



SixthSense

May-June 2009

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**All Around the Markets
May 2009-June 2009**

BUDGETARY TALES

Economy: Stimulus needed!

The month of Jun09 saw the federal government announce the FY10 Fiscal Budget. As expected the main thrust of the budget was on increasing development expenditure while making cosmetic attempts to expand the tax base. A PSDP program of PKR646bn was announced with stress on providing water security to agriculture and revamping the irrigation system. In addition the government pledged to end the circular debt issue which has plagued the entire energy sector value chain over the last year. The fiscal deficit has been targeted at PKR722.5bn or 4.9% of GDP with heavy dependence on external financing (PKR510bn) and capital receipts (PKR190bn). The main threat to the economy comes in the form of liquidity. If the expected FODP pledges do not come through then the government will be forced to either cut development spending (and dilute the fiscal stimulus) or borrow additional funds from the inter-bank market which could lead to a liquidity crunch and prevent the SBP's accommodative monetary stance from having any significant effect. In this event the GDP growth target of 3.3% for FY10 could become quite challenging. On the positive side inflation came down to 14.4% in May09 and is expected to decline into single digits by the end of 1QFY10, which should allow the SBP to make a cut of 100bps-150bps in the upcoming monetary policy review. However before any sort of recovery can be ascertained, inter-bank rates must be rationalized while the risk spread charged by banks to borrowers must narrow.

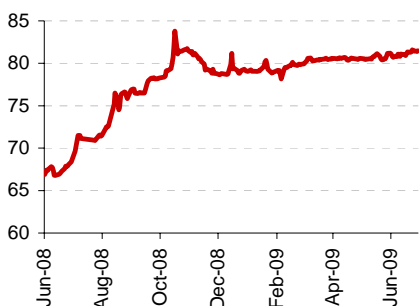
External deficits: The nemesis returns

In a continuation of the trend witnessed over 2HFY09 both the current account and balance of payments showed a surplus of USD406mn and USD399mn respectively in May09. For 11MFY09 the current account deficit has dropped by an incredible 34.1% to USD8.22bn, while the trade deficit has declined by 16.4% to USD11.4bn. Indicative of the slowing economy and tight monetary stance, the services account deficit decreased by over 50.0% to USD2.98bn mainly because the demand for the import of other business services (especially from exchange companies) declined by 54.6% to USD1.46bn. Helping to keep the current account buoyant was the continued robustness of worker remittances which remained strong with inflows for 11MFY09 clocking in at USD7.1bn. However the financial account has been the most affected by the slowdown, with net inflows of USD3.4bn as compared to USD6.3bn last fiscal year. Portfolio outflows of over USD1.1bn in conjunction with lackluster FDI of only USD3.3bn have prevented the balance of payments deficit from improving by more than 26.9%. Despite the overall stabilization witnessed in the external account, the government will be wary of the renewed strength in international commodity prices as crude oil breached the USD70/barrel mark. While current price levels will enable the country to sustain macroeconomic recovery, any further jumps could derail the progress made over the last 8 months very quickly.

Currency: On a steady decline

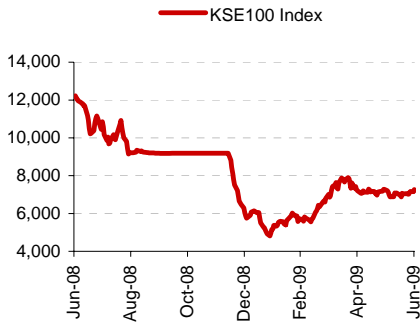
We have repeatedly highlighted in our previous reports that the PKR remains under pressure and will continue to remain so in the foreseeable future. The main factors contributing to an expected depreciation of 6%-8% over FY10 are; higher levels of debt servicing (over USD5.0bn in FY10) due to increased external debt liabilities, interbank responsibility for oil payments (Diesel in Aug09 & Crude in Feb10) and an easing monetary policy (Discount rate at 10.5% by Jun10). In this scenario the materialization of foreign assistance and the continuation of a benign external

PKR-USD parity



environment becomes even more critical to macroeconomic recovery. For this reason we are targeting the PKR-USD parity at 85.9 – 87.6 by the end of the fiscal year.

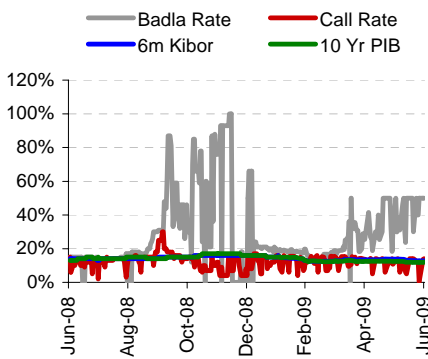
KSE100 Performance



Equities: Waiting for Goddot (or leverage)

After being contained to a narrow band of 400 points over the last 3 months, the KSE100 sprang into life on the last day of FY09. Price action coupled with increasing volumes was indicative of two things. Firstly that a leverage product in the form of badla or deliverable futures is expected over the next 6 weeks and secondly the decrease in NSS rates has developed high expectations of a 200bps cut in the discount rate in Jul09. The market continues to trade at a significant discount of over 50% to regional markets with the historical average being around 30%. Moreover corporate earnings are expected to recover in FY10 to post growth of nearly 15%. It is thus expected that a re-rating of the KSE100 index is on the cards and a rally towards 8,500 could materialize over FY10.

