Habib Asset Management Ltd.

Investments Solution – August 2018

Save well, Live well!

A Bank Al Habib Limited and Dawood Habib Group Company

Company History & Sponsors

Habib Asset Management Limited

Habib Asset Management (HAML) is a financial arm of Bank AL Habib Limited (AA+ rated bank) and Dawood Habib Group company. Founded in 2005 and licensed by SECP to provide 'asset management' and 'investment advisory' services, Rated 'AM3+' by PACRA – denotes that 'company meets good investment industry benchmarks and standards'.

Sponsors

❑ Dawood Habib Group:

Mr. Habib Esmail, founder of the Habib Group, started his career in Bombay at a very young age. In 1891, he started the firm Habib & Sons that traded in cotton, oil seeds, bullion and to act as a merchant bank. DAWOOD HABIB GROUP, the sponsor of Bank AL Habib Limited, has a long track record in Banking which dates back to the 1920's. The group was among the founder members of Habib Bank Limited which played a major role in meeting the financial and banking needs of Pakistan which was nationalized along with other Banks in Pakistan on January 1, 1974. Under the subsequent privatization policy of Government of Pakistan, DAWOOD HABIB GROUP was granted permission to set up a commercial bank. Bank AL Habib was incorporated as a Public Limited Company in October 1991 and started banking operations in 1992. The Habib Group banking and finance services are spread over three continents through the operation of the following banks.

Financial Services	Industries and Community Services
▪ Bank Al Habib Limited ▪ Habib Asset Management Limited ▪ Habib Overseas Bank Limited – South Africa ▪ Habib African Bank Limited – Tanzania ▪ Habib Insurance Limited	• Habib Sugar Mills Limited • Habib Motorcycles (Automotive) • Inclusive Energy Limited • Habib Medical Trust • Habib Education Trust

Company History & Sponsors

Bank Al Habib Limited

Bank AL Habib Limited was incorporated in October 1991 by the grandsons of Habib Esmail and started operations in January 1992. Although Bank AL Habib commenced operations in 1992, it embodies the same high standards of integrity, prudence, and trust which have characterized Habib Family's banking operations in Pakistan and abroad for about 70 years. The bank is particularly conscious of the trust reposed in it by the depositors, and its prime duty is to protect and honour this trust all times. Guided by the values taught and practiced by Habib Esmail more than a century ago, the bank has continued to grow and progress in all areas of its operations. In a short span of 25 years, the Bank's assets have grown to more than Rs, 750 Billion.

- Bank Al Habib has a network of 628 branches and sub-branches.
- Bank Al Habib also has wholesale branches in the Kingdom of Bahrain, Seychelles and Malaysia.
- Bank Al Habib has representative offices in Dubai, Istanbul and Beijing, China.

Board of Directors & Management Team

Board of Directors and Management

Board of Directors	
Mr. Ali Raza D. Habib	Chairman
Mr. Imran Azim	Chief Executive & Director
Mr. Mansoor Ali	Director
Vice Admiral (R) Khalid M. Mir	Director
Mr. Liaquat Habib Merchant	Director

Management Team			
Mr. Imran Azim	Chief Executive Officer	MBA	39 Years
Ms. Rida Jiwani	Chief Operating Officer	B.Sc Management – London	20 Years
Mr. Abbas Qurban	Chief Financial Officer	FCMA, DAIBP, FPA & MBA	25 Years
Mr. Junaid Kasbati	Chief Investment Officer	MBA	19 Years
Mr. Umer Farooq	Fund Manager – Equity	ACCA	04 years
Mr. Ahmed Abbas	Fund Manager - Fixed Income	MCS	17 Years
Mr. Talha Akhter Siddiqui	Head of SMA	MSC Economics	05 Years
Mr. Shafiq Bhatti	Head of Retail & Distribution	MBA (Finance), MSC (Statistics)	10 Years
Mr. Avinash Dawani	Head of Creative Marketing	BBA(Honors) Marketing & Finance	06 Years

Products & Services at HAML

Value Added Services

- SMS Alert
- Monthly Account Statements
- E-Transaction facility
- Live Chat (Website)
- E-Transaction Members Area
- Fund Performance Reports

Our Funds

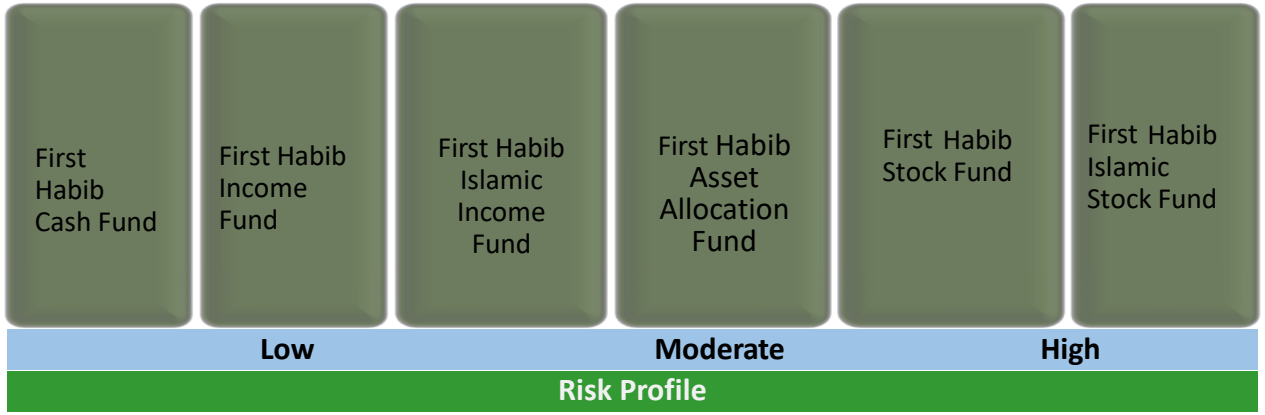

First Habib Cash Fund
First Habib Stock Fund
First Habib Income Fund
Habib Asset Management Limited
First Habib Islamic Stock Fund
First Habib Islamic Income Fund
First Habib Asset Allocation Fund

General Facts

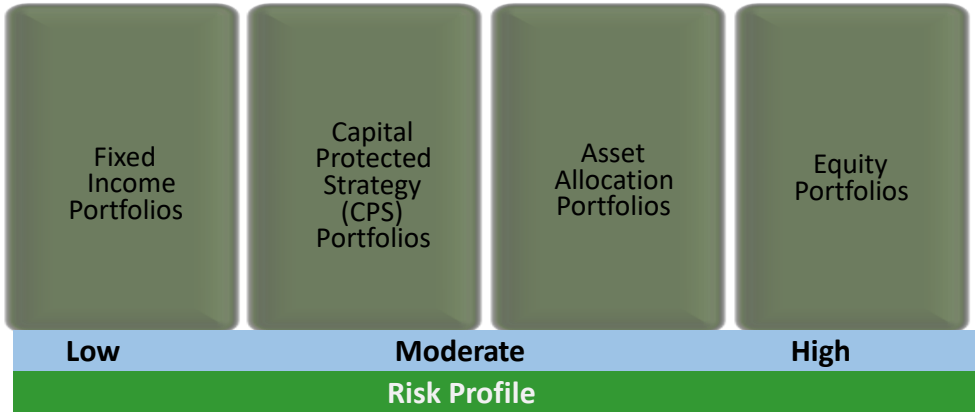
Product-wise Risk Profiling

(Conventional & Shariah Complaint)

