

Date: January 12, 2016

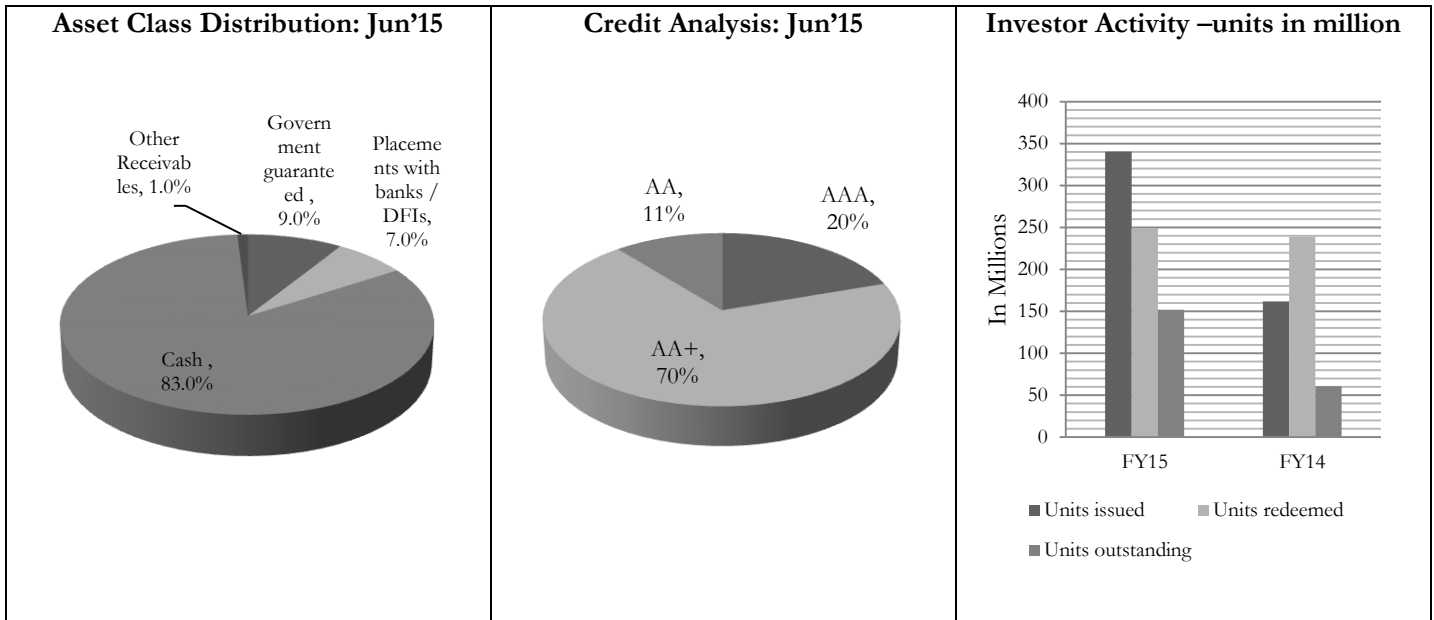
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Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shari'ah compliant money market and debt securities.

Meezan Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f)	AA(f)
	Jan 12, 2016	Oct 28, 2014
Asset Management Company	Al Meezan Investment Management Limited (AMIML)	
Shariah Advisor	Meezan Bank Ltd	
External Auditor - Fund	KPMG Taseer Hadi & Co.	
Chief Executive	Mr. Mohammad Shoaib, CFA	
Fund Manager	Mr. Zain Malik	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil (0.1% if redemption within 3 days)	
Management Fee	1%	
Benchmark	Average return on 6-month Islamic bank deposits	

In Rs. m	MCF	
	FY15	FY14
Type of Scheme	Money Market	
Return (%)	7.5%	7.1%
Peer Average (%)	6.98%	8.05%
Benchmark (%)	6.2%	6.6%
Relative Ranking	1 out of 4	1 out of 4
Fund Size (in Rs. m)	7,454	3,049
Retail (%)	40.0%	65.1%
Associates (%)	26.0%	0.1%
Number of Investors	3,232	2,666
Top 10 Investors / AUMs	43.7%	29.4%
WATM (Weighted Average Time to Maturity)	28.11 days	25.12 days
Duration (for FY15)	10.82 days	
Asset Allocation (Based on month-end averages across the fiscal year)		
<i>Ijarah Sukuks</i>	20%	14%
<i>Commercial Paper</i>	3%	4%
<i>Placements with Banks</i>	16%	6%
<i>Cash</i>	60%	74%
<i>Others inc. Receivables</i>	3%	2%



