highlighted in last month's report the PKR has remained quite sticky despite a mass inflow of actual and promised dollars from abroad. Now with the IMF choosing to delay the third tranche by a month and oil creeping back up towards USD70, the swap market has seen renewed interest in buy/sell activity in both the long and short tenors. With market participants betting on further depreciation, it seems that the PKR will remain under pressure especially if commodity prices continue to recover.

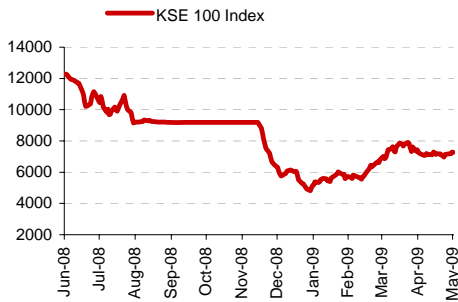
PKR-USD parity



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During the month of May09 the PKR has depreciated by 1.0% to 81.07 and is expected to decline by another 5% over the next 12 months.

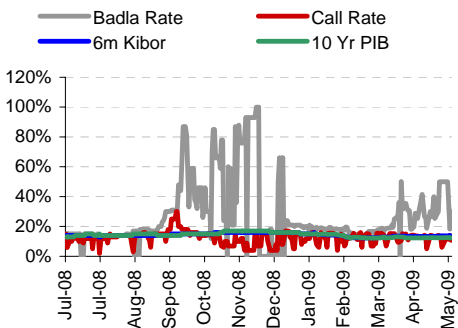
KSE100 Index



Equities: D is for de-leveraged

The equity market has once again proved to be an accurate barometer of the pulse of the country. The KSE100 index remained range bound between 7,000-7,200 and was unable to break out due to the lack of liquidity and absence of any leveraged products in the market. With the phasing out of CFS MK II, investors have no leverage options and have instead preferred to day trade as is indicative by dismal settlement volumes of near 20%. The SECP has indicated that a re-introduction of in-house badla may be on the cards, though the lack of transparency such a move would engender makes it a questionable move. With the budget due to be announced next week, there should be further clarity on which way the market will move in the coming weeks.

Fixed Income Performance



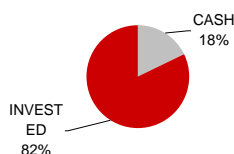
Money Markets: Up and down and all around

While the SBP may have announced its intention to adopt a more accommodative monetary stance and strove to preserve liquidity by net injections of over PKR450bn, the Ministry of Finance has been struggling to raise cash at low yields in an illiquid market. The weighted average yield on the 12M T-bill decreased from a high of 14.26% in mid Jan09 to a low of 11.78% in mid Mar09. Since then however the tight position of the inter-bank market has seen yields on a continuous uptrend over the last 5 T-bill auctions and is now at 13.27%. Curiously, in the last PIB auction the cut off yield on the 10 year bond fell by 61bps to 12.63%, this was more an indication of adequate liquidity on auction day rather than any expectations regarding interest rates and inflation. Also, it should be noted that bond and T-bill yields are expected to fluctuate up and down as liquidity in the market ebbs and flows.

2

Industry Update for April - May 2009

Percentage invested



Source: BMA Research

INDUSTRY UPDATE: EDGING UP

The industry added PKR6.0bn to its AUMs in Apr09 to reach over PKR171.0bn which was still 40% lower than the Jun08 level of PKR285.0bn. The addition trend in total assets being witnessed MoM however, is an encouraging sign which indicates that fresh investments have started to pour in. Amongst the top ten, FAYSAL recorded the largest MoM increase of 9% with PKR6.9bn of assets in Apr09 while amongst the smaller ones, ABL IF showed impressive growth of 34% in the same period, increasing from PKR3.5bn in Mar09 to PKR4.7bn in Apr09. Furthermore, ABL IF was also the only fund to record a whopping 101% increase in its AUMs in 4MCY09 followed by CROSBY (89%) and Pak Oman (33%).

Amongst the top ten AMC's the least AUM decline in 10MFY09 was witnessed in FAYSAL at -6% followed by UBL Funds and Al Meezan at -22% and -19%, respectively.

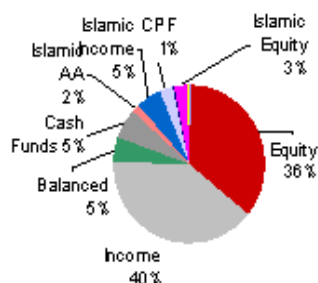
AUM Analysis

No.	Fund Manager	AUM (PKR mn)			
		Apr09	Mar09	MoM % ▲	10MFY09 %▲
1	NIT	49,426	47,401	4%	-42%
2	UBL Funds	21,480	21,986	-2%	-22%
3	NAFA	14,515	13,706	6%	-56%
4	JS	14,141	13,849	2%	-46%
5	MCB	10,752	10,532	2%	-30%
6	Al Meezan	9,518	8,990	6%	-19%
7	AHIL	7,736	7,286	6%	-34%
8	FAYSAL	6,958	6,359	9%	-6%
9	KASB	5,298	5,266	1%	-52%
10	HBL	4,955	4,689	6%	-40%
11	Others	26,443	24,726	7%	-47%
Total		171,222	164,790	4%	-40%

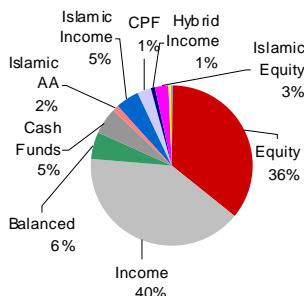
Source: BMA Research, Fund Manager Reports

Income and cash funds currently form 45% of total AUMs while equity funds form 36%. This shows a complete reversal of investment trend indicating greater interest in fixed income instruments compared to equity based investments. Cash funds witnessed the highest MoM increase (22%) at PKR10.4bn followed by Islamic Income (13%) at PKR8.8bn. The three largest income funds include UBL GIF, MCB DCF, and NAFA CF at PKR11.5bn, PKR9.4bn, and PKR9.0bn respectively while FAYSAL SGF is the largest cash fund followed by ABL IF at PKR5.5bn and PKR4.7bn, respectively.

Apr09 AUMs by Category



Mar09 AUMs by Category



Number of Funds

Fund Category	Apr09	Mar09
Income	25	25
Equity	12	12
Balanced and AA	11	11
Cash Funds	3	3
Islamic Asset Allocation	6	6
Hybrid Income	1	1
Capital Protected	6	6
Islamic Equity	3	3
Islamic Income	6	6
Index Tracker	2	2
Fund of Funds	1	1
Total	76	76

Source: BMA Research

Basis of Fund Categorization

We have categorized funds with TFC/Sukuk holdings as income funds while those with no investment in TFCs and majority in cash and short-term instruments as cash funds. This is in accordance with SECP Circular No. 7 of 2009 (8 & 9) issued on March 6, 2009.

DCM MMF resumes activity

DCM MMF opened its fund for redemption after 180 days of closure. It was suspended on the November 20, 2008 at a NAV of PKR72.50/unit and resumed on the May 19, 2009 at 80.81/unit. At its Distributors' Conference held on the resumption date DCM management mentioned that 50% of their fund's portfolio was in A-rated or better TFCs while the rest resided in below A-rated instruments. The fund holds 66% in TFCs, 31% in placements, and 3% in cash & equivalents.

UBL MMF and UBL GIF merge

Similar asset allocation and investment strategy for UBL GIF and UBL MMF has led the AMC to merge the two into one income fund. According to the criteria set by the SECP in its Circular No.7 of 2009 regarding categorization of funds, we had included UBL MMF in the income funds category (SixthSense Mar-Apr09). The AMC believes that the merged fund will give the unit holders an opportunity to enjoy better risk-adjusted returns due to ease and flexibility in deploying large funds. Furthermore, no front-end load will be charged on this conversion. UBL GIF is the largest income fund with PKR11.4bn of assets as of April 30, 2009 while UBL MMF had AUMs worth PKR5.8bn. Investment amounts of the unit holders will be unaffected and a swap ratio will be developed for the two funds.