Fixed Income Performance



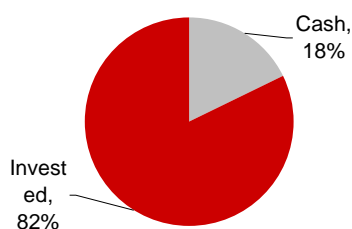
Money Markets: Liquidity still the key

We had previously highlighted the importance of inter-bank liquidity to broader economic recovery. As we saw in FY09, M2 growth was constrained at under 7.0%, with credit to the private sector contracting slightly and NFA outflows serving to neutralize the growth from NDA. The SBP has announced T-bill auctions of PKR325bn during 1QFY10 against maturities of PKR180bn, which means a net outflow of around PKR150bn. NSS are still receiving daily inflows of PKR1.0bn and the government has a full year target of PKR241bn. Moreover demand for commodity financing is expected to continue with the rice crop now in full swing. Thus government thirst for local liquidity is expected to prevent inter-bank rates for slipping too much. Having said that, 6M KIBOR has dropped to under 12.5% while the yield on the 10 year PIB has decreased to 11.5%. If dollar inflows materialize then rupee liquidity should not be an issue; however any delays could further tighten the liquidity profile of the banking sector and compromise their ability to create momentum through credit growth.

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Industry Update for May – June 2009

Percentage invested



Source: BMA Research

INDUSTRY UPDATE: EDGING UP

May09 was a flat month for the mutual fund industry with only 2% addition to total AUMs. ABL AMC was the greatest beneficiary with its fund size expanding by 22% MoM to PKR4.7bn in May09 and is now ranked in the top ten AMCs by size. It is pertinent to note that ABL currently manages just one fund (ABL IF) while it is yet to add an equity fund to its portfolio. At the same time, JS's AUMs declined by 12% MoM which was partly due to the termination of JS CPFIII which completed its eighteen months tenure in May09. 11MFY09 continued to post a decline of 39% for the industry with FAYSAL AMC posting the least decline at -5%. Anticipation of further interest rate cuts and continued economic slowdown demands active fund management with investment strategy geared towards achieving optimum asset allocation with maximum returns for the investors.

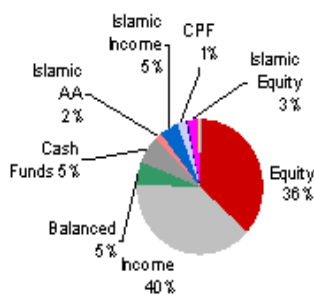
AUM Analysis

No.	Fund Manager	AUM (PKR mn)			
		May09	Apr09	MoM % ▲	11MFY09 %▲
1	NIT	50,770	49,426	3%	-40%
2	UBL Funds	21,673	21,480	1%	-22%
3	NAFA	14,793	14,515	2%	-55%
4	JS	12,494	14,141	-12%	-52%
5	MCB	11,587	10,752	8%	-25%
6	Meezan	8,775	9,518	-8%	-25%
7	AHIL	8,051	7,736	4%	-31%
8	FAYSAL	6,992	6,958	0%	-5%
9	ABL	5,746	4,729	22%	n/a
10	KASB	4,963	5,298	-6%	-55%
11	Others	28,337	26,669	6%	-52%
Total		174,181	171,222	2%	-39%

Source: BMA Research, Fund Manager Reports

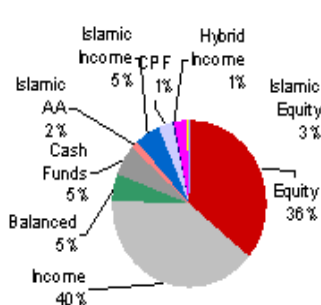
Income and cash funds currently form 45% of total AUMs while equity funds form 36%. This shows a complete reversal of investment trend indicating greater interest in fixed income instruments compared to equity based investments. Cash funds witnessed the highest MoM increase (11%) at PKR11.67bn while income fund category did not see any major change. Islamic income, though, recorded a decline of 9% MoM. The three largest income funds include UBL GIF, MCB DCF, and NAFA CF at PKR11.5bn, PKR10.2bn, and PKR8.3bn respectively while ABL IF is the largest cash fund followed by FAYSAL SGF at PKR5.7bn and PKR5.5bn, respectively.

May09 AUMs by Category



Source: BMA Research

Apr 09 AUMs by Category



Number of Funds

Fund Category	May09	Apr09
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

KASB Cash Fund: Trust Deed signed

KASB Funds Limited and Muslim Commercial Financial Services (Private) Limited (MCFSL) signed a Trust Deed of KASB Cash Fund on 20th May09. The Fund aims to maintain a high degree of liquidity, with weighted average time to maturity of net assets not exceeding 90 days. KASB Cash Fund will be an open-ended fund allowing investors flexibility in their investment and full or partial redemption at any point in time. The IPO of the fund is expected to take place in the 1st week of July 2009.

Launch of new funds

AMC	Fund Name	Fund Type	IPO Date	Benchmark	AMC Rating
NAFA Funds	NAFA Govt Securities Liquid Fund	Money Market	16-May09	50%3M TBill, 50% Avg.3M deposit rate	AM2-
UBL Funds	UBL Liquidity Plus Fund	Money Market	19-Jun09	50% 3mo dep rates of AA and above rated banks, 50% 3mo PKRV rate	AM2-
Al Meezan Investment Management	Meezan Cash Fund	Islamic Money Market	15-Jun09	3M deposit rate	AM2-
ABL AMC	ABL Stock Fund	Equity	25-Jun09	KSE100	AM3

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
June 26, 2009****UPS AND DOWNS CONTINUE****Returns¹: Volatile once again**

AUMs of income funds have declined by 47% in 11MFY09 but are on its way to recovery with the start of CY09. Greater volatility in TFC prices has led fund managers to replace them with government securities such as T-bills and PIBs and other 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

- NAFA IF recorded highest returns at 28.34%. It's a relatively smaller fund (PKR1.04bn) with 78% weightage in TFCs. Change in TFC prices, therefore, have a direct impact on the fund's returns.
- AHIL MSF and BMA CSF were next at 24.93% and 17.59% respectively
- 5 funds posted negative returns in 1M while IGI, POBOP, ATLAS, FIRST HABIB, UBL GIF, and AHIL PIF recorded returns of less than 8%

6 Month Returns

- AHIL's funds were in the top slot in 6M performance. PIEF topped with 26.75% followed by MSF and PIF at 25.12% and 21.87% respectively
- Both the UBL funds posted returns close to 18%; UBL GIF at 17.66% and UBL MMF at 17.97%
- NAFA IF and NAFA CF also witnessed similar performance at 15.64% and 16.08% respectively

12 Month Returns

- AHIL MSF led the way with 16.93% followed by JS IF and MCB DCF at 11.64% 9.34% respectively
- AHIM PIF was next at 9.03%
- Average return for 12M stood at 6.56%

Versus Benchmark

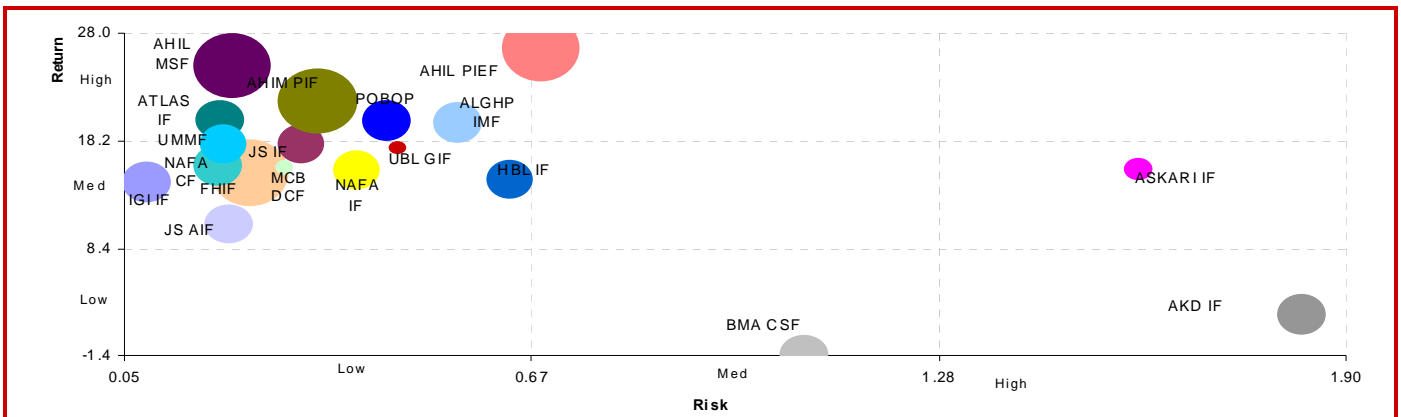
- Eight funds outperformed their benchmarks in 1M while only one fund was an outperformer in 12M
- NAFA IF outperformed 1mo KIBOR by an average of 2.55% followed by JS IF at 1.80%
- 14 income funds posted negative average returns relative to their benchmarks with JS AIF and AKD IF showing largest negativity at -14.33% and -13.11% respectively.

¹ See Table 1 in the Appendix for complete data

Versus Industry

- Average industry returns stood at 9.11%, 16.77% and 6.56% for 1M, 6M and 12M, respectively
- NAFA IF and JS IF also witnessed an average outperformance of 5.02% and 4.27% respectively
- AHIL MSF, JS IF, and UBL MMF were the only funds to outperform industry in all the three periods

Risk Matrix



R¹: 6M Risk-Reward Profile

Most income funds fell in the low risk zone with medium to high returns. Therefore, it becomes important for investors to base their investment decisions on the fund's credit quality. 5 funds fell in the low risk high return segment and 10 in low risk medium return segment. PIEF which posted the highest return in 6M was a medium risk fund. ASKARI IF and AKD IF fell in the high risk area with medium and low returns respectively

○ 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 0.41% for 6M with the highest recorded by AKD IF and ASKARI IF at 1.83% and 1.58% respectively. 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 lower risk levels which make these funds preferable. MCB and JS AIF have also performed well.

Source: BMA Research

Sectoral Weightage: Interest seen in T-bills

- Investment strategies determine the performance of income funds and therefore, active management is crucial for healthy returns. IGI IF offloaded a significant number of its TFCs in May09 and was 15% invested in this asset class down from 27% in Apr09. It also had the highest in cash (60%) after NAMCO IF (61%).
- BMA CSF has the highest proportion of its AUM invested in TFCs (82%) followed NAFA IF and DCM MMF at 78% and 70% respectively
- Funds invested in T-bills include AHIL MSF (70%), AHIL PIF (14%), AHIL PIEF (18%), CROSBY PF (18%), HBL IF (18%), JS IF (27%), UBL GIF (8%), and NAFA CF (1%)

Outlook on Fund Performance Jun09-Jul09

- 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****June 26, 2009****ATTRACTIVE ENOUGH****Returns²: Comparable to bank deposits**

1M returns for Cash funds demonstrated strong competition amongst each other with lowest return at 12.03% and highest at 13.03%. 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 over 60% in 5MCY09 to PKR11.6bn in May09 which indicates heightened interest in this particular investment vehicle.

1 Month Returns

- Highest was recorded by FAYSAL SGF at 13.03% followed by AHIL PCF and ABL IF at 12.57% and 12.03% respectively
- 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 12.5% in Jun09

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 13.78% followed closely by FAYSAL SGF at 13.75%
- AHIL PCF was next at 12.15%

12 Month Returns

- FAYSAL SGF posted highest return at 13.23% followed by AHIL PCF at 11.90% while ABL IF has not yet completed its 12M

Versus Benchmark

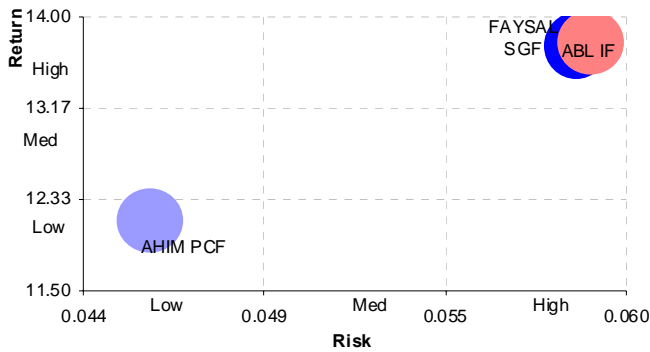
- Cash Funds performed at par with their benchmarks for 1M, 6M and 12M with only marginal under or out-performances
- ABL IF and FAYSAL SGF track 1M KIBOR while AHIL PCF has set 3M T-bill as their benchmark

Versus Industry

- Average industry returns stood at 12.52%, 13.72%, and 13.15% for 1M, 6M and 12M, respectively
- FAYSAL SGF and ABL IF were also at par with the industry in both 1M and 6M while AHIL PCF lagged in 6M and 12M by -1.57% and -1.25% respectively

²See Table 2 in the Appendix for complete data

Risk Matrix



R²: 6M Risk-Reward Profile

ABL IF and FAYSAL posted top 6M returns and were placed in the high risk-high return segment. VAR is higher for these funds when compared within the category but in general, money market funds are least risky by nature. AHIL PCF fell in the lower quartile for risk and return both.

○ 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 0.058% for cash funds much lower than income funds' average of 0.41%. VARs of each of these funds ranged from 0.046% to 0.059%. FAYSAL SGF and ABL IF posted same VAR at 0.059% while AHIL PCF was in the low risk zone with a VAR of 0.046%.

Credit Quality

ABL IF, FAYSAL SGF, and AHIL PCF can be termed 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: T-bills rule

- FAYSAL SGF which recorded the highest 1M return (13.03%) was 90% invested in Bank Deposits while AHIL PCF which was 75% invested in T-bills and Reverse Repos combined posted 12.57%.
- CYTD portfolio analysis for ABL IF shows TDRs component has decreased from 76% in Jan09 to 54% in May09 while fresh investments in T-bills have been made in the last two months. At the same time, cash component has increased from 7% in Jan09 to 19% in May09 with a 144% increase in its size during the same period!

Outlook on Fund Performance Jun09-Jul09 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
June 26, 2009****LEADING THE WAY****Returns³: Competing with convention**

Islamic Income funds yielded higher returns in Jun09 as compared to both income and cash funds. Sukuks and cash form the bulk of these funds' portfolios and therefore, any changes in prices of sukuku have a sizable impact on its returns. Islamic income funds have an asset size of PKR8.1bn and Meezan IIF is the largest with PKR5.0bn.

1 Month Returns

- KASB IIF topped in 1M posting 16.44% followed by UBL IIF at 16.02%
- ATLAS IIF's return improved MoM from 9.85% in May09 to 10.46% in Jun09

6 Month Returns

- Meezan IIF yielded the highest at 24.54% followed by PO AIIF at 20.82%. It is pertinent to note here that Meezan IIF is the largest Islamic income fund (PKR5bn) while PO AIIF is the smallest (PKR213mn)
- ATLAS IIF yielded the lowest at 10.97%

12 Month Returns

- MEEZAN IIF posted highest in 12M at 10.42% while its fund size grew by 10% from PKR4.5bn in Jan09 to PKR5.0bn in May09
- NAFA IIF witnessed negative performance in the same period (-5.97%)

Versus Benchmark

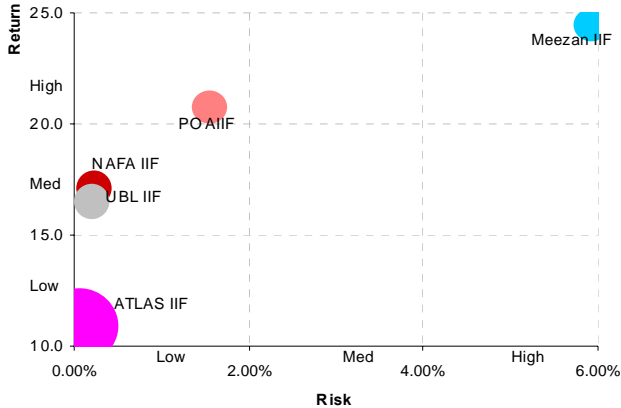
- Returns relative to benchmarks cannot be determined as the benchmark returns for the respective funds for November have not yet been disclosed

Versus Industry

- Average industry returns stood at 14.32%, 20.34% and 7.41% for 1M, 6M and 12M, respectively
- KASB IIF witnessed the highest relative return for 1M at 2.12% followed by UBL IIF at 1.70%
- Meezan IIF was the only fund to outperform the industry in all the three periods
- NAFA IIF showed largest underperformance at -9.08% on average

³ See Table 3 in the Appendix for complete data

Risk Matrix



R³: 6M Risk-Reward Profile

ATLAS IIF demonstrated lowest risk with the lowest return at the same time; it has not demonstrated active fund management since last few months and is 93% invested in cash. MEEZAN IIF with highest return in 6M also fell in the high risk zone. PO, NAFA, and UBL IIF were in the low risk segment with medium to high returns.