Open-end Mutual Funds



Investment Advisory



Comparative Analysis of Tax advantages by Investing in mutual funds (Habib Funds vs Direct Investments in T-Bills and Bank Daily Products)

	T-Bills	AA Rated Banks Average Daily Rate	HAML CF	HAML IF
Investment Amount	500,000,000	500,000,000	500,000,000	500,000,000
Expected Return per Annum (Average)	**7.70%**	**7.25%**	**6.90%**	**7.00%**
Profit before tax	38,500,000	36,250,000	34,500,000	35,000,000
Corporate Tax Rate/CGT in case of Mutual Funds *	**29.00%**	**29.00%**	**15.00%**	**15.00%**
Tax Amount	**(11,165,000)**	**(10,512,500)**	**(5,175,000)**	**(5,250,000)**
Net Profit	27,335,000	25,737,500	29,325,000	29,750,000
Effective Return per Annum	**5.47%**	**5.15%**	**5.87%**	**5.95%**
Tax savings in comparison to Investment in Bank deposits			**3,587,500**	**4,012,500**
Tax savings in comparison to Investment in T-Bills			**1,990,000**	**2,415,000**

*Corporate Tax Rate 30% is applicable on return on investment in T-Bills and Banks

* Withholding tax on the capital gains will be deducted @ 25% on investment in Mutual Fund. However chargeability against the same will be @ 15%.

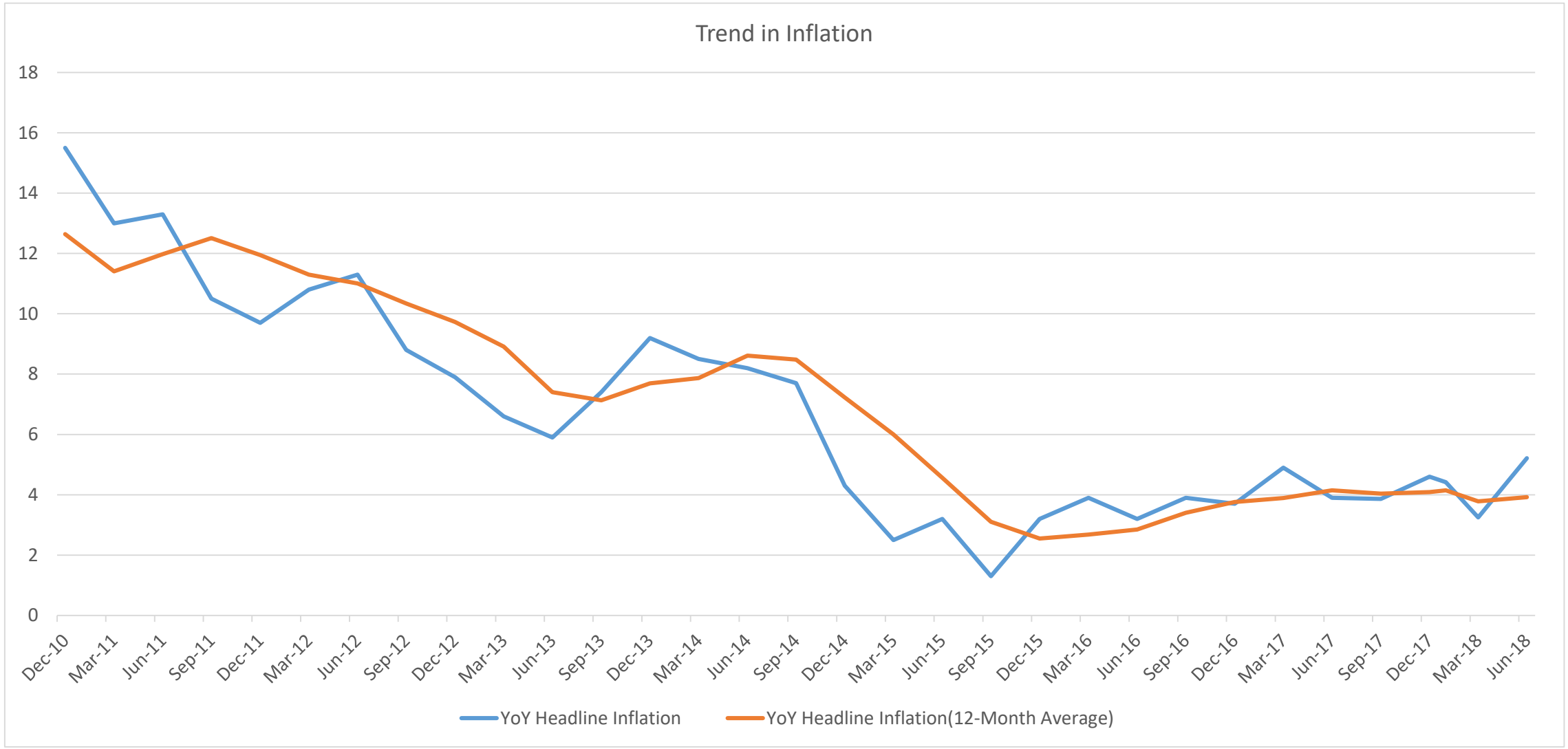
* Dividend Tax rate is 15% (Effective from 01-July-18)

Economic Outlook

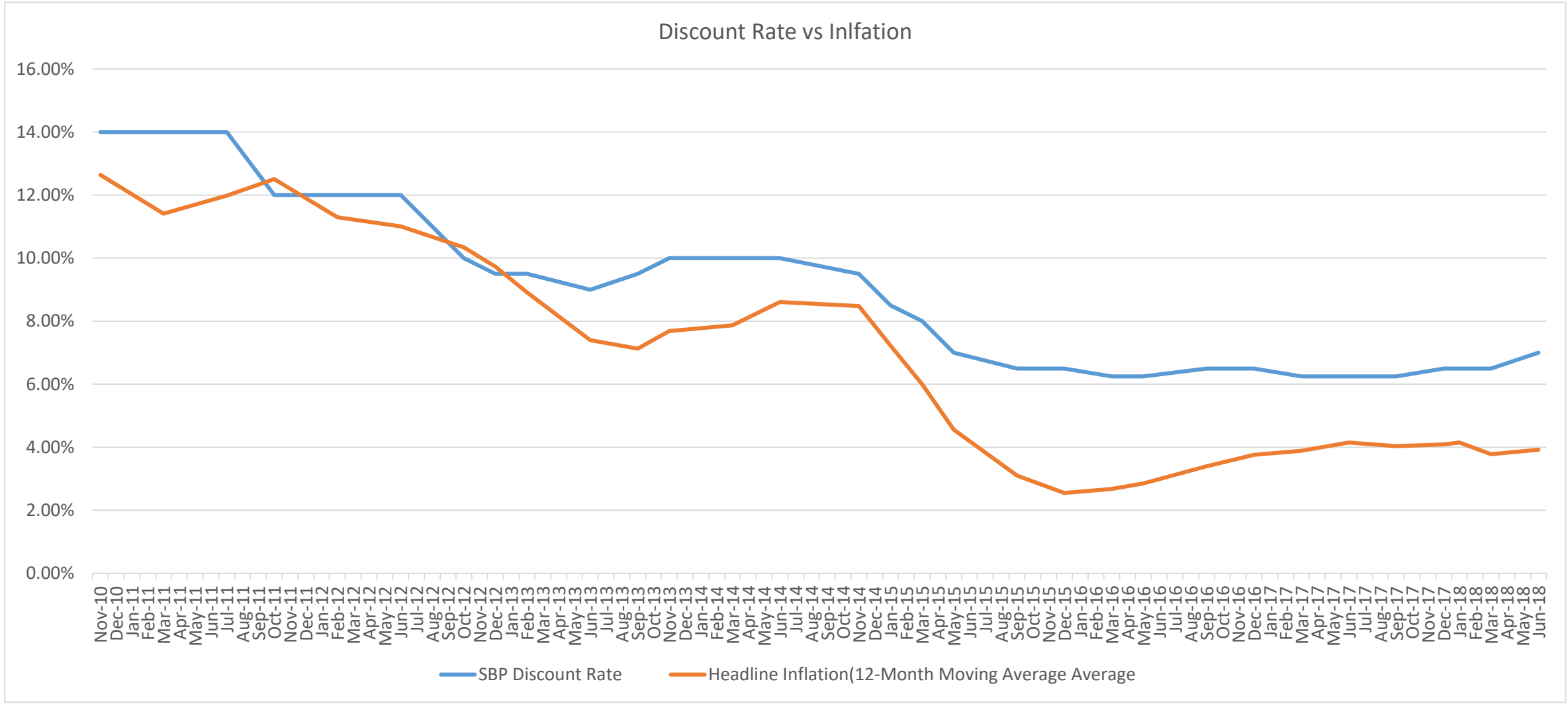
Economy at a Glance

Key Economic Indicator	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Real								
GDP (Real Growth)	3.70%	4.40%	3.60%	4.10%	4.20%	4.70%	5.30%	5.80%
Service Sector	3.90%	5.30%	3.70%	4.30%	5.00%	5.60%	6.00%	6.40%
Industrial Sector	2.50%	2.10%	3.50%	5.80%	3.60%	5.80%	5.00%	5.8%
Agriculture Sector	2.00%	3.50%	3.30%	2.10%	2.90%	0.15%	2.07%	3.81%
GDP(MP-PKR Bn)	18,063	20,654	22,909	25,402	27,384	28,366	31,862	34,396
Prices								
CPI(%YOY)	13.70%	11.00%	7.40%	8.60%	4.50%	2.90%	4.20%	3.92%
Policy Rate-Period End	13.50%	12.00%	9.00%	10.00%	7.00%	5.75%	5.75%	6.5%
External Sector (USD Bn)								
Exports	25	25	25	25	25	21	20	24.8
Imports	36	11	40	42	41	45	53	55.84
Remittances	11	13	14	16	20	20	19	19.6
FX Reserves-Period End	18	15	11	15	20	22	21	16.4
Current Account Balance(% of GDP)	0	-2	0	-1	-1	-1.2	-1.38	-5.75
Exchange Rate (Average)	86	89	97	103	104	105	105	121
Fiscal Account(% of GDP)								
Total Revenue	12.40%	12.80%	9.30%	15.10%	15.40%	16.20%	16.20%	10.6%
Tax Revenue	9.30%	10.30%	6.80%	10.60%	11.50%	13.30%	13.10%	8.9%
Total Expenditure	18.90%	19.60%	13.90%	20.90%	20.40%	21.10%	20.40%	14.9%
Current Expenditure	15.90%	15.50%	11.50%	16.20%	16.30%	17.10%	15.90%	11.8%
Development Expenditure	2.80%	3.70%	1.90%	4.70%	4.10%	4.80%	4.50%	3.1%
Fiscal Deficit	-6.50%	-7.00%	-8.00%	-5.00%	-5.00%	-4.80%	-4.20%	-4.3%
Public Debt	57.20%	60.00%	63.50%	67.00%	63.00%	69.40%	64.80%	66..3%

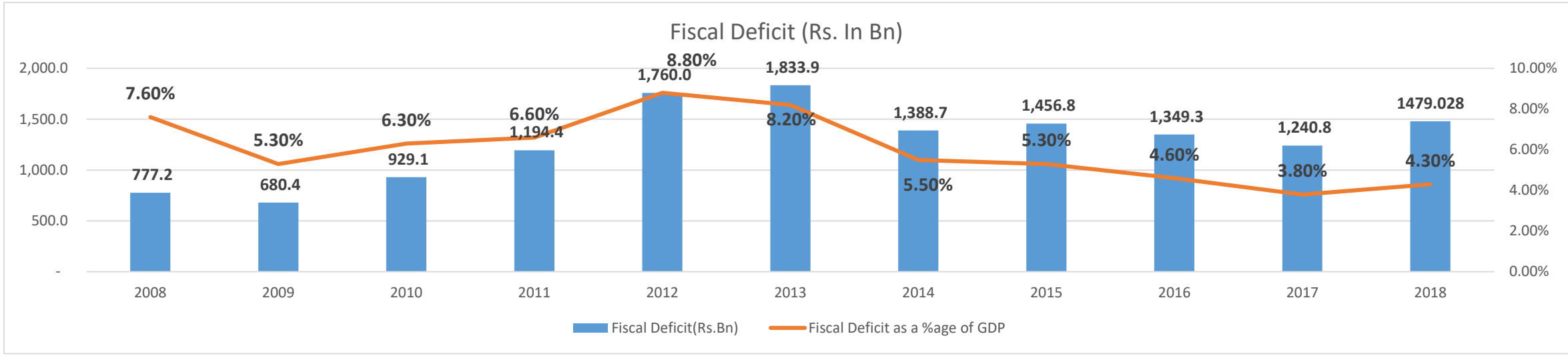
Key Economic Indicators

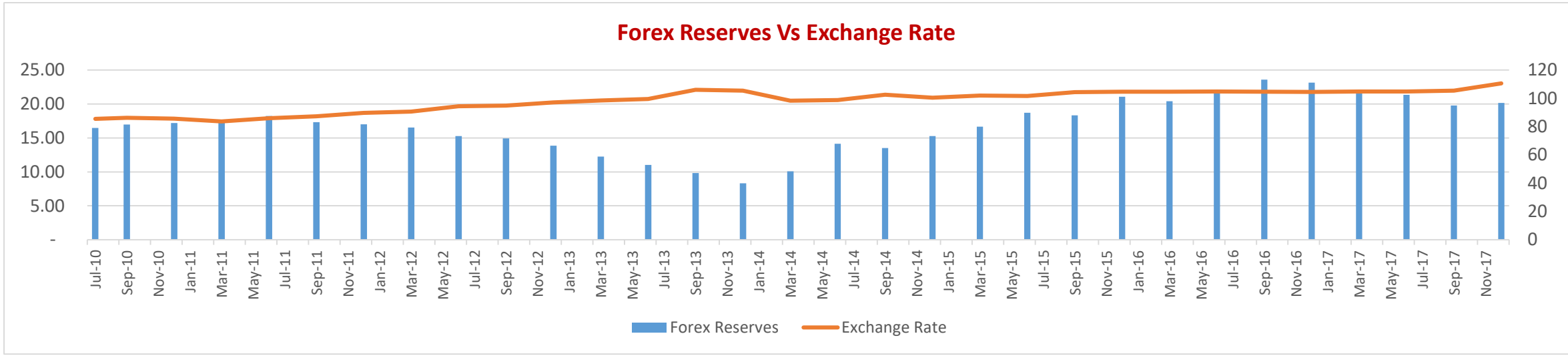


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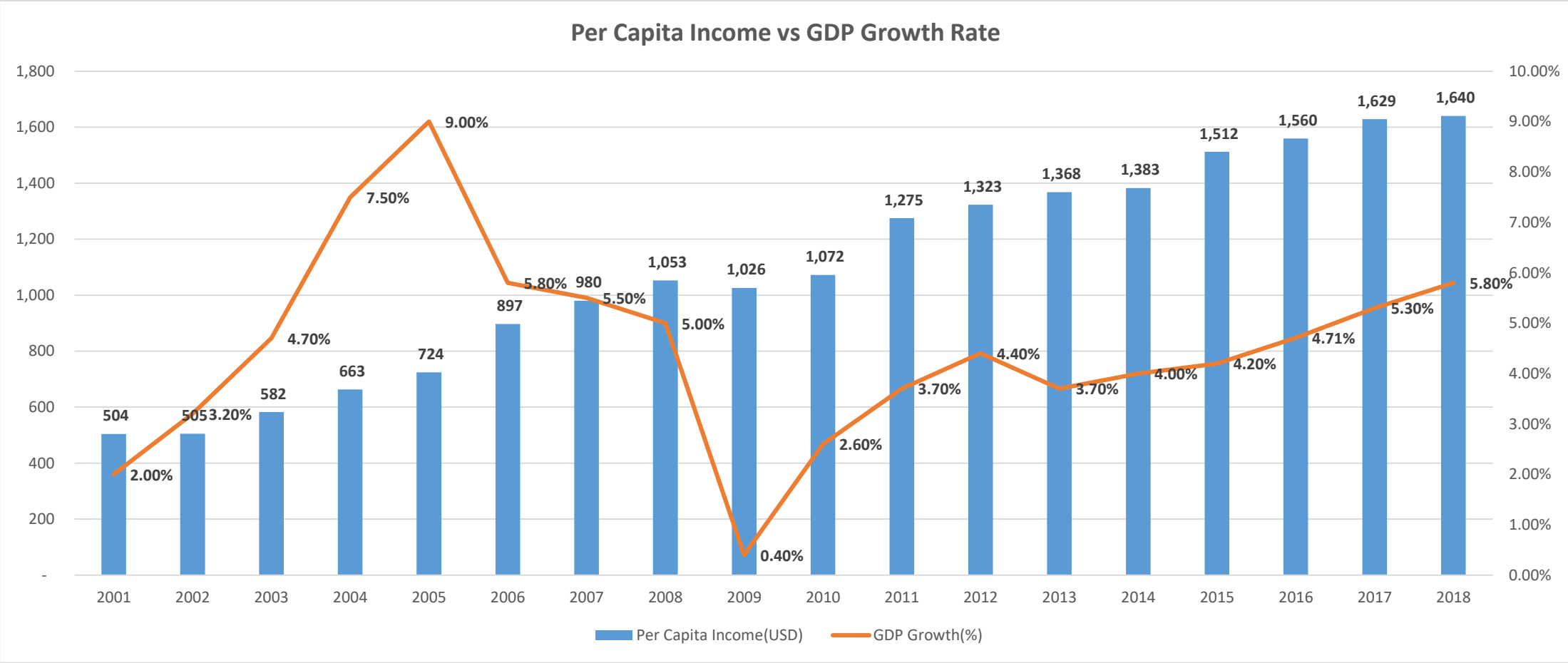


Key Economic Indicators

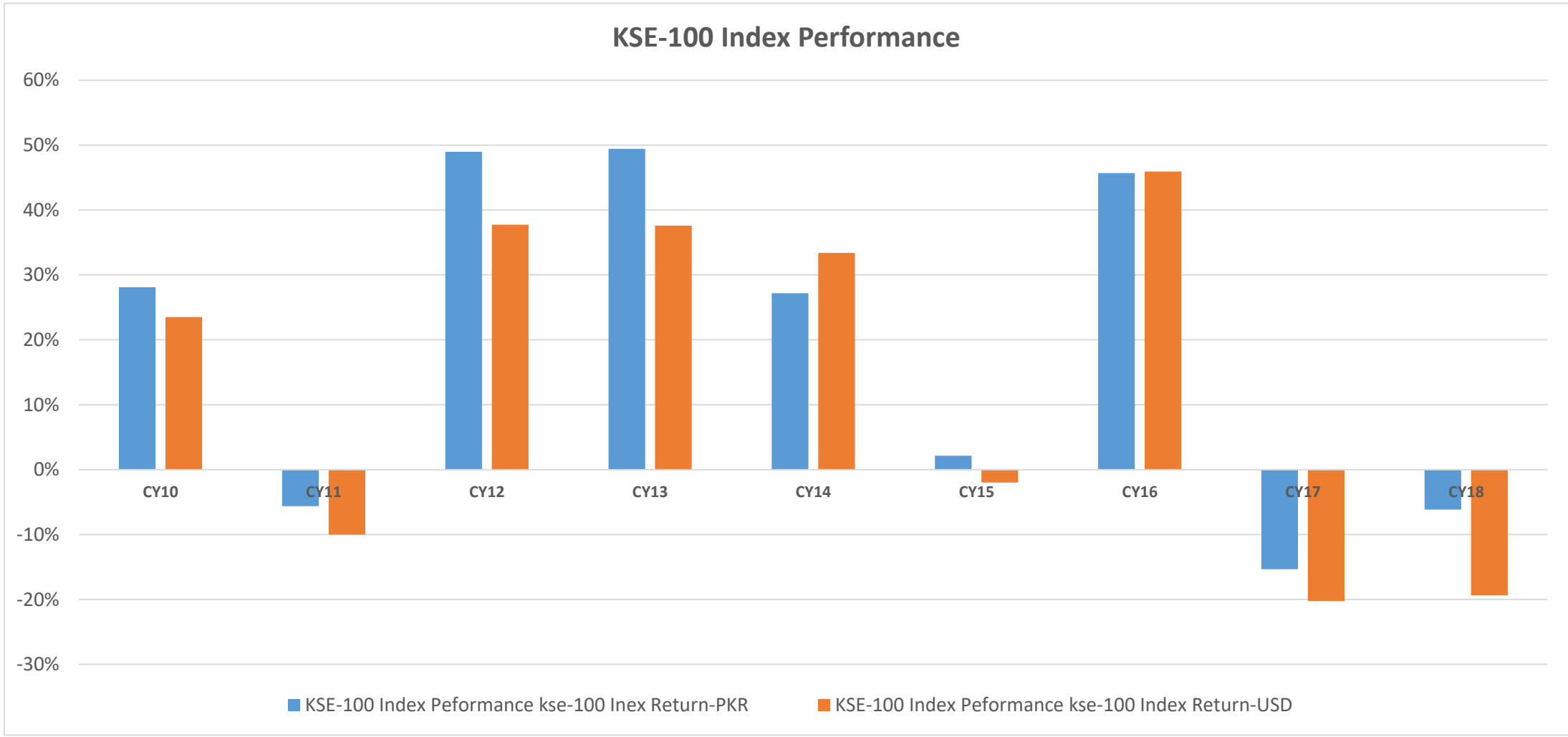




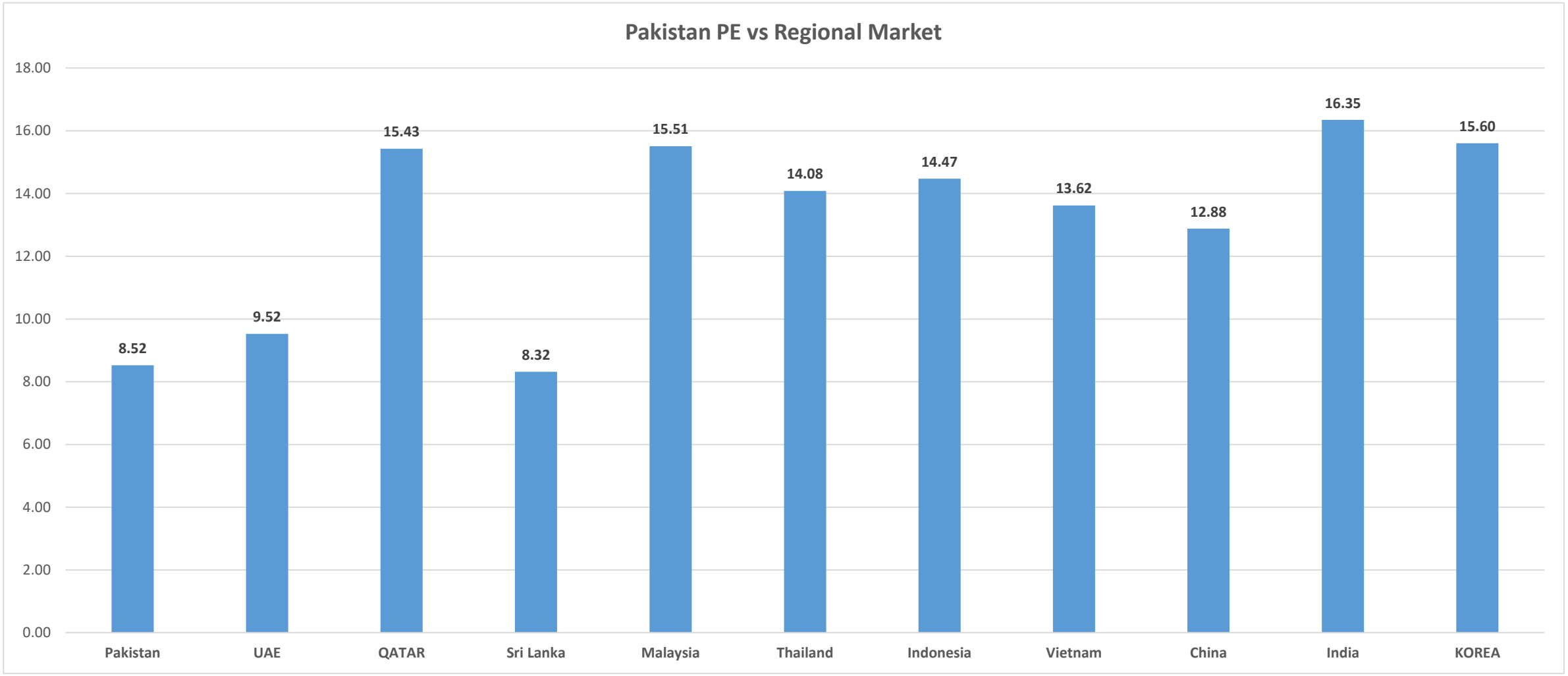
Key Economic Indicators



Key Economic Indicators



Performance of PSX



Fund Performance

First Habib Cash Fund

Investment Objective:

First Habib Cash Fund (FHCF) is an open-ended Money Market Fund having an objective of providing its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity.

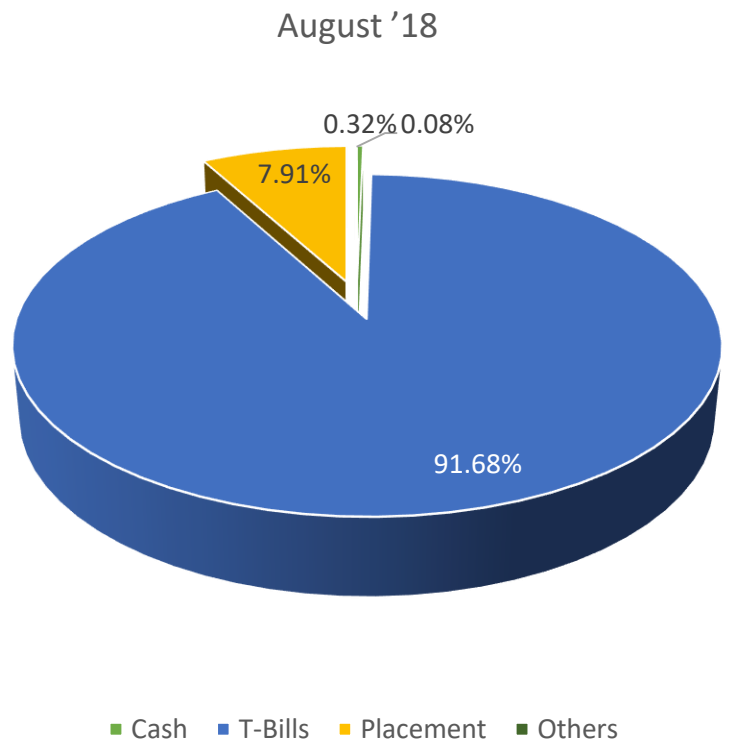
FUND'S PERFORMANCE	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception
FHCF (Annualized)*	6.44%	6.62%	5.60%	7.70%
Benchmark**	6.62%	6.67%	5.63%	7.85%

**Basic computation of performance (i.e. NAV to NAV as with Dividend reinvested)*
*** Benchmark of the scheme has been changed - vide SECP Direction # 27/16 dated December 25, 2016*

FUND PERFORMANCE HISTORY	FY18	FY17	FY16	FY15	FY14
FHCF (Annualized) – YTD	5.42%	6.56%	5.35%	8.29%	8.12%
Benchmark	5.39%	5.27%	5.54%	7.79%	8.38%

Net Assets FHCF (PKR)	2.88 Billion

Asset Allocation August 2018



First Habib Income Fund

Investment Objective:

First Habib Income Fund is an open-ended Income Fund having an objective of providing returns from a portfolio of medium risk short to long duration assets.

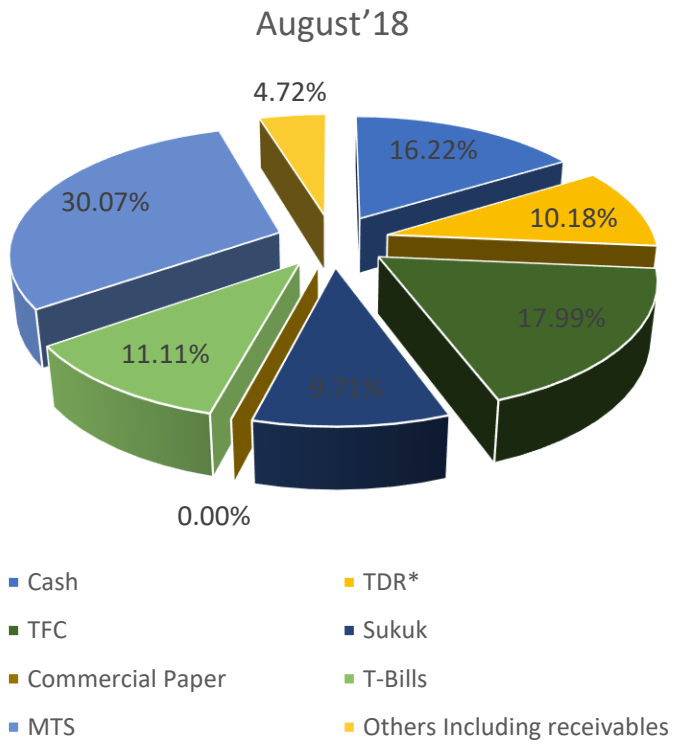
FUND'S PERFORMANCE*	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception (10 Years basis)
FHIF (Annualized)**	6.22%	5.69%	5.43%	8.05%
Benchmark (Annualized)***	8.04%	8.05%	6.71%	8.67%

*Performance data does not include the cost incurred directly by an investor in the form of sales loads.
**Basic computation of performance(i.e. NAV to NAV as with Dividend reinvested)
*** Benchmark of the scheme has been changed - vide SECP Direction # 27/16 dated December 25, 2016

FUND PERFORMANCE HISTORY	FY18	FY17	FY16	FY15	FY14
FHIF (Annualized) – YTD	5.24%	6.29%	6.66%	10.09%	7.64%
Benchmark (Annualized)	6.39%	6.03%	5.65%	7.96%	8.53%

Net Assets FHISF (PKR)	966 Million

Asset Allocation August 2018



First Habib Islamic Income Fund

Investment Objective:

First Habib Islamic Income Fund (FHIIF) is a Shariah Compliant Income Scheme. It aims to provide stable stream of Halal income to its investors.

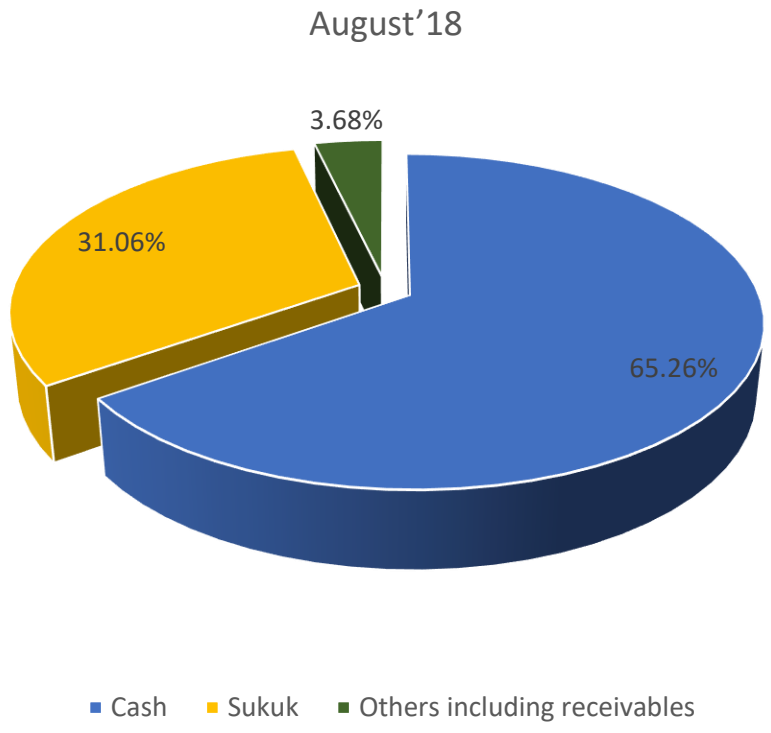
FUND'S PERFORMANCE*	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception
FHIIF (Annualized)**	4.92%	4.60%	3.93%	4.31%
Benchmark	2.61%	2.69%	2.49%	2.57%

**Performance data does not include the cost incurred directly by an investor in the form of sales loads.*
***Basic computation of performance(i-e NAV to NAV as with Dividend reinvested)*

FUND PERFORMANCE HISTORY	FY18	FY17
FHIIF (Annualized) – YTD	3.49%	3.30%
Benchmark (Annualized)	2.44%	2.22%

Net Assets FHISF (PKR)	181.5 Million

Asset Allocation August 2018



Investment Objective:

FHSF is an open-ended Equity Fund with the investment objective of earning competitive returns and long term capital growth.