Ratings Update

Fund / AMC	Rating Agency	Previous Rating*	New Rating
Pak Oman Funds	JCR-VIS	AM-DS	AM3+
AMZ Investments	JCR-VIS	AM-DS	AM4-
KASB Funds	JCR-VIS	AM-DS	AM3+
Crosby Asset Management	JCR-VIS	AM-DS	AM4+

*Note: JCR-VIS had revised the Management Quality Rating of a few AMCs to 'AM-DS' (AM - Developing Situation), defined as 'unusual circumstances do not allow assessment of fund management practices at present'.

Recommendation: Invest in income funds with strong asset quality and preference for high-yielding government bonds

Funds managing their debt portfolios with a bias for high-yielding government securities are preferable. A long term perspective is necessary to ensure taking advantage of capital gains from debt instruments with declining interest rates.

3**Income Funds****Performance Review and
Outlook
May 25, 2009****BEING CONSERVATIVE****Returns¹: Volatility subsides**

Eleven income funds outperformed 1M KIBOR (13.45%) in May09 while the average return of this category stood at 15.43% in the same period. Income funds have also been offloading TFCs yielding lower returns and replacing them with high quality-high-yield instruments. With more rate cuts expected over CY09E, it will be crucial for fund managers to make prudent and profitable investment decisions.

1 Month Returns

- JS AIF recorded highest returns at 36.64% followed by ALGHP IMF at 29.9%
- KASB LF, POBOP APF, AKD IF, UBL MMF, and CROSBY PF were also in the upper quartile with returns above 20%. CROSBY PF was launched only a month ago and has shown an impressive performance

6 Month Returns

- AHIL PIEF topped in 6M with 27.51% followed by AHIL PIF at 24.22%. AHIL PIEF benefitted from the high rates of returns on bank deposits and TDRs in the previous months and slowly increased its TFC holdings which are now yielding capital gains. This prudent investment strategy has led the fund to post highest 6M return amongst its peers
- AHIL MSF, MCB DCF, and ATLAS IF were next at 22.91%, 22.85%, and 22.02% respectively
- 10 out of 24 income funds showed negative 6M returns till Apr09 which have now reduced to 2

12 Month Returns

- AHIL MSF witnessed the highest in 12M with 15.08% followed by MCB DCF at 12.44%
- UBL GIF, JS AIF, UBL MMF, NAMCO IF, JS IF, FIRST HABIB IF, and HBL IF yielded returns between 17-20%

Versus Benchmark

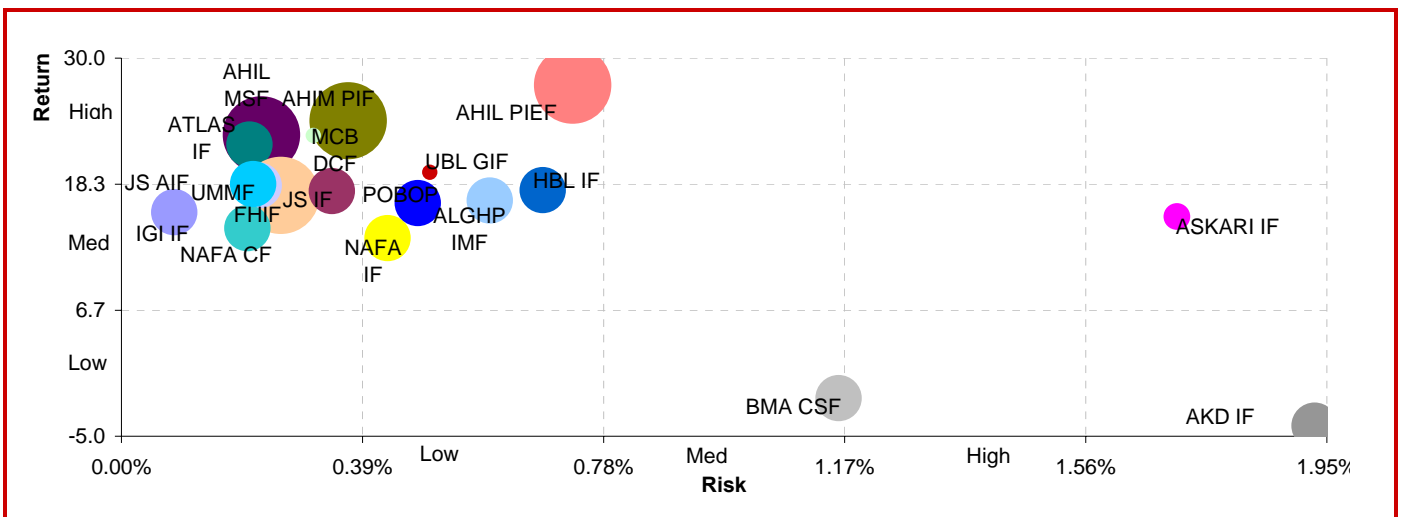
- JS AIF led the way with an average outperformance of 8.45% while ALGHP IMF, AHIL MSF, and MCB DCF outperformed by average 3.23%, 2.06%, and 1.93% respectively
- 9 income funds posted negative average returns relative to their benchmarks with FIRST HABIB IF and HBL IF showing least negativity at -1.11% and -1.74% respectively.
- AKD IF and BMA CSF were in the lower quartile posting -10.42% and -10.73% respectively

¹ See Table 1 in the Appendix for complete data

Versus Industry

- Average industry returns stood at 15.43%, 18.05% and 7.09% for 1M, 6M and 12M, respectively
- JS AIF also outperformed the industry by 8.24% on average
- ATLAS IF, JS AIF, UBL GIF, and UBL MMF were the only funds to outperform industry in all the three periods

Risk Matrix



R¹: 6M Risk-Reward Profile

AHIL PIEF, AHIL MSF, AHIL PIF, MCB DCF, and ATLAS IF enjoy the best risk-reward tradeoff and fall in the low risk-high return segment in 6M. With majority of investments in government securities AHIL MSF is considered to have high credit quality while AHIL PIEF holds a balanced mix of high quality TFCs and TDRs. Most income funds fell in the low risk zone with medium to high returns and are therefore, suitable for risk-averse investors.

○ Low ○ Medium ○ High

* Credit Quality of a particular fund is represented by the size of the circle. Higher the quality bigger the circle

*Funds six month old or over considered
**Credit Quality determined using Quarterly A/c ending 31 Mar 09

Risk Analysis

Average VAR stood at 0.45% for 6M with the highest recorded by AKD IF at 1.93% which witnessed the highest 1M return and lowest 6M return. Lowest VAR was recorded by IGI IF due to low volatility in its NAV. Most income funds posted low risk which makes it a conservative choice for investors who look for consistent returns.

Credit Quality

Income funds were of medium credit quality in general with only a few of high and low quality. Funds with high quality such as AHIL PIF and AHIL PIEF also exhibited high returns at low risk which make these funds preferable. MCB and JS AIF have also performed well.

Source: BMA Research

Sectoral Weightage: Declining trend in TFCs

- Term Finance Certificates (TFCs) have been the major asset class for Income funds but the proportion of TFCs in these funds' portfolios has been on the decline since Jan09. The largest declines were witnessed by AHIL PIF and IGI IF which had 22% less TFCs than in Jan09 at 48% and 27% respectively. The greatest proportion of this instrument was held by NAFA IF and BMA CSF at 78% and 74% respectively. Funds with good quality TFCs have benefitted from capital gains in the previous months and will be preferable over others.
- Funds which had equities in their portfolios in lieu of CFS earlier included HBL IF, POBOP APF, and NAMCO IF.
- Rates on Bank Deposits have declined from their highs in Jan09 and Feb09 with the decline in discount rate by 100bps to 14%. Anticipation of further cuts suggests fund managers to invest in other good quality yet high-yielding debt instruments.

