

Date: January 7, 2020

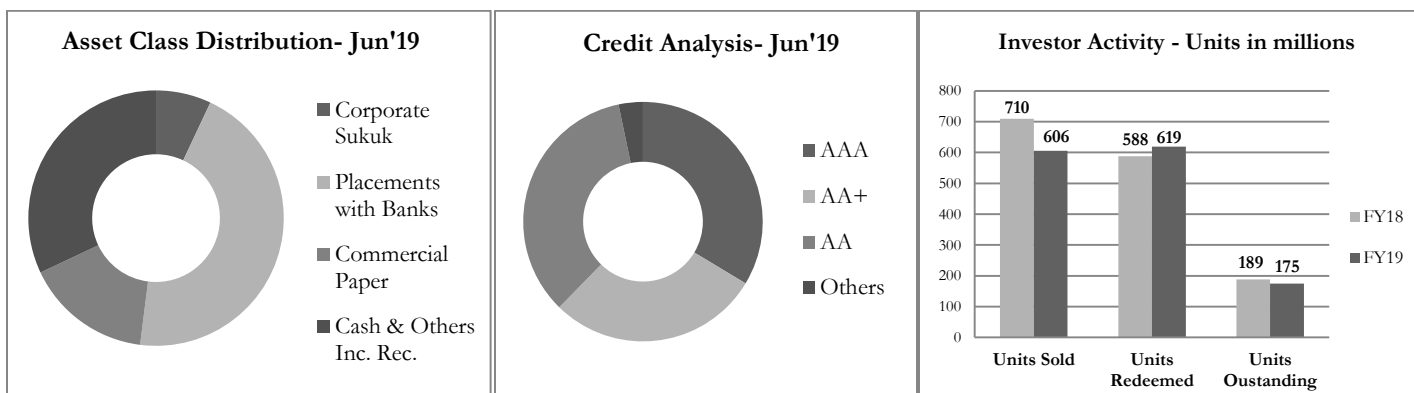
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Investment Objective

The objective of the fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.

Meezan Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f) <i>Dec 30, 2019</i>	AA(f) <i>Dec 28, 2018</i>
AMC	Al Meezan Investment Management Ltd.	
External Auditors – Fund	A.F. Ferguson and Co. Chartered Accountants	
Fund Managers	Faizan Saleem, CFA Level II, MBA	
Shariah Advisor	Meezan Bank Limited	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil (0.1% if redemption within 3 days)	
Management Fee	0.6%	
Benchmark	Three months average deposit rates of three AA rated Islamic Banks or Islamic windows of Conventional banks	

MCF	MCF	
	FY18	FY19
Type of Scheme	Money Market	
Return (%)	4.3%	7.8%
Peer Average (%)	4.7%	8.1%
Benchmark (%)	2.6%	3.4%
Relative Ranking	4 out of 4	4 out of 4
Fund Size (Rs. in m)	9,858.0	8,851.1
Retail (%)	43%	91%
Associates (%)	45%	0%
Number of Investors	7,038	15,273
Top 10 Investors / AUMs	49%	7%
Fund Stability Rating	AA(f)	AA(f)
Management fee	1.00%	1.00%
WATM	0.02 day	0.13 years
Modified Duration (at end-June)	0.02 years	0.08 years
Asset Allocation (at end-June)		
<i>Corporate Sukuk</i>	-	7%
<i>Placements with Banks</i>	16%	45%
<i>Commercial Paper</i>	-	16%
<i>Cash & Others Inc. Rec.</i>	84%	32%



Launched in June 2009, Meezan Cash Fund (MCF) is an open-end Shariah compliant money market scheme. As per mandate, the fund aims to provide investors maximum returns through investing in specified money market and debt securities. Furthermore, MCF offers maximum preservation of principal investment while maintaining high level of liquidity.

As at end-Nov'19, net assets stood at Rs. 10.38b (FY19: Rs. 8.85b; FY18: Rs. 9.92b).

Table 1: Offering document (extract)

Description	Min rating	Min- Max Limits
Shariah compliant debt and money market securities (including those issued by government)	AA	0%-70%
Bank deposits in licensed Islamic banks & Islamic windows of conventional banks	AA	20%-100%
Any Shariah compliant structure: Musharika, Muarabah, Ijarah and others	AA	0%-50%
Subject to SECP's approval, Shariah compliant securities traded outside Pakistan	AA	0%-30% (Cap of \$15m)
Any other Shariah compliant investment approved by Shariah advisor and authorized by Commission	AA	0%-30%

Investment Committee (IC) comprises Chief Executive Officer (CEO), Chief Investment Officer (CIO), Head of Research, Head of Fixed Income, Head of Risk Management and fund managers. Decision making is based on consensus.

Asset Allocation

During the year, fund has remained primarily invested in cash and bank balances with remaining exposure comprising commercial paper, Sukuks and other receivables. Actual asset allocation has been maintained in line with the policy limits stipulated above.

Table 2: Asset Allocation

Asset Allocation	Jun'18	Jun'19	Average
Placements with Banks and DFIs	16%	45%	14%
Cash	82%	28%	70%
Commercial Paper	-	16%	11%
Corporate Sukuk	-	7%	2%
Other including receivables	2%	4%	5%

Credit Risk

As per the required investment policy guidelines, the fund complied with minimum exposure of 25% in AAA rated investments.

Table 3: Credit Quality Summary- FY19

Credit Quality	Average	Maximum	Minimum
AAA	46%	66%	26%
AA+	25%	45%	0%
AA	26%	42%	10%

Maximum duration during FY19 was reported at 29 days during June'2019 which is below the limit of 90 days as per policy and criteria for the assigned rating.

Liquidity Profile

AUM profile altered with retail share increasing significantly from 43% in FY18 to 91% in FY19 whereas share of associates has diminished to almost nil participation. Given the increase in retail share, top 10 investor concentration declined to 7% (FY18: 49%).

Fund Performance

Table 4: Fund performance

	FY18	FY19
Return (%)	4.3%	7.8%
Benchmark (%)	2.6%	3.4%
Peer Average	4.7%	8.1%
Relative Ranking	4/4	4/4

During the period under review, fund returns have outperformed the benchmark rates. However, the same still compare unfavourably among peers VIS

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	12/30/2019	AA(f)	Reaffirmed
Fund Stability	12/28/2018	AA(f)	Reaffirmed
Fund Stability	12/29/2017	AA(f)	Reaffirmed
Fund Stability	12/30/2016	AA(f)	Reaffirmed
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

FINANCIAL SUMMARY		<i>(Amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY18	FY19
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		1,085.6	425.8
Profit Before Tax		901.5	313.9
Profit After Tax		901.5	313.9
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		(2,471.9)	280.2
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA