

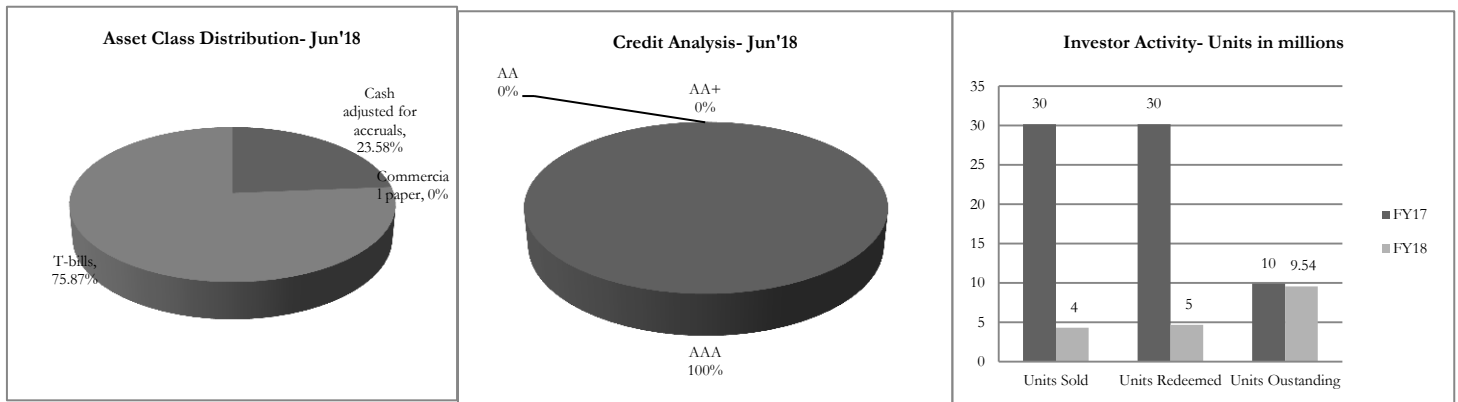
*Date: December 31, 2018*

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**Investment Objective**

To provide a competitive level of income that commensurate with enhanced liquidity and credit profile through investment primarily in short term deposits and money market instruments with an overall rupee – weighted average maturity of not more than 90 days

<b>BMA Empress Cash Fund (BECF)</b>		
<b>Rating Category</b>	<b>Latest</b>	<b>Previous</b>
Fund Stability Rating	<b>AA+(f)</b> Dec 28, '18	<b>AA+(f)</b> Dec 29, '17
AMC	BMA Asset Management Company Limited	
External Auditors – Fund	EY Ford Rhodes, Chartered Accountants	
Fund Manager	Zafar Rehman	
Trustee	MCB Financial Services Limited	
Front-end Load	Up to 1%	
Back-end Load	Nil	
Management Fee	Nil	
Benchmark	Combination of 70% of three months PKRV rates and 30% three months average deposit rate of three AA rated scheduled Banks as selected by MUFAP.	



BMA Empress Cash Fund (BECF) was launched as an open-end money market scheme on November 12, 2009. The fund invests in low risk short term money market instruments while maintaining a high level of liquidity. Investment Committee (IC) comprises key personnel from top management along with representation from investment and risk management department.

**Table 1: Offering document (extract)**

<b>Description</b>	<b>Min rating</b>	<b>Min- Max Limits</b>
All Debt Securities listed or privately placed, issued by Federal, Provincial or Local Government	AA and above	0%-90%
Placements with/Lending (under LOP etc) to scheduled banks/DFIs, TDRs	AA	0%-70%
Bank Deposits	AA	0%-100%
Money Market Placements	AA	0%-100%
Certificate of Investments, Musharika Certificate and Commercial paper	AA	0%-20%

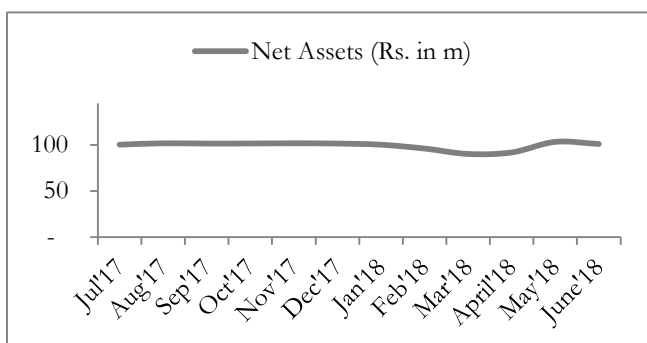
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“Reverse REPO” against Government Securities or such securities in accordance with the Regulations as may be allowed from time to time.	AA	0%-50%
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Over FY18, BECF’s net assets were reported at Rs. 