Outlook on Fund Performance May09-Jun09

- With rates expected to drop over CY09E, funds will be looking to strike a balance between maintaining liquidity and generating competitive risk adjusted returns. Expect income funds to increase participation in upcoming T-bill and PIB auctions, as the offered yields on these high quality instruments is very attractive in an uncertain environment
- Recovery in TFC prices and resulting write back gains to unit holders will remain contingent upon continuing liquidity and a loosening of the monetary stance.

Potential Windfalls

- Investments in T-Bills and PIBs by income funds are likely to yield them capital gains in addition to being safe instruments
- Declining interest rates are likely to result in favorable price movements in TFCs with good asset quality. This will result in revaluation gains for the income funds invested in this asset class. Investors should, therefore, be cautious of the debt portfolio of their respective fund

Red Flags

- Illiquid TFCs or those with questionable asset quality are likely to suffer as companies under financial stress are liable to become NPAs in a difficult operating environment. Fund managers should, therefore, try to rid their portfolios of such assets and replace them with safer and high-yielding instruments.
- Further expectations of decline in discount rate have lowered rates on bank deposits and TDRs and suggest that the next resetting of TFC coupons would also be at lower rates. This may have an adverse impact on the funds' performance as well

4**Cash Funds****Performance Review and
Outlook
May 25, 2009****IN FLOWS THE HOT MONEY****Returns²: Comparable to bank deposits**

Cash funds posted 1M returns in the range of 11.7-12.2%. Bulk of their portfolios comprises of cash, TDRs and bank deposits and are therefore, less risky compared to other investments. AUMs of cash funds have also increased by 45% in 4MCY09 to PKR10.4bn in Apr09 which indicates heightened interest in this particular investment vehicle.

1 Month Returns

- Highest was recorded by ABL IF at 12.17 followed by FAYSAL SGF which was just 3bps lower than the former at 12.14%
- AHIM PCF witnessed 11.78% in the same period
- Declining rates on bank deposits and TDRs have shown a direct impact on cash funds with their returns down from an average of 16% in Jan09 to 12% in May09

6 Month Returns

- Effect of higher rates in previous months was evident in 6M returns which were higher than 1M returns
- ABL IF witnessed the highest returns at 14.59%
- FAYSAL SGF was next at 14.08% followed by AHIL PCF at 12.72%

12 Month Returns

- FAYSAL SGF posted highest return at 13.04% followed by AHIM PCF at 11.68% while ABL IF has not yet completed its 12M

Versus Benchmark

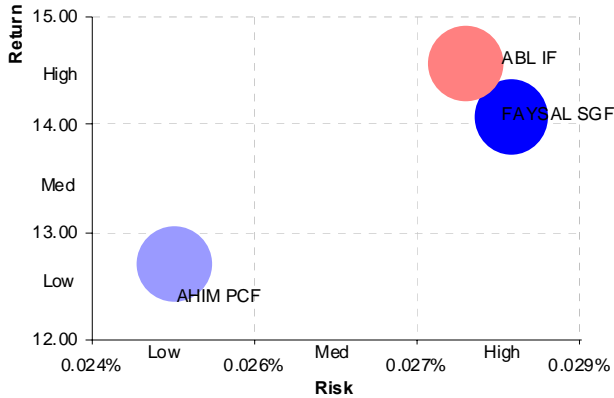
- Cash Funds under-performed their benchmarks for 1M and 12M
- ABL IF and FAYSAL outperformed in 6M at 1.42% and 0.91% respectively while AHIL PCF lagged by a marginal 0.44% in the same period
- In 12M FAYSAL SGF lagged 1M Kibor by -0.27% whereas AHIL PCF lagged 3M TBill by -0.98%

Versus Industry

- Average industry returns stood at 12.14%, 14.28%, and 13.00% for 1M, 6M and 12M, respectively
- ABL IF outperformed industry in both 1M and 6M by 0.02% and 0.30% respectively while FAYSAL SGF and AHIL PCF lagged in both the periods by an average of 0.82% and 0.20% respectively

²See Table 2 in the Appendix for complete data

Risk Matrix



R²: 6M Risk-Reward Profile

ABL IF posted the highest 6M return and was placed in the high risk-high return segment. FAYSAL SGF also posted a relatively higher VAR and placed in the high risk-medium return zone. AHIL PCF fell in the lower quartile for risk and posted a return of 12.72% in 6M.

○ Low ○ Medium ○ High

* Credit Quality of a particular fund is represented by the size of the circle. Higher the quality bigger the circle

Risk Analysis

Average VAR stood at 0.028% for cash funds much lower than income funds' average of 0.45%. VARs of each of these funds ranged from 0.025% to 0.028%. FAYSAL SGF and ABL IF had a relatively higher VAR while AHIL PCF was in the low risk zone

Credit Quality

ABL IF, FAYSAL SGF, and AHIL PCF can be called high quality funds as their portfolios primarily consist of liquid assets such as bank deposits, TDRs, government securities and other short-term money market placements

Source: BMA Research

Sectoral Weightage: All about Cash

- ABL IF which recorded the highest 1M and 6M returns was 56% invested in TDRs, 28% in money market placements and the rest in cash and equivalents
- With 93% of its portfolio in Bank Deposits and 4% in government securities FAYSAL SGF enjoyed consistent returns
- AHIL PCF has concentrated more on government securities (42%) since its inception and held 17% cash in its portfolio in Apr09

Outlook on Fund Performance May09-Jun09 returns

- Cash funds will be looking to maintain liquidity by making placements in high quality depository institutions. Increase in allocation to sovereign debt should also be expected.
- These funds will also be looking to lock down some of their portfolios in an environment where more interest rates cuts are likely before the end of CY09

Potential Windfalls

- Similar to income funds, investments in T-Bills and other short-term instruments by cash funds are likely to yield them capital gains in addition to being safe instruments

Red Flags

- Further expectations of decline in discount rate have lowered rates on bank deposits and TDRs which may have an adverse impact on the funds' performance in the next quarter as well

5

**Islamic Income
Funds**

**Performance Review
and Outlook
May 25, 2009**

ON THE GO

Returns³: Competing with convention

Islamic Income funds yielded 11.14% on average in May09 which is roughly at par with conventional cash funds' returns. Sukuks and cash form the bulk of these funds' portfolios and therefore, any changes in prices of sukuks have a sizable impact on its returns. Islamic income funds have an asset size of PKR8.8bn and Meezan IIF is the largest with PKR5.9bn.