Meezan Cash Fund (MCF) is a Shari'ah compliant fund investing in money market options. There are currently only four funds operating in the Islamic money market segment. AUMs (Assets under Management) of the fund more than doubled during the year to Rs. 7.6b (FY14: Rs. 3.0b) despite weak returns for the entire segment. Based on the asset allocation of money market funds, returns on the same are dependent on discount and bank deposit rates. Decrease in these has directly impacted the performance of all money market funds.

Based on the Offering Document (OD) of the fund, investments are restricted primarily to Cash, Government guaranteed / backed securities (GoP Ijarah) and Shari'ah compliant placements with banks and DFIs. Compliance to exposure levels in these investments has been met as per the OD to ensure risk levels remain on the lower end of the spectrum. To further reduce risk, asset quality has also been restricted.

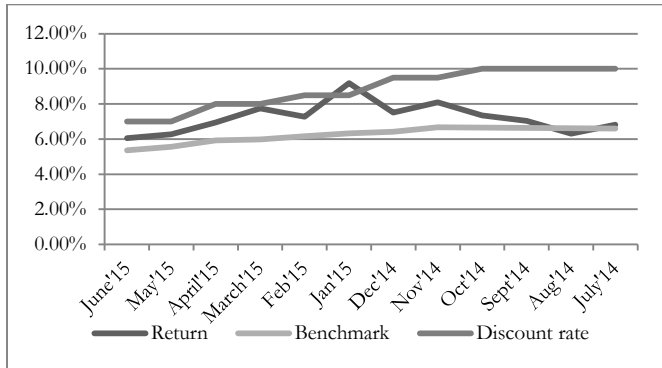
The credit quality of investments has been maintained above the AA minimum as prescribed in the OD. On average, approximately 76% of all assets have been placed

with credible banks in the form of cash and placements. This indicates the performance levels dependency to bank deposit returns.

To counteract downward rate movement, the fund placed a larger portion (on average) in GoP Ijarah Sukuks. Rates on the same are on the higher side, as compared to discount and bank deposit rates. Pricing of these however are largely impacted by market dynamics of demand and supply rather than changes in the discount rate. Lack of availability of the same has increased prices of GoP Ijarah where rates are on the lower side as compared to conventional bond issues. These along with the re-pricing attribute of GoP Ijarah have reduced the overall yield on investment.

MCF OD dictates that no specific asset can have a time to maturity of more than 6 months. To circumvent this, and increase position in GoP Ijarah, the fund has purchased said asset when it is closer to maturity. This also helps keep the WATM (Weighted Average Time to Maturity) of the fund below the 90 days cap. WATM at

end-FY15 amounted to 37 days (FY14: 25.12 days), with growth reflecting the asset allocation.



The fund outperformed all peers in the money market category while stably doing the same in comparison to the benchmark. Returns of money market funds remain bound to a specific range, more so in the case of Islamic funds where the option of conventional public or private sukuku is not available. NAV should follow a stable trend, with exposure to limited risk arising from the volatility in GoP Ijarah pricing.

Though number of investors have increased in the fund, associate investment, which now represents 26.0% of total AUMs (FY14: 0.1%), accounted for growth in net assets (the same included fund of funds and related parties). This impacted Top 10 investors whose proportion worsened to 43.7% at end-FY15 (FY14: 29.4%). Retail investors have converted their investments towards higher returns equity based or asset allocation based funds JCR-VIS

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	1/12/2016	AA(f)	Reaffirmed
Fund Stability	10/28/2014	AA(f)	Reaffirmed
Fund Stability	8/15/2013	AA(f)	Reaffirmed
Fund Stability	1/1/2013	AA(f)	Reaffirmed
Fund Stability	12/27/2011	AA(f)	Reaffirmed
Fund Stability	12/9/2010	AA(f)	Reaffirmed