○ 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 3.96% for 6M; ATLAS IIF had the lowest VAR at 0.04% due to low volatility in its NAVs. UBL and NAFA also had low VARs at 0.17% and 0.20% respectively.

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: Balancing sukuks with cash

- NAFA IIF had the highest exposure to sukuks in May09 at 85% with the rest in other placements. A small fund size (PKR528mn) with a significant exposure to sukuks may be considered riskier when compared to other small sized funds with a balanced portfolio of long and short-term instruments.
- Meezan IIF and UBL IIF are also invested in GoP sukuks to the tune of 15% and 7% respectively

Outlook on Fund Performance Jun09-Jul09

- 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

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**

June 26, 2009

WHY SO CHEERLESS?

Returns⁴: lackluster performance

KSE100 witnessed lackluster performance in Jun09 and so did the equity funds. At the same time, CY09 performance of equity funds is commendable with an average return of 19.11% with MCB DSF leading the way at 50.40%. NIT continues to be the largest fund with PKR50.7bn worth of assets while total AUMs of these funds have grown by 3% MoM.

1 Month

- 1M returns were in the negative once again with the exception of two (IGI SF and AHIL PSMF)
- CROSBY DF, KASB SF, and NAFA SF were in the lower quartile at -2.00%, -2.75%, and -3.13% respectively

6 Month

- 6M performance is commendable with all funds posting positive returns
- Highest was recorded by MCB DSF at 50.40% followed by KASB SF and ATLAS SF at 47.71% and 43.73% respectively
- NAFA SF, NIT, and AKD OF were on the lower side at 14.81%, 14.99% and 19.49% respectively

12 Month

- Funds suffered 34% on average in 12M with NAFA SF and NIT losing more than average at -44.57% and -36.48% respectively
- HBL SF, MCB DSF, and AHIL PSMF, however, were among the least hit ones in this tenor at -16.78%, -20.69% and -21.00% respectively

Versus Benchmark

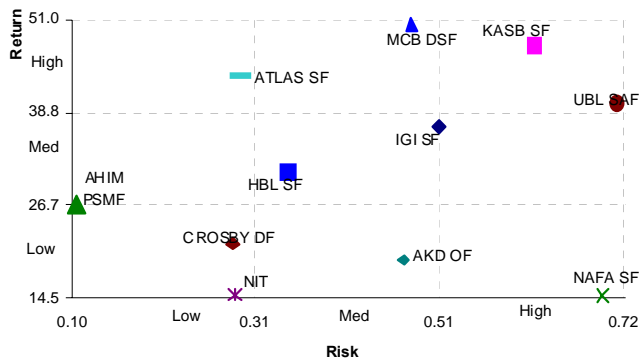
- KSE100 posted -0.36%, 24.5%, and -42.01% for 1M, 6M, and 12M respectively while KSE30 posted -2.23%, 42.3% and -47.4% for 1M, 6M, and 12M respectively
- MCB DSF, HBL SF, ATLAS SF demonstrated the highest average relative returns of 12.15%, 10.75%, and 10.37% respectively
- NAFA SF and NIT posted negative average returns at -8.52% and -1.76% respectively

⁴ See Table 4 in the Appendix for complete data

Versus Industry

- The industry posted returns of -1.50%, 19.71% and -34.19% for 1M, 6M and 12M, respectively
- MCB DSF, HBL SF, and ATLAS SF outperformed the industry as well by 15.03%, 10.12%, and 9.74% respectively while NAFA SF and NIT posted relative -5.64% and -2.38% on average respectively

Risk Matrix



R²: 6M Risk-Reward Profile

MCB DSF witnessed an optimum combination of medium risk and high return. IGI SF and HBL SF, however, were in the medium risk-medium return zone. Low volatility resulted in a low VAR for AHIL PSMF but posted low return at the same time. KASB SF posted higher returns in 6M but at a higher risk level.

*NAVs adjusted for dividends to calculate beta

Risk Analysis:

Average Beta stood at 0.31 which suggests that the funds were not very volatile compared to the market. AHIL, ATLAS CROSBY, and NIT had lower than average beta while MCB, KASB, AKD OF, and IGI witnessed relatively higher risk. UBL SAF and NAFA SF, however, recorded highest risk levels.

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 19%, 14%, and 13% respectively
- NAFA SF and NIT were 98% and 96% invested respectively yet they posted lowest returns in the category
- HBL SF had the lowest exposure at 59% while IGI SF increased its exposure from 59% in Apr09 to 71% in May09
- MCB DSF was 38% into oil & gas, 15% in fertilizer, banks, and power each.
- 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 Jun09-Jul09

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- Lackluster volumes at KSE and non-availability of leverage facility were some of the major reasons which kept the market range-bound. While current share prices appear to have discounted in the negatives, we believe the market is yet to price in recent developments such as display of political maturity by the democratic setup and decisive military action in the Northern region.