1 Month Returns

- KASB IIF replaced NAFA IIF to top in 1M posting 24.57% while PO AIIF and Meezan IIF at 17.41% and 11.61% respectively
- ATLAS IIF with a major portion in cash saw a drop its return to 9.85% while UBL IIF witnessed the lowest return at 5.97%

6 Month Returns

- Meezan IIF yielded the highest at 24.59% followed by PO AIIF at 18.52%
- UBL IIF's NAV increased from PKR92.54/unit on 26th Nov08 to PKR99.21/unit on the 25th May09; a yield of 15.16%
- ATLAS IIF and NAFA IIF were in the lower quartile at 11.62% and 12.41% respectively

12 Month Returns

- NAFA IIF, Meezan IIF, and UBL IIF were the only funds over a year old
- MEEZAN IIF posted highest 12M return at 9.88% followed by UBL IIF at 2.74%
- NAFA IIF witnessed negative performance in the same period

Versus Benchmark

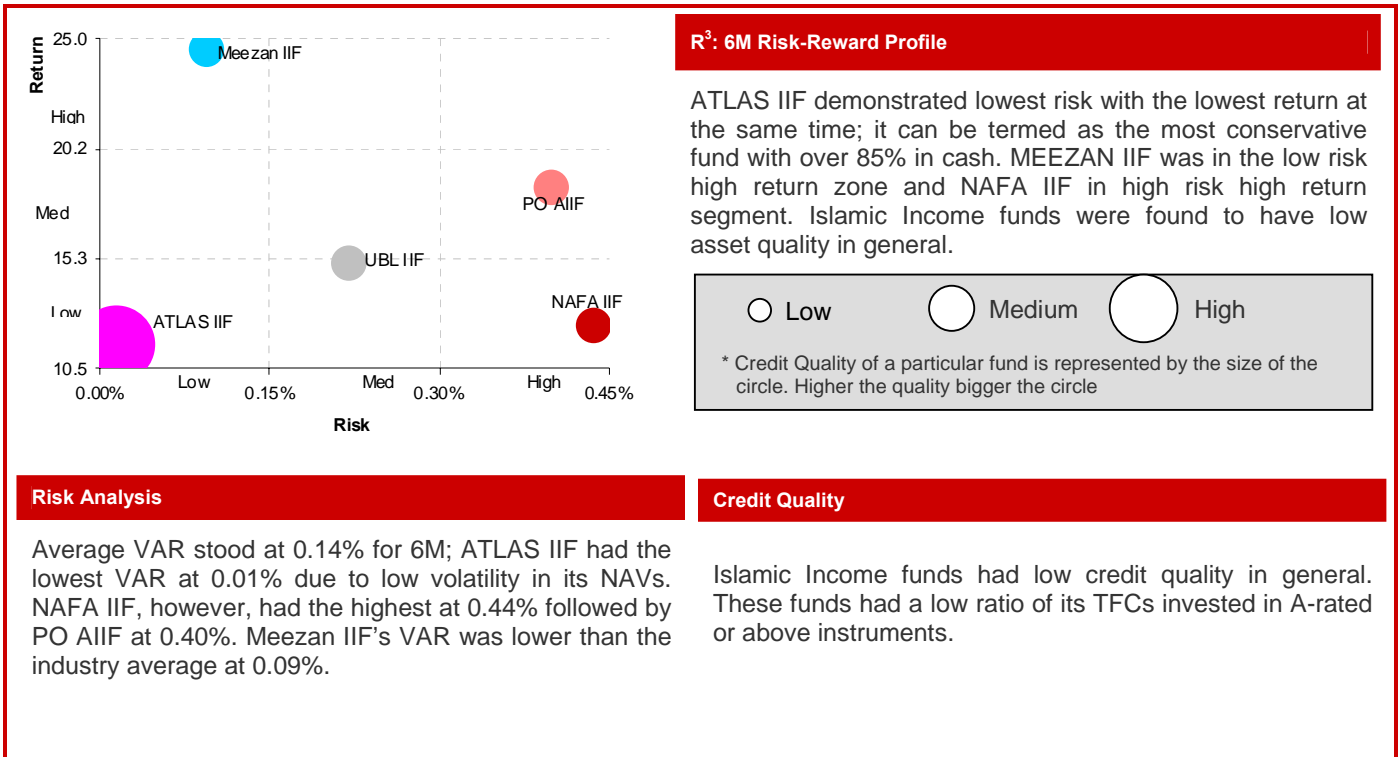
- Returns relative to benchmarks cannot be determined as the benchmark returns for the respective funds for November have not yet been disclosed

Versus Industry

- Average industry returns stood at 11.14%, 19.96% and 6.64% for 1M, 6M and 12M, respectively
- KASB IIF witnessed the highest relative return for 1M at 13.44% followed by PO AIIF at 6.27% while ATLAS, NAFA, and UBL posted negative returns for the same period
- Meezan IIF was the only fund to outperform the industry in all the three periods
- NAFA IIF showed largest underperformance at -8.11% on average

³ See Table 3 in the Appendix for complete data

Risk Matrix



Risk Analysis

Average VAR stood at 0.14% for 6M; ATLAS IIF had the lowest VAR at 0.01% due to low volatility in its NAVs. NAFA IIF, however, had the highest at 0.44% followed by PO AIIF at 0.40%. Meezan IIF's VAR was lower than the industry average at 0.09%.

Credit Quality

Islamic Income funds had low credit quality in general. These funds had a low ratio of its TFCs invested in A-rated or above instruments.

Source: BMA Research

Sectoral Weightage: Reducing exposure to Sukuks

- Sukuks formed 52% of the industry portfolio in Mar09 which was reduced to 44% in Apr09 while the proportion in Cash was at 49%.
- NAFA IIF continued to hold the highest in Sukuks (72%) followed by UBL IIF and KASB IIF at 55% each. PO AIIF had the lowest proportion invested in this asset class (31%) while ATLAS IIF was not at all invested in this asset class

Outlook on Fund Performance May09-Jun09

- Recent interest rate cut and further cuts by the end of CY09 will reduce returns on funds high on cash while Islamic Income funds heavily invested in high quality sukuks will benefit from capital gains. The fall in KIBOR will start to ease pressure on the industry's portfolios as rates are reset in accordance with the market
- PO AIIF's NAV was PKR54.94/unit on 25th May09; about PKR5 above its par value. The fund also plans to declare dividend by FY09E.

Potential Windfalls

- Interest rate cuts will be critical in ensuring liquidity for the Islamic funds portfolio holdings

Red Flags

- No new debt issues may restrict the size of the market and hamper effective trade in the secondary market
- Declining trend in KIBOR suggests that the next resetting of Sukuk coupons would be at lower rates and would, hence, require fund managers to be proactive in changing their investment strategies

6**Equity Funds****Performance Review
and Outlook
May 25, 2009****NOT OUT OF THE WOODS YET****Returns⁴: Negative, but exceeding the benchmark**

KSE100 witnessed lackluster performance in May09 with a drop in volumes traded compared to last month. Equity funds managed to post outperformance of 95bps versus the index, yielding -1.38% on average. This is consistent with longer term trends where prudent investment decision making has historically generated returns over and above benchmark performance.

1 Month

- AKD OF recorded the highest MoM return at 2.79% while the rest yielded less than 1% in the same period
- ATLAS SF, MCB DSF, and AHIM PSMF were in the upper quartile with 0.98%, 0.96%, and 0.32% respectively
- Other equity funds posted negative returns with CROSBY DF and NAFA SF in the lower quartile at -5.25% and -4.69% respectively

6 Month

- All funds posted negative returns for 6M with the exception of IGI SF which posted 35.14%
- Lowest was recorded by NAFA SF at -23.30% followed by NIT and AKD OF at -18.59% and -16.15% respectively

12 Month

- Funds suffered 36% on average in 12M with NAFA SF and NIT losing more than average at -44.43% and -37.69% respectively
- HBL SF, MCB DSF, and AHIL PSMF, however, were among the least hit ones in this tenor at -17.39%, -21.42% and -22.20% respectively

Versus Benchmark

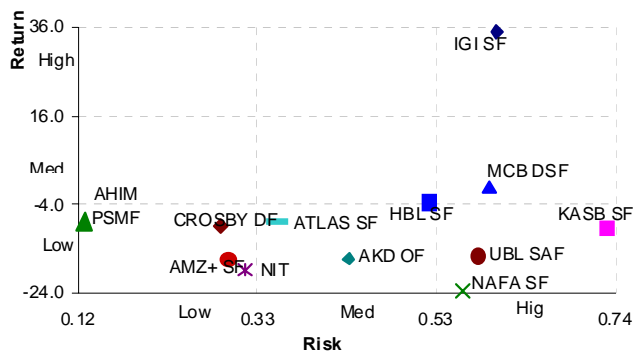
- KSE100 posted -2.33%, -21.92%, and -43.0% for 1M, 6M, and 12M respectively while KSE30 posted -2.06%, -22.31% and -47.16% for 1M, 6M, and 12M respectively
- MCB DSF and HBL SF demonstrated the highest average relative returns of 17.07% and 15.51% respectively
- KASB SF and ATLAS SF also outperformed benchmark by an average of 9.95% and 9.87% respectively
- NAFA SF posted marginal negative average return at -0.30%

⁴ See Table 4 in the Appendix for complete data

Versus Industry

- The industry posted returns of -1.38%, -17.02% and -36.21% for 1M, 6M and 12M, respectively
- HBL SF, MCB DSF, and AHIM PSMF outperformed the industry as well by 11.30%, 11.43%, and 8.37% respectively while NAFA SF underperformed the rest by -5.94% on average

Risk Matrix



R²: 6M Risk-Reward Profile

IGI SF posted highest 6M return compared to other funds in the category. MCB DSF was another fund with a slightly positive return at 0.14%. All the other funds, however, posted negative returns at varying beta levels.

*NAVs adjusted for dividends to calculate beta

Risk Analysis:

Average Beta stood at 0.33 which suggests that the funds were not very volatile compared to the market. AHIL, AMZ, CROSBY, and NIT had lower than average beta while MCB, KASB, UBL SAF, NAFA SF, and IGI witnessed relatively

Source: BMA Research

Sectoral Weightage: E&P tops the list

- E&P, Fertilizer, and Banks constituted major portions of equity funds' portfolios at an average of 18%, 12%, and 12% respectively
- NAFA SF and NIT were 90% and 91% invested respectively while IGI IF had the lowest exposure at 59%
- Fund managers now look for fundamentally strong scrips rather than those sensitive to market movements or which have a high beta

Outlook on Fund Performance May09-Jun09

- Lackluster volumes at KSE and non-availability of leverage facility were some of the major reasons which kept the market moving in the band of 6900-7200. We expect the same to continue till the next budget is announced for FY10E. Equity funds are also, therefore, likely to yield marginal returns.

7

DATA TABLES

Appendix

Table 1: Income Funds

Fund	Return*			Risk	Mgmt. Fee	Inception Date	Fund Size PKR (mn)	AMC Rating	Fund Rating
	1M	6M	12M	6M VAR			30-Apr-09		
JS AIF	36.64	18.23	10.42	0.22%	1.50%	22-Jan-08	267	AM2+	Not ranked as yet
ALGHP IMF	29.90	16.83	2.89	0.60%	1.25%	15-Jun-07	884	AM3	4-Star
KASB LF	27.16		2.61	N/A	1.30%	9-May-06	3,718	AM3+	Withheld by PACRA
POBOP APF	27.01	16.60	0.98	0.48%	2.00%	25-Oct-07	1,259	AM3+	A(f) by JCR VIS
AKD IF	21.91	-4.01	-7.42	1.93%	1.10%	22-Mar-07	773	AM3	A-(f) by JCR VIS
UBL MMF	20.97	18.36	7.21	0.21%	1.50%	7-Aug-02	5,815	AM2-	4-star
CROSBY PF	20.68	N/A	N/A	N/A	1.50%	2-Apr-09	108	AM4+	Not ranked as yet
NAMCO IF	20.01	20.08	N/A	0.50%	1.25%	14-Jul-08	281	AM3-	Not ranked as yet
ATLAS IF	18.72	22.02	7.65	0.21%	1.25%	22-Mar-04	1,940	AM3+	3-Star
UBL GIF	17.38	19.45	7.51	0.50%	1.50%	2-Mar-06	11,493	AM2-	A(f) by JCR VIS
IGI IF	16.07	15.75	6.45	0.09%	1.25%	14-Apr-07	1,708	AM3	4-Star
JS IF	15.11	17.71	11.21	0.34%	1.50%	26-Aug-02	5,450	AM2+	Withheld by PACRA
BMA CSF	13.39	-1.46	-4.20	1.16%	1.50%	23-Aug-07	1,280	AM2-	A(f) by JCR VIS
AMZ+ IF	12.55	N/A	3.46	N/A	1.50%	25-Feb-06	462	AM4-	3-Star
ASKARI IF	12.28	15.34	2.85	1.71%	1.50%	15-Mar-06	3,100	AM3	3-Star
FIRST HABIB IF	12.24	17.30	7.07	0.26%	1.50%	4-Jun-07	1,690	AM3-	3-Star
NAFA CF	12.06	14.27	5.15	0.20%	1.50%	22-Apr-06	9,072	Withdrawn	MFR 5-Star
AHIM PIEF	12.01	27.51	N/A	0.73%	1.50%	28-Aug-08	711	AM2	Not ranked as yet
HBL IF	11.59	17.79	5.34	0.68%	1.50%	15-Mar-07	2,970	AM3	Not ranked as yet
MCB DCF	10.45	22.85	12.44	0.31%	1.50%	1-Mar-07	9,447	AM3+	3-Star
NAFA IF	9.62	13.36	2.04	0.43%	1.50%	29-Mar-08	1,047	Withdrawn	Not ranked as yet
AHIM PIF	8.74	24.22	9.69	0.37%	1.50%	11-Mar-02	2,430	AM2	3-Star
AHIM MSF	7.60	22.91	15.08	0.23%	5% of Operating Income	1-Mar-03	1,413	AM2	1-Star
Industry	15.43	18.05	7.09	0.45%	N/A	N/A	67,319	N/A	N/A

* Risk/Returns calculated as of 25 May09

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M	12M	1M	6M	12M
JS AIF	1 M KIBOR	23.19	5.06	-2.89	21.21	0.18	3.33
ALGHP IMF	1 M KIBOR	16.45	3.66	-10.42	14.47	-1.22	-4.20
KASB LF	N/A	N/A	N/A	N/A	11.73	N/A	-4.49
POBOP APF	3 M KIBOR	13.60	2.75	-12.92	11.58	-1.45	-6.12
AKD IF	6 M KIBOR	8.43	-18.14	-21.56	6.48	-22.05	-14.51
UBL MMF	6 month rolling avg of 1M KIBOR	7.58	5.10	-6.01	5.54	0.31	0.12
CROSBY PF	25% 3M T-Bill, 75% 12M T-Bill	7.47	N/A	N/A	5.25	N/A	N/A
NAMCO IF	1 M KIBOR	6.56	6.91	N/A	4.58	2.03	N/A
ATLAS IF	3 M KIBOR	5.32	8.17	-6.25	3.29	3.97	0.55
UBL GIF	6 month rolling avg of 6M Kibor	3.04	4.82	-5.84	1.95	1.40	0.42
IGI IF	1 M KIBOR	2.62	2.58	-6.86	0.64	-2.29	-0.65
JS IF	1 M KIBOR	1.66	4.54	-2.10	-0.32	-0.33	4.11
BMA CSF	1 M KIBOR	-0.06	-14.63	-17.51	-2.03	-19.51	-11.29
AMZ+ IF	1 M KIBOR	-0.90	N/A	-9.85	-2.88	N/A	-3.63
ASKARI IF	3 M KIBOR	-1.13	1.49	-11.05	-3.15	-2.71	-4.24
FIRST HABIB IF	1 M KIBOR	-1.21	4.13	-6.24	-3.19	-0.75	-0.02
NAFA CF	1 M KIBOR	-1.39	1.10	-8.16	-3.37	-3.77	-1.95
AHIM PIEF	Industry Average	N/A	N/A	N/A	-3.42	9.46	N/A
HBL IF	1 M KIBOR	-1.86	4.62	-7.97	-3.84	-0.26	-1.76
MCB DCF	1 M KIBOR	-3.00	9.68	-0.87	-4.98	4.80	5.34
NAFA IF	1 M KIBOR	-3.83	0.19	-11.27	-5.81	-4.69	-5.06
AHIM PIF	Industry Average	N/A	N/A	N/A	-6.68	6.17	2.60
AHIM MSF	6M Tbill	-5.82	9.52	2.47	-7.83	4.87	7.98