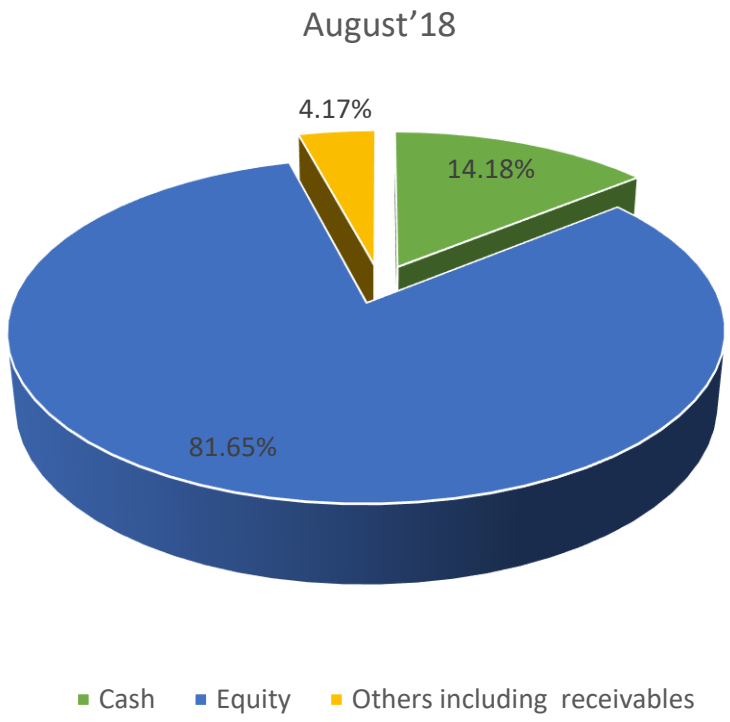
FUND'S PERFORMANCE*	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception
FHSF**	-0.52%	-2.48%	0.33%	129.27%
Benchmark***	-0.25%	-3.30%	3.32%	40.20%

**Performance data does not include the cost incurred directly by an investor in the form of sales loads.*
***Basic computation of performance(i.e. NAV to NAV as with Dividend reinvested)*
****The benchmark returns of Since Inception* has *been calculated from Jan 1, 2014 as the benchmark of Kse-30 Index total return was launched on Jan 1, 2014.*

FUND PERFORMANCE HISTORY	FY18	FY17	FY16	FY15	FY14
FHSF (Absolute) – YTD	-14.70%	21.12%	1.26%	14.75%	22.60%
Benchmark	-10.03%	17.92%	7.11%	12.35%	41.28%

Net Assets FHISF (PKR)	154.4 Million

Asset Allocation August 2018



First Habib Islamic Stock Fund

Investment Objective:

This is an open-ended Shariah Complaint Equity Scheme. The objective of the Fund is to provide long term capital growth by investing in Shariah complaint Stocks as approved by the Shariah Advisor.

FUND'S PERFORMANCE*	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception
FHISF	1.91%	-0.64%	1.48%	-19.20%
Benchmark	-0.34%	-2.11%	1.59%	-13.45%

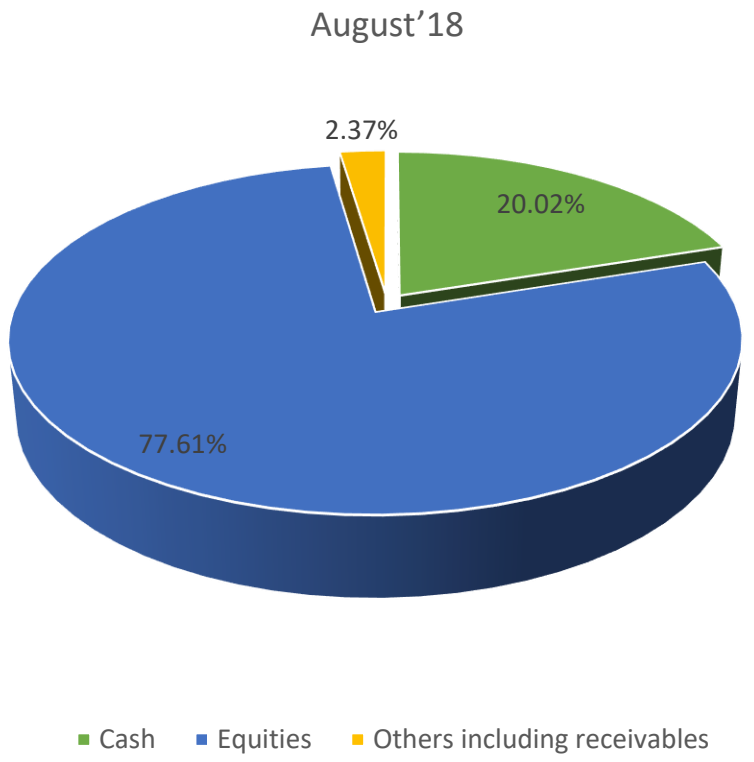
**Performance data does not include the cost incurred directly by an investor in the form of sales loads.*
***Basic computation of performance(i-e NAV to NAV as with Dividend reinvested)*

Notice: First Habib Islamic Balanced Fund has been converted to First Habib Islamic Stock Fund (FHISF), Sharia Compliant Equity Scheme w.e.f. April 01, 2017.

FUND'S PERFORMANCE HISTORY	FY18 FHISF	FY17 FHISF (From April 2017)	FY16 FHIBF	FY15 FHIBF
FHISF & FHIBF (Absolute) – YTD	-16.15%	-5.44%	1.66%	5.04%
Benchmark	-9.59%	-3.94%	11.00%	13.15%

Net Assets FHISF (PKR)	125.9 Million

Asset Allocation August 2018



First Habib Asset Allocation Fund

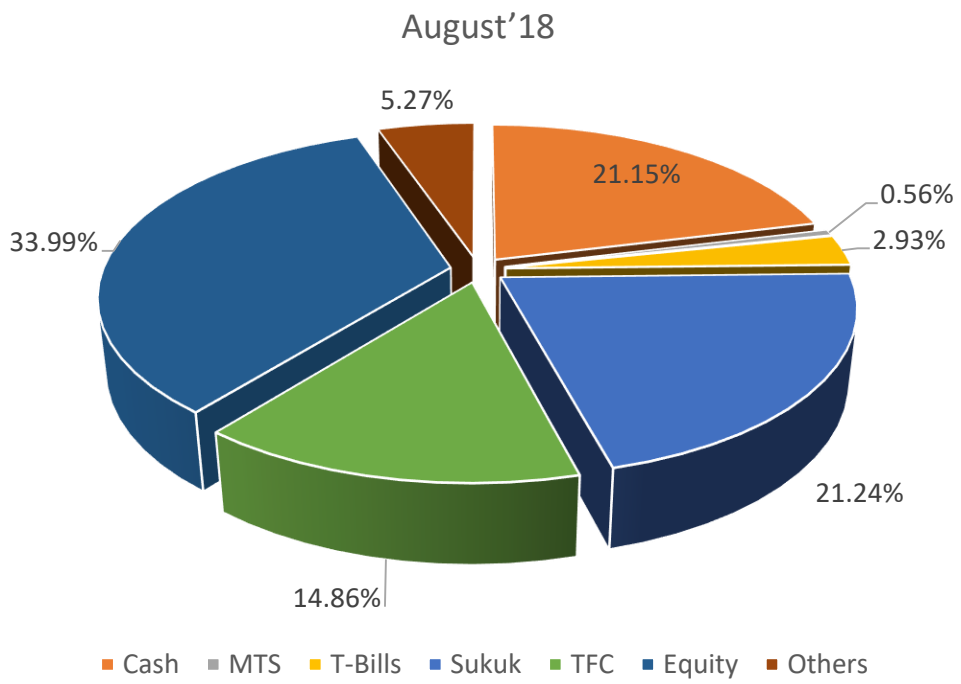
Investment Objective:

The objective of First Habib Asset Allocation Fund is to provide risk adjusted competitive returns to its investors by investing in multiple asset classes based on market outlook

FUND'S PERFORMANCE*	YTD	MTD	Trailing Twelve Months (TTM)	Since Inception
FHAAF **	0.14%	-1.03%	N/A	0.97%
Benchmark	0.42%	-0.50%	N/A	2.42%

**Performance data does not include the cost incurred directly by an investor in the form of sales loads.*
***Basic computation of performance(i-e NAV to NAV as with Dividend reinvested)*

Asset Allocation August 2018



Net Assets FHAAF (PKR)	167 Million

Tax Rebate

Tax Rebate for Salaried and Non- Salaried Class

Do You Know that under Section 62 (for Mutual Funds) and Section 63 of income ordinance 2001, Government of Pakistan entitles you to a significant **TAX REBATE** against your investments in Mutual Fund.