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DATA TABLES

Appendix

Table 1: Income Funds

Fund	Return*			Risk 6M VAR	Mgmt. Fee	Inception Date	Fund Size PKR (mn)	AMC Rating	Fund Rating
	1M	6M	12M						
NAFA IF	28.34	15.64	3.53	0.40	1.50%	29-Mar-08	1,044	Withdrawn	Not ranked as yet
AHIM MSF	24.93	25.12	16.93	0.21	5% of Operating Income	1-Mar-03	1,517	AM2	1-Star
BMA CSF	17.59	-1.19	(3.55)	1.08	1.50%	23-Aug-07	1,097	AM2-	A(f) by JCR VIS
NAMCO IF	16.86	19.39	N/A	0.47	1.25%	14-Jul-08	284	AM3-	Not ranked as yet
ALGHP IMF	16.07	20.00	3.35	0.55	1.25%	15-Jun-07	869	AM3	4-Star
ASKARI IF	15.92	15.71	3.34	1.58	1.50%	15-Mar-06	3,000	AM3	3-Star
NAFA CF	15.76	16.08	5.58	0.19	1.50%	22-Apr-06	8,327	Withdrawn	MFR 5-Star
JS IF	15.60	18.02	11.64	0.32	1.50%	26-Aug-02	5,082	AM2+	Witheld by PACRA
AHIM PIEF	12.24	26.75	N/A	0.68	1.50%	28-Aug-08	769	AM2	Not ranked as yet
NAIM RIF	11.20	-37.70	(26.32)	2.41	1.50%	21-Oct-06	432	AM3-	Not ranked as yet
MCB DCF	10.58	15.91	9.34	0.29	1.50%	1-Mar-07	10,234	AM3+	3-Star
UBL MMF	10.42	17.97	7.42	0.20	1.50%	7-Aug-02	5,919	AM2-	4-star
AKD IF	10.06	2.43	(10.59)	1.83	1.10%	22-Mar-07	720	AM3	A-(f) by JCR VIS
IGI IF	7.87	14.47	6.38	0.08	1.25%	14-Apr-07	2,351	AM3	4-Star
POBOP APF	7.83	20.10	0.90	0.45	1.50%	25-Oct-07	1,243	AM3+	A(f) by JCR VIS
ATLAS IF	5.97	20.25	7.24	0.19	1.25%	22-Mar-04	1,950	AM3+	3-Star
FIRST HABIB IF	4.01	15.36	6.64	0.24	1.50%	4-Jun-07	1,860	AM3-	3-Star
UBL GIF	3.51	17.66	6.98	0.46	1.50%	2-Mar-06	11,499	AM2-	A(f) by JCR VIS
AHIM PIF	0.46	21.87	9.03	0.34	1.50%	11-Mar-02	2,440	AM2	3-Star
KASB LF	-1.00	n/a	1.68	0.34	1.30%	9-May-06	3,326	AM3+	Witheld by PACRA
HBL IF	-2.61	14.81	4.45	0.63	1.50%	15-Mar-07	2,790	AM3	Not ranked as yet
DCM MMF	-3.94	n/a	(19.78)	0.73	1.00%	18-Apr-03	921	AM4+	3-Star
CROSBY PF	-4.09	n/a	n/a	0.22	1.50%	2-Apr-09	110	AM4+	Not ranked as yet
JS AIF	-21.37	10.70	7.55	0.21	1.50%	22-Jan-08	259	AM2+	Not ranked as yet
Industry	9.11	16.77	6.56	0.41	N/A	N/A	68,490	N/A	N/A

* Risk>Returns calculated as of 26 Jun09

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M	12M	1M	6M	12M
NAFA IF	1 M KIBOR	14.94	2.58	-9.86	19.23	-1.12	-3.02
AHIM MSF	6M Tbill	11.99	12.18	3.99	15.82	8.36	10.37
BMA CSF	1 M KIBOR	4.19	-14.25	-16.94	8.48	-17.95	-10.10
NAMCO IF	1 M KIBOR	3.46	6.33	N/A	7.75	2.63	N/A
ALGHP IMF*	1 M KIBOR	2.67	6.94	-10.05	6.96	3.23	-3.21
ASKARI IF	3 M KIBOR	2.64	2.22	-10.61	6.81	-1.05	-3.22
NAFA CF	1 M KIBOR	2.36	3.02	-7.82	6.65	-0.68	-0.98
JS IF	1 M KIBOR	2.20	4.96	-1.75	6.49	1.25	5.08
AHIM PIEF	Industry Average	N/A	N/A	N/A	3.13	9.99	-6.56
MCB DCF	1 M KIBOR	-2.82	2.85	-4.06	1.47	-0.85	2.78
UBL MMF	6 month rolling avg of 1M KIBOR	-3.05	4.84	-5.95	1.31	1.20	0.86
AKD IF	6 M KIBOR	-3.25	-11.31	-24.77	0.95	-14.34	-17.15
IGI IF	1 M KIBOR	-5.53	1.41	-7.02	-1.24	-2.29	-0.18
POBOP APF	3 M KIBOR	-5.45	6.61	-13.05	-1.28	3.34	-5.66
ATLAS IF	3 M KIBOR	-7.31	6.76	-6.71	-3.14	3.49	0.68
FIRST HABIB IF	1 M KIBOR	-9.39	2.30	-6.75	-5.10	-1.40	0.08
UBL GIF	6 month rolling avg of 6M Kibor	-10.46	3.11	-6.68	-5.59	0.89	0.42
AHIM PIF	Industry Average	N/A	N/A	N/A	-8.65	5.11	2.47
KASB LF	N/A	N/A	N/A	N/A	-10.10	N/A	-4.87
HBL IF	1 M KIBOR	-16.01	1.76	-8.94	-11.72	-1.95	-2.10
CROSBY PF	25% 3M T-Bill, 75% 12M T-Bill	-17.05	N/A	N/A	-13.20	N/A	N/A
JS AIF	1 M KIBOR	-34.77	-2.36	-5.85	-30.48	-6.07	0.99