Portfolio Breakup - Apr09

Instrument	AHIL MSF	AHIL PIF	AHIL PIEF	AKD IF	ALGHP IMF	ASKARI IF	ATLAS IF	BMA CSF	CRSOBY PF	FIRST HABIB IF	HBL IF
Cash & Equivalents	1%	5%	7%	53%	32%	9%	8%	10%	17%	3%	0%
Money Market Instruments	0%	11%	8%	0%	0%	0%	16%	0%	0%	0%	0%
T-Bills	26%	17%	37%	0%	0%	0%	0%	0%	18%	0%	20%
Placements	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CP	0%	0%	0%	0%	0%	8%	19%	0%	0%	0%	0%
TDRs	0%	18%	5%	0%	0%	0%	0%	8%	0%	38%	12%
CFS	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Bank Deposits	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	12%
TFCs	0%	48%	40%	47%	68%	67%	54%	74%	55%	35%	51%
PIBs	54%	0%	0%	0%	0%	16%	0%	0%	0%	0%	0%
COIs	0%	0%	0%	0%	0%	0%	0%	0%	10%	12%	0%
Equities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1.1%
Others	19%	1%	11%	0%	0%	8%	3%	8%	0%	12%	4%

Instrument	IGI IF	JS AIF	JS IF	NAFA IF	NAMCO IF	POBOP APF	UBL GIF	KASB LF	MCB DCF	NAFA CF	UBL MMF
Cash & Equivalents	48%	8%	7%	22%	64%	18%	14%	9%	6%	27%	21%
Money Market Instruments	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%	0%
Spread Transactions	0%	0%	19%	0%	0%	0%	5%	0%	0%	0%	7%
Placements	0%	0%	23%	0%	0%	0%	9%	32%	14%	0%	10%
CP	0%	37%	2%	0%	6%	0%	0%	0%	0%	0%	0%
TDRs	6%	0%	13%	0%	0%	0%	14%	0%	31%	10%	17%
CFS	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Bank Deposits	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TFCs	27%	56%	27%	78%	0%	68%	52%	55%	36%	63%	40%
PIBs	0%	0%	4%	0%	0%	0%	0%	0%	0%	0%	2%
COIs	14%	0%	0%	0%	14%	0%	0%	0%	0%	0%	0%
Equities	0%	0%	0%	0%	1.2%	2%	0%	0%	0%	0%	0%
Others	7%	0%	5%	0%	15%	0%	6%	4%	13%	0%	3%

Payouts (% of Face Value)

Income Funds	Face Value (PKR per unit)	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
AHIL MSF	50	-	3.4%	-	-	3.6%	13.7%	-
AHIL PIF	50	12.0%	9.0%	9.6%	10.0%	10.5%	9.5%	2.60%
AHIL PIEF	50	-	-	-	-	-	-	8.18%
AKD IF	50	-	-	-	-	3.2%	9.0%	1.50%
ALGHP IMF	50	-	-	-	-	-	7.1%	-
AMZ+ IF	100	-	-	-	4.1%	11.7%	10.2%	1.75%
ASKARI IF	100	-	-	-	4.5%	11.1%	9.0%	2.37%
ATLAS IF	500	-	3.8%	9.8%	11.5%	10.0%	9.5%	2.75%
BMA CSF	10	-	-	-	-	-	7.7%	-
DCM MMF	100	1.1%	7.0%	9.7%	11.5%	10.9%	10.3%	-
FIRST HABIB IF	100	-	-	-	-	1.5%	9.3%	2.50%
HBL IF	100	-	-	-	-	2.7%	9.2%	5.50%
IGI IF	100	-	-	-	-	2.0%	9.7%	-
JS AIF	100	-	-	-	-	-	5.0%	2.75%
JS IF	100	9.5%	6.2%	10.3%	12.1%	10.7%	9.7%	3.05%
NAFA IF	10	-	-	-	-	-	2.10%	2.67%
NAIM RIF	50	-	-	-	-	7.0%	9.5%	-
NAMCO IF	100	-	-	-	-	-	-	5.79%
POBOP APF	50	-	-	-	-	-	6.2%	-
UBL GIF	100	-	-	0.9%	9.3%	11.4%	9.2%	5.25%
KASB LF	100	-	-	-	1.4%	10.7%	10.0%	3.00%
MCB DCF	100	-	-	-	-	3.4%	9.8%	3.00%
NAFA CF	10	-	-	-	1.9%	10.5%	9.7%	2.85%
UBL MMF	100	9.0%	4.8%	4.1%	10.0%	10.1%	9.1%	4.54%

Table 2: Cash Funds

Fund	Return (%)			Risk	Mgmt. Fee	Inception Date	Fund Size (PKR mn)	AMC Rating	Fund Ranking
	1M	6M	12M	6M VAR			30-Apr-09		
ABL IF	12.17	14.59	n/a	0.028%	1.50%	20-Sep-08	4,729	AM3	A(f) by JCR VIS
FAYSAL SGF	12.14	14.08	13.04	0.028%	1.50%	12-May-07	5,573	AM3+	A(f) by JCR-VIS
AHIM PCF	11.78	12.72	11.68	0.025%	10% of G. Earnings	20-Mar-08	178	AM2	AAA(f)
Industry	12.14	14.28	13.00	0.028%	N/A	N/A	10,480	N/A	N/A

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M	12M	1M	6M	12M
ABL IF	1 M KIBOR	-1.28	1.42	N/A	0.02	0.30	N/A
FAYSAL SGF	1 M KIBOR	-1.31	0.91	-0.27	-0.01	-0.20	0.04
AHIM PCF	3M Tbill	-1.20	-0.44	-0.98	-0.36	-1.57	-1.32

*Returns are calculated as of May 25, 2009.

Portfolio Breakup – Apr09

	ABL IF	AHIL PCF	FAYSAL SGF
Cash & Equivalents	14%	17%	0%
Money Market Instruments	28%	0%	0%
T- Bills	2%	42%	0%
Government Securities	0%	0%	5%
Spread Transactions	0%	0%	0%
Reverse Repo	0%	41%	0%
TDRs	56%	0%	0%
CFS	0%	0%	0%
Bank Deposits	0%	0%	93%
TFCs	0%	0%	0%
Others	0%	0%	2%

Payouts (% of Face Value)

Money Market Funds	Face Value (PKR per unit)	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
ABL IF	10	-	-	-	-	-	-	7.63%
AHIL PCF	50	-	-	-	-	-	2.8%	8.28%
FAYSAL SGF	100	-	-	-	-	1.3%	10.0%	5.95%

Table 3: Islamic Income Funds

Fund	Return			Risk	Mgmt. Fee	Inception Date	Fund Size (PKR mn)	AMC Rating	Fund Ranking
	1M	6M	12M	6M VAR			30-Apr-09		
KASB IIF	24.57	N/A	N/A	0.19%	1.25%	9-Jun-08	507	AM3+	Not ranked as yet
PO AIIF	17.41	18.52	N/A	0.40%	2.00%	30-Oct-08	208	AM3+	Not ranked as yet
Meezan IIF	11.61	24.59	9.88	0.09%	1.50%	15-Jan-07	5,901	AM2-	Withheld by PACRA
ATLAS IIF	9.85	11.62	N/A	0.01%	1.25%	14-Oct-08	116	AM3+	Not ranked as yet
NAFA IIF	6.57	12.41	-5.56	0.44%	1.50%	29-Oct-07	624	AM2-	Not ranked as yet
UBL IIF	5.97	15.16	2.74	0.22%	1.25%	20-Oct-07	1,529	AM2-	Not ranked as yet
Industry	11.14	19.96	6.64	0.14%	N/A	N/A	8,885	N/A	N/A