You can **INVEST** upto Rs. 2,000,000 or 20% of your annual taxable income (whichever is lower) and avail tax rebate.

All the mutual funds managed by Habib Asset Management Limited (HAML), are listed on Pakistan Stock Exchange (PSX) by virtue of which, on an investment in of its funds, you can avail tax credit on the amount of your investment.

How To Avail Tax Credit Facility

Invest in Habib Asset Management's Funds upto your tax ceiling before June 30, 2018

- Invest Rs. 2,000,000 or 20% of taxable income (whichever is lower) in Mutual Funds.

To claim your tax credit amount you just need to do following:

- As a **Salaried individual**, you can inform your HR or Finance Department about your investments by submitting the account statement to adjust your tax credit amount from the monthly income tax deductions.
- As a **Self-employed** individual you can adjust your tax payable by showing investment in your wealth statement at the time of Income tax return filing.

The benefits shown in the following tables are calculated as an illustration based on maximum Investments subject to respective income brackets as defined in ITO, 2001.

Note: To be eligible to benefit from the tax credit the amount of the investment should be held for at least a period of 02 years and there will be no Capital Gains Tax if investment is held beyond for 04 years.

Tax Rebate Table for Salaried and non salaried class

Sr. No.	Gross Salary Rs.	Tax Amount Rs.	Effective Tax Rate	Maximum Investment	Tax Credit
1	800,000	1,000	0.13%	160,000	200
2	1,200,000	2,000	0.17%	240,000	400
3	1,800,000	30,000	1.67%	360,000	6,000
4	2,400,000	60,000	2.50%	480,000	12,000
5	4,800,000	300,000	6.25%	960,000	60,000
6	7,000,000	630,000	9.00%	1,400,000	126,000
7	10,000,000	1,080,000	10.80%	2,000,000	216,000
8	12,000,000	1,380,000	11.50%	2,000,000	230,000
9	16,000,000	1,980,000	12.38%	2,000,000	247,500
10	20,000,000	2,580,000	12.90%	2,000,000	258,000

Tax Rebate Table for AOPs (Association of Persons)

Sr. No.	Gross Salary Rs.	Tax Amount Rs.	Effective Tax Rate	Maximum Investment	Tax Credit
1	500,000	5,000	1.00%	100,000	1,000
2	750,000	17,500	2.33%	150,000	3,500
3	1,200,000	40,000	3.33%	240,000	8,000
4	1,500,000	70,000	4.67%	300,000	14,000
5	2,400,000	160,000	6.67%	480,000	32,000
6	3,600,000	340,000	9.44%	720,000	68,000
7	4,800,000	580,000	12.08%	960,000	116,000
8	6,000,000	880,000	14.67%	1,200,000	176,000
9	10,000,000	2,080,000	20.80%	2,000,000	416,000
10	12,000,000	2,680,000	22.33%	2,000,000	446,667

Investment Advisory Services

Separately Managed Accounts (SMA's)

A **Separately Managed Account (SMA)** is a portfolio of securities directly owned by the investor and managed according to a specific discipline and/or style by a professional investment manager.

Types of Separately Managed Accounts

Discretionary SMA:

The investor delegates full control of the portfolio to the investment manager who devises appropriate strategy and implements it. It is investment manager's duty to keep investor up to date regarding his portfolio's allocation and performance.

Non Discretionary SMA:

In this type of SMA, the investment manager only suggests the investment idea. The choice as well as the timing of the investment decision rest solely with the investor. However, the implementation of the approved strategy may be implemented by the investment manager.

Benefits of Separately Managed Accounts

- Tailored Portfolio according to the risk and return profile
- Transparent
- Access to Professional Investment Managers

Key Elements in SMA Structure

SMA

Habib Asset Investment Committee	
Imran Azim	CEO
Rida Jiwani	COO
Abbas Qurban	CFO
Junaid Kasbati	CIO
Talha Akhter Siddiqui	Head of SMA

Define overall Investment strategy

Investments decisions are based on review and outlook of economy & market conditions

Portfolio to be synced with Clients Risk and Return appetite

Client's Investment Committee	
CEO	CFO
Trustees	Treasurers

Determining Benchmark Rate

Absolute returns target leads to risk-averse fund management in line with fund risk-return appetite

Assumed Equity Return*	20.00%	Assumed Debt Return*	6.00%

Debt	Equity Allocation →						
	100%	85%	70%	50%	30%	15%	0%
0%	20.00%						
15%		17.90%					
30%			15.80%				
50%				13.00%			
70%					10.20%		
85%						8.10%	
100%							6.00%

* Assumed return based on current market rates and conditions

Separately Managed Accounts (SMA's)

At **Habib Asset**, we customized your portfolios and mandates to achieve the investment objective according to the risk/return appetite.

Risk Appetite	Mandate Structure	Characteristics	Potential Return
Low	Fixed Income Mandate	✓ Investment in high quality, rated Sharia compliant/Conventional debt instruments (Corporate/Sovereign Ijara Sukuks, Corporate Sukuks, Corporate Bonds, T-Bills, PIBs) ✓ Benchmark usually 6-Months T-Bill rate or KIBOR linked ✓ Discretion not an absolute necessity	6.00% - 7.00%
Low	Capital Protected Mandate	✓ 2-3 years maturity; asset allocation (70-80% sharia compliant/conventional fixed income & 20-30% sharia compliant/conventional equity exposure) ✓ Composite benchmark based on asset allocation ✓ No protection on early withdrawal ✓ Full discretion advised	9% – 11%
Medium / High	Balanced Mandate	✓ Asset allocation based on internal / regulatory guidelines (exposure limits for listed securities) ✓ Investment in all Sharia Compliant./Conventional debt, money market and equity instruments ✓ Benchmark relative to industry / market returns (usually reflective of portfolio allocation) ✓ Discretion is advised for equity portion	11% - 15%
High	Equity Mandate	✓ Allowance of 100% investment in listed equity securities ✓ Sector & company exposure limits assigned in consultation with client ✓ Objective is to outperform pre-determined benchmark ✓ Greater outperformance witnessed under discretionary	15% and above

Our Clients

First Habib Income Fund









































































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