* Benchmark for ALGHP IMF has now been changed to 3M KIBOR

Portfolio Breakup - May09

Instrument	AHIL MSF	AHIL PIF	AHIL PIEF	ALGH P IMF	ASKARI IF	ATLAS IF	BMA CSF	CRSOB Y PF	DCM MMF	FIRST HABIB IF	HBL IF
Cash & Equivalents	0%	5%	20%	36%	7%	12%	5%	18%	0%	6%	0%
Money Market Instruments	0%	10%	18%	0%	0%	9%	0%	0%	0%	0%	0%
T-Bills	70%	14%	18%	0%	0%	0%	0%	18%	0%	0%	18%
Placements	0%	0%	0%	0%	16%	0%	0%	0%	24%	0%	0%
CP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TDRs	0%	21%	10%	0%	9%	24%	9%	0%	0%	24%	12%
CFS	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Bank Deposits	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	15%
TFCs	0%	0%	0%	64%	0%	0%	82%	54%	70%	31%	51%
PIBs	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
COIs	0%	0%	0%	0%	0%	0%	0%	10%	0%	26%	0%
Equities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.5%
Others	0%	1%	2%	0%	0%	1%	4%	0%	6%	13%	13%

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	60%	7%	9%	22%	61%	15%	20%	0%	10%	21%	23%
Money Market Instruments	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%	0%
T-Bills	0%	0%	27%	0%	0%	0%	8%	0%	0%	1%	10%
Placements	0%	0%	12%	0%	0%	0%	5%	28%	20%	0%	10%
CP	0%	7%	1%	0%	0%	0%	0%	0%	0%	0%	0%
TDRs	22%	0%	14%	0%	0%	0%	13%	0%	24%	11%	15%
CFS	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Bank Deposits	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%
TFCs	15%	52%	30%	78%	0%	69%	49%	65%	30%	67%	39%
PIBs	0%	19%	5%	0%	0%	0%	0%	0%	0%	0%	0%
COIs	3%	0%	0%	0%	24%	0%	0%	0%	0%	0%	0%
Equities	0%	0%	0%	0%	1.3%	0%	0%	0%	0%	0%	0%
Others	0%	15%	2%	0%	4%	2%	5%	4%	16%	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-May-09		
FAYSAL SGF	13.03	13.75	13.23	0.059	1.50%	12-May-07	5588	AM3+	A(f) by JCR-VIS
AHIM PCF	12.57	12.15	11.90	0.046	10% of G. Earnings	20-Mar-08	337	AM2	Not ranked as yet
ABL IF	12.03	13.78	N/A	0.059	1.50%	20-Sep-08	5746	AM3	A(f) by JCR VIS
Industry	12.52	13.72	13.15	0.058	N/A	N/A	11,671	N/A	N/A

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M	12M	1M	6M	12M
FAYSAL SGF	1 M KIBOR	-0.37	0.71	-0.16	0.50	0.03	0.08
AHIM PCF	3M Tbill	-0.41	-0.84	-1.09	0.05	-1.57	-1.25
ABL IF	1 M KIBOR	-1.37	0.81	n/a	-0.49	0.06	n/a

*Returns are calculated as of Jun 26, 2009.

Portfolio Breakup – May09

	ABL IF	AHIL PCF	FAYSAL SGF
Cash & Equivalents	19%	24%	0%
Money Market Instruments	19%	0%	0%
T- Bills	8%	62%	0%
Government Securities	0%	0%	6%
Reverse Repo	0%	13%	0%
TDRs	54%	0%	0%
CFS	0%	0%	0%
Bank Deposits	0%	0%	90%
TFCs	0%	0%	0%
Others	0%	1%	4%

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					
KASB IIF	16.44	n/a	7.15	n/a	1.25%	9-Jun-08	553	AM-DS	Not ranked as yet
UBL IIF	16.02	16.60	3.36	0.17%	1.25%	20-Oct-07	1,560	AM2-	Not ranked as yet
Meezan IIF	15.20	24.54	10.42	5.90%	1.50%	15-Jan-07	5,000	Withdrawn	Withheld by PACRA
ATLAS IIF	10.46	10.97	n/a	0.04%	1.25%	14-Oct-08	248	AM3+	Not ranked as yet
PO AIIF	6.69	20.82	8.84	1.53%	2.00%	30-Oct-08	213	AM3+	Not ranked as yet
NAFA IIF	3.62	17.18	-5.97	0.20%	1.50%	29-Oct-07	528	AM2-	Not ranked as yet
Industry	14.32	20.34	7.41	3.96%	N/A	N/A	8,102	N/A	N/A

Fund	Benchmark	Relative Return vs. Benchmark			Relative Return vs. Industry		
		1M	6M	12M	1M	6M	12M
KASB IIF	n/a	n/a	n/a	n/a	2.12	n/a	-0.26
UBL IIF	Avg of 6 M Placement rate of 3 Isl Banks	n/a	n/a	n/a	1.70	-3.75	-4.05
Meezan IIF	Not Specified	n/a	n/a	n/a	0.88	4.20	3.01
ATLAS IIF	Avg 3M profit rate of 3 islamic banks	n/a	n/a	n/a	-3.86	-9.37	n/a
PO AIIF	Avg 1 M Dep Rate of 4 Isl Banks	n/a	n/a	n/a	-7.63	0.48	1.43
NAFA IIF	Avg 1 M Dep Rate of Isl Banks	n/a	n/a	n/a	-10.71	-3.16	-13.38

*Returns are calculated as of June 26, 2009.