Fund	Benchmark	Relative Return vs. Benchmark			Relative Return vs. Industry		
		1M	6M	12M	1M	6M	12M
KASB IIF	Avg 1 M Dep Rate of Isl Banks	N/A	N/A	N/A	13.44	N/A	N/A
PO AIIF	N/A	N/A	N/A	N/A	6.27	-1.44	N/A
Meezan IIF	Avg 3M profit rate of 3 islamic banks	N/A	N/A	N/A	0.47	4.63	3.24
ATLAS IIF	N/A	N/A	N/A	N/A	-1.29	-8.34	N/A
NAFA IIF	Avg 1 M Dep Rate of 4 Isl Banks	N/A	N/A	N/A	-4.56	-7.55	-12.20
UBL IIF	Avg of 6 M Placement rate of 3 Isl Banks	N/A	N/A	N/A	-5.17	-4.80	-3.90

*Returns are calculated as of May 25, 2009.

Portfolio Breakup – Apr09

Instrument	ATLAS IIF	KASB IIF	MEEZAN IIF	NAFA IIF	PO AIIF	UBL IIF
Modaraba Placements	0%	0%	0%	28%	0%	0%
Money Market Instruments	0%	0%	0%	0%	0%	0%
Sukuks	0%	55%	39%	72%	31%	55%
TDRs	14%	0%	0%	0%	0%	7%
Cash & Equivalents	85%	27%	61%	0%	69%	25%
Other Placements	1%	16%	0%	0%	0%	13%

Payouts (% of Face Value)

Islamic Income Funds	Face Value	(PKR per unit)	2006-07	2007-08	2008-09
ATLAS IIF		500	N/A	N/A	N/A
KASB IIF		100	N/A	0.55%	3.00%
MEEZAN IIF		50	4.40%	9.20%	4.04%
NAFA IIF		10	N/A	4.26%	2.00%
UBL IIF		100	N/A	5.85%	3.27%

Table 4: Equity Funds

Fund	Return			Risk	Mgmt. Fee	Inception Date	Fund Size (PKR mn)	AMC Rating	Fund Ranking
	1M	6M	12M	6M Beta			30-Apr-09		
AKD OF	2.79	-16.15	-32.86	0.43	3.00%	1-Mar-06	N/A	AM3	MFR 5-Star
ATLAS SF	0.98	-7.64	-30.99	0.35	3.00%	23-Nov-04	674	AM3+	3-Star by PACRA
MCB DSF	0.96	0.14	-21.42	0.59	3.00%	1-Mar-07	603	AM3+	2-Star by PACRA
AHIM PSMF	0.32	-7.62	-22.20	0.13	2.50%	11-Mar-02	1,810	AM2	4-Star by PACRA
KASB SF	-0.06	-9.15	-32.47	0.73	3.00%	22-Mar-07	302	AM3+	Not ranked as yet
HBL SF	-0.12	-3.21	-17.39	0.52	3.00%	23-Aug-07	1,395	AM3	Not ranked as yet
IGI SF	-0.17	35.14	N/A	0.60	2.00%	15-Jul-08	185	AM3	Not ranked as yet
NIT	-1.27	-18.59	-37.69	0.31	1.00%	12-Nov-62	49,426	AM2-	3-Star by PACRA
UBL SAF	-1.44	-15.34	-34.98	0.58	3.00%	4-Aug-06	1,812	AM2-	MFR 4-Star
AMZ+ SF	-2.68	-16.01	-33.27	0.29	3.00%	24-Jul-06	267	AM-DS	2-Star by PACRA
NAFA SF	-4.69	-23.30	-44.43	0.56	3.00%	22-Jan-07	1,413	AM2-	MFR 3-Star by JCR-VIS
CROSBY DF	-5.25	-8.91	-31.97	0.28	2.50%	15-Dec-03	2,230	AM4+	MFR 5-Star by JCR-VIS
Industry	-1.38	-17.02	-36.21	0.33	N/A	N/A	60,901	N/A	N/A

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M	12M	1M	6M	12M
AKD OF	KSE 100	5.12	5.77	10.14	4.17	0.87	3.35
ATLAS SF	KSE 100	3.31	14.28	12.01	2.36	9.39	5.23
MCB DSF	KSE 30	3.02	22.45	25.74	2.34	17.16	14.79
AHIM PSMF	Internal	N/A	N/A	N/A	1.70	9.40	14.02
KASB SF	KSE 30	2.00	13.16	14.69	1.32	7.88	3.74
HBL SF	KSE 100	2.21	18.71	25.61	1.26	13.82	18.83
IGI SF	KSE 100	2.16	57.06	43.00	1.21	52.17	n/a
NIT	KSE 100	1.06	3.33	5.31	0.11	-1.57	-1.47
UBL SAF	KSE 100	0.89	6.58	8.02	-0.06	1.68	1.23
AMZ+ SF	KSE 100	-0.35	5.91	9.73	-1.30	1.01	2.94
NAFA SF	KSE 30	-2.63	-0.99	2.73	-3.31	-6.28	-8.22
CROSBY DF	KSE 100	-2.92	13.01	11.03	-3.87	8.11	4.24

Source: BMA Research

*Returns are calculated as of May 25, 2009.

Sector Allocation - Apr09

Sector Allocation	AHIL PSMF	AKD OF	AMZ+ SF	ATLAS SF	CROSBY DF	HBL SF
Autos	0%	N/A	N/A	0%	0%	1%
Cement	5%	N/A	N/A	0%	11%	1%
Chemicals	0%	N/A	N/A	3%	0%	2%
Commercial Banks	8%	N/A	N/A	13%	13%	12%
F & PC	0%	N/A	N/A	0%	0%	0%
Fertilizer	10%	N/A	N/A	13%	9%	12%
Insurance	0%	N/A	N/A	3%	0%	0%
Inv Banks	0%	N/A	N/A	0%	0%	0%
Misc	0%	N/A	N/A	0%	0%	0%
E&P	9%	N/A	N/A	24%	14%	21%
OMCs	0%	N/A	N/A	12%	0%	0%
Paper & Board	7%	N/A	N/A	3%	0%	0%
Pharma	0%	N/A	N/A	0%	6%	0%
Power Gen	6%	N/A	N/A	8%	6%	5%
Refineries	0%	N/A	N/A	2%	5%	0%
Telecom/ Tech & Comm	0%	N/A	N/A	3%	0%	2%
Textile	0%	N/A	N/A	0%	9%	0%
Other	27%	N/A	N/A	4%	16%	6%

Sector Allocation	IGI SF	KASB SF	MCB DSF	NAFA SF	NIT	UBL SAF
Autos	0%	0%	0%	0%	2%	0%
Cement	0%	4%	5%	6%	3%	6%
Chemicals	2%	0%	0%	0%	0%	1%
Commercial Banks	0%	20%	15%	27%	0%	14%
F & PC	0%	0%	0%	0%	0%	0%
Fertilizer	6%	12%	12%	7%	20%	16%
Insurance	0%	2%	0%	0%	0%	0%
Inv Banks	14%	4%	0%	0%	0%	0%
Misc	0%	9%	0%	4%	0%	0%
E&P	12%	25%	24%	21%	22%	27%
OMCs	4%	0%	16%	6%	0%	5%
Paper & Board	2%	0%	0%	0%	0%	0%
Pharma	0%	0%	0%	0%	3%	0%
Power Gen	12%	4%	16%	9%	7%	0%
Refineries	0%	0%	0%	0%	0%	0%
Telecom/ Tech & Comm	0%	6%	0%	0%	4%	5%
Textile	0%	0%	0%	3%	0%	0%
Other	7%	0%	0%	7%	36%	14%

Payouts (% of Face Value)

Equity Funds	Face Value (PKR per unit)	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
AHIL PSMF	50	40.0%	60.0%	70.0%	60.0%	50.0%	34.0%
AKD OF	50	-	-	-	-	10.0%	10.0%
AMZ+ SF	100	-	-	-	-	19.0%	-
ATLAS SF	500	-	-	12.5%	25.0%	20.0%	7.5%
CROSBY DF	100	-	2.0%	10.5%	15.0%	38.0%	30.0%
HBL SF	100	-	-	-	-	-	5.9%
IGI SF	100	-	-	-	-	-	-
KASB SF	50	-	-	-	-	9.7%	-
MCB DSF	100	-	-	-	-	25.0%	-
NAFA SF	10	-	-	-	-	22.6%	5.8%
NIT	10	17.5%	25.5%	33.0%	58.0%	62.0%	65.0%
UBL SAF	100	-	-	-	-	22.3%	3.0%

Fund Ranking

Fund	Ranking		Fund	Ranking	
	PACRA	JCR-VIS		PACRA	JCR-VIS
ABL IF		A(f)	FIRST HABIB IF	3-Star	
AKD OF		MFR 5-Star	IGI IF	4-Star	
ALGHP VF	4-Star		JS IF	5-Star	
ALGHP IMF	4-Star		JS AAA	4-Star	
AMZ+ IF	3-Star	BBB+(f)	UTP	5-Star	
AMZ+ SF	2-Star		JS ISF	4-Star	
AHIL MSF	1-Star		JS FoF	4-Star	
AHIL PCF	AAA(f)		KASB LF	5-Star	
AHIL PIF	3-Star		MCB DCF	3-Star	
AHIL PSMF	4-Star		MCB DSF	2-Star	
AHIL PIIF	4-Star		Meezan ISF	5-Star	MFR 3-Star
AHIL PCM	2-Star		Meezan IIF		A(f)
ASKARI IF	3-Star		NAFA CF		MFR 5-Star
ATLAS IF	3-Star		NAFA MA		MFR 5-Star
ATLAS ISF	3-Star		NAFA SF		MFR 3-Star
ATLAS SF	3-Star		NIT	3-Star	MFR 3-Star
CROSBY DF		MFR 5-Star	POBOP APF		A(f)
DCM MMF	3-Star		UBL MMF	4-Star	A+(f)
DCM ISF	4-Star		UBL GIF		A(f)
FAYSAL SGF		A(f)	UBL SAF		MFR 4-Star
FAYSAL IGF		A+(f)			
FAYSAL BGF		MFR 4-Star			

Note: Funds not mentioned are unranked

Source: Fund Manager Reports

AMC Rating

AMC	Rating	
	PACRA	JCR-VIS
ABL AMC		AM3
AHIL	AM2	
AKD		AM3
ALGHP	AM3	
AMZ		AM-DS
ASKARI	AM3	
ATLAS	AM3+	
BMA		AM2-
CROSBY		AM4+
DCM	AM4+	
FAYSAL		AM3+
HABIB	AM3-	
HBL		AM3
IGI	AM3	
JS	AM2+	
KASB	Rating Withdrawn	AM3+
MCB	AM3+	
Al Meezan		AM2-
NAFA		AM2-
NAIM	UR	AM3-
NAMCO		AM3-
NIT	AM2-	AM2-
Pak Oman		AM3+
UBL Funds		AM2-

Source: Fund Manager Reports

Note: JCR-VIS has revised the Management Quality Rating of a few AMCs to 'AM-DS' (AM - Developing Situation), defined as 'unusual circumstances do not allow assessment of fund management practices at present'.

Glossary and Definitions

Term	Definition
Net Asset Value (NAV)	A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share amount of the fund is derived by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding. NAV per share is computed once a day based on the closing market prices of the securities in the fund's portfolio.
Beta	A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of 1 indicates that the security's price will move with the market. Less than 1 and greater than 1 indicate more and less volatility, respectively. For example a beta of 1.2 indicates 20% more volatility than the market.
Value at Risk (VAR)	A technique used to estimate the probability of portfolio losses based on the statistical analysis of historical price trends and volatilities
Management Fee	Charge levied by an investment manager for managing an investment fund. Management fee structures vary from fund to fund, but are typically based on a percentage of assets under management
Sales Load	A sales charge or commission charged to an investor when buying or redeeming shares in a mutual fund. The fee may be a one-time charge at the time the investor buys into the mutual fund (front-end load), when the investor redeems the mutual fund shares (back-end load), or on an annual basis as a 12b-1 fee
AMC Rating	Awarded by Credit Rating Agencies like JCR VIS and PACRA considering AMC performance and management quality. AM1 denotes highest management quality and AM5 Weak Management Quality
Fund Ranking	Awarded by Credit Rating Agencies like JCR VIS and PACRA considering funds' performance over various periods. 5-Star denotes Very Good while 1-Star denotes Weak
AUM Run Rate	Growth of NAV over time calculated as (current fund size/ previous fund size) - 1

Glossary and Definitions

Term	Definition
Beta	Covariance (Benchmark's Daily Return, Fund's Daily Return) / Variance (Benchmark Daily Return)
Value at Risk (VAR)	Standard Deviation (Fund's Daily return) * 1.65
Annualized Return	Morningstar Return Calculation Methodology
Absolute Return	$\{[(\text{Ending NAV} + \text{Payouts during the period}) / \text{Beginning NAV}] - 1\} * 100$
Relative Return vs. Benchmark	Fund's Return – Benchmark's Return
Relative Return vs. Industry Average	Fund's Return – Industry Weighted Average

Abbreviations

Income Funds	
Name	Ticker
Arif Habib Metro Sovereign Fund	AHIL MSF
Arif Habib Pakistan Income Fund	AHIL PIF
Arif Habib Pakistan Income Enhancement Fund	AHIL PIEF
AKD Income Fund	AKD IF
Alfalah GHP Income Multiplier Fund	ALGHP IMF
AMZ Plus Income Fund	AMZ+ IF
Askari Income Fund	ASKARI IF
Atlas Income Fund	ATLAS IF
BMA Chundrigar Road Saving Fund	BMA CSF
Dawood Money Market Fund	DCM MMF
First Habib Income Fund	FIRST HABIB IF
HBL Income Fund	HBL IF
IGI Income Fund	IGI IF
JS Aggressive Income Fund	JS AIF
JS Income Fund	JS IF
NAFA Income Fund	NAFA IF
NAMCO Income Fund	NAMCO IF
Noman Abid Reliance Income Fund	NAIM RIF
Pak Oman Advantage Plus Fund	POBOP APF
United Growth and Income Fund	UBL GIF
KASB Liquid Fund	KASB LF
MCB Dynamic Cash Fund	MCB DCF
NAFA Cash Fund	NAFA CF
UBL Money Market Fund	UBL MMF
CROSBY Phoenix Fund	CROSBY PF

Cash Funds

Name	Ticker
ABL Income Fund	ABL IF
Arif Habib Pakistan Cash Management Fund	AHIL PCF
Faysal Savings Growth Fund	FAYSAL SGF

Islamic Income Funds

Name	Ticker
Atlas Islamic Income Fund	ATLAS IIF
KASB Islamic Income Fund	KASB IIF
Meezan Islamic Income Fund	Meezan IIF
NAFA Islamic Income Fund	NAFA IIF
Pak Oman Advantage Islamic Income Fund	PO AIIF
United Islamic Income Fund	UBL IIF

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