Portfolio Breakup – May09

Instrument	ATLAS IIF	KASB IIF	MEEZAN IIF	NAFA IIF	PO AIIF	UBL IIF
Modaraba Placements	0%	0%	0%	15%	0%	0%
Sukuks	0%	38%	30%	85%	40%	53%
GoP Sukuks	0%	0%	15%	0%	0%	7%
Bank Deposits	0%	57%	0%	0%	0%	0%
Cash & Equivalents	93%	0%	55%	0%	60%	11%
Other Placements	7%	5%	0%	0%	0%	29%

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-May-09		
IGI SF	0.87	37.08		0.51	2.00%	15-Jul-08	188	AM3	Not ranked as yet
AHIM PSMF	0.53	26.82	-21.00	0.11	2.50%	11-Mar-02	1,840	AM2	4-Star by PACRA
HBL SF	-0.04	31.20	-16.78	0.34	3.00%	23-Aug-07	1,419	AM3	Not ranked as yet
AKD OF	-0.28	19.49	-33.42	0.47	3.00%	1-Mar-06	759	AM3	MFR 5-Star
ATLAS SF	-0.58	43.73	-29.91	0.29	3.00%	23-Nov-04	705	AM3+	3-Star by PACRA
MCB DSF	-0.59	50.40	-20.69	0.48	3.00%	1-Mar-07	639	AM3+	2-Star by PACRA
UBL SAF	-1.52	40.19	-34.44	0.71	3.00%	4-Aug-06	1,849	AM2-	MFR 4-Star
NIT	-1.65	14.99	-36.48	0.28	1.00%	12-Nov-62	50,770	AM2-	3-Star by PACRA MFR 5-Star by JCR-VIS
CROSBY DF	-2.00	21.68	-34.44	0.28	2.00%	15-Dec-03	2,480	AM4+	
KASB SF	-2.75	47.71	-32.72	0.62	3.00%	22-Mar-07	312	AM-DS	Not ranked as yet
NAFA SF	-3.13	14.81	-44.57	0.70	3.00%	22-Jan-07	1,397	Withdrawn	Discontinued
AMZ+ SF	n/a	n/a	n/a	n/a	3.00%	24-Jul-06	310	AM-DS	2-Star by PACRA
Industry	-1.50	19.71	-34.19	0.31	N/A	N/A	62,668	N/A	N/A

Fund	Benchmark	Relative Return vs Benchmark			Relative Return vs Industry		
		1M	6M*	12M	1M	6M	12M
IGI SF	KSE 100	1.23	12.57	N/A	2.37	17.37	n/a
AHIM PSMF	Internal	N/A	N/A	N/A	2.03	7.11	13.19
HBL SF	KSE 100	0.32	6.69	25.24	1.46	11.49	17.41
AKD OF	KSE 100	0.08	-5.01	8.60	1.21	-0.22	0.78
ATLAS SF	KSE 100	-0.22	19.23	12.10	0.92	24.02	4.28
MCB DSF	KSE 30	1.64	8.07	26.72	0.91	30.69	13.50
UBL SAF	KSE 100	-1.16	15.68	7.58	-0.02	20.48	-0.24
NIT	KSE 100	-1.29	-9.52	5.54	-0.15	-4.72	-2.28
CROSBY DF	KSE 100	-1.64	-2.83	7.58	-0.50	1.97	-0.24
KASB SF	KSE 30	-0.51	5.38	14.70	-1.25	28.00	1.47
NAFA SF	KSE 30	-0.90	-27.52	2.85	-1.64	-4.90	-10.37
AMZ+ SF	KSE 100	-4.20	-21.12	7.86	n/a	n/a	n/a

Source: BMA Research

*Returns are calculated as of Jun 26, 2009.

**6M returns for equity funds are calculated from Jan 1, 2009

Sector Allocation - May09

Sector Allocation	AHIL PSMF	AKD OF	AMZ+ SF	ATLAS SF	CROSBY DF	HBL SF
Autos	0%	N/A	N/A	0%	0%	0%
Cement	7%	N/A	N/A	0%	7%	1%
Chemicals	0%	N/A	N/A	2%	10%	2%
Commercial Banks	9%	N/A	N/A	13%	8%	11%
F & PC	0%	N/A	N/A	0%	0%	0%
Fertilizer	13%	N/A	N/A	13%	14%	12%
Insurance	0%	N/A	N/A	3%	9%	0%
Inv Banks	0%	N/A	N/A	0%	0%	0%
Misc	0%	N/A	N/A	0%	0%	0%
E&P	10%	N/A	N/A	24%	20%	21%
OMCs	0%	N/A	N/A	13%	0%	0%
Paper & Board	8%	N/A	N/A	3%	0%	0%
Pharma	0%	N/A	N/A	0%	7%	0%
Power Gen	6%	N/A	N/A	8%	5%	5%
Refineries	0%	N/A	N/A	0%	4%	0%
Telecom/ Tech & Comm	0%	N/A	N/A	3%	0%	2%
Textile	0%	N/A	N/A	0%	7%	0%
Other	27%	N/A	N/A	8%	8%	5%

Sector Allocation	IGI SF	KASB SF	MCB DSF	NAFA SF	NIT	UBL SAF
Autos	0%	0%	0%	0%	2%	0%
Cement	0%	4%	5%	5%	3%	6%
Chemicals	0%	0%	0%	0%	0%	1%
Commercial Banks	15%	25%	15%	22%	0%	12%
F & PC	0%	0%	0%	0%	0%	0%
Fertilizer	11%	15%	15%	11%	20%	15%
Insurance	0%	0%	0%	0%	0%	0%
Inv Banks	0%	0%	0%	8%	0%	0%
Misc	0%	3%	0%	0%	0%	0%
E&P	17%	21%	25%	26%	0%	27%
OMCs	6%	5%	13%	7%	22%	6%
Paper & Board	1%	0%	0%	0%	0%	0%
Pharma	0%	0%	0%	0%	3%	0%
Power Gen	13%	4%	15%	5%	7%	0%
Refineries	0%	0%	0%	0%	0%	0%
Telecom/ Tech & Comm	0%	4%	0%	0%	4%	5%
Textile	0%	0%	0%	5%	0%	0%
Other	8%	0%	0%	9%	35%	15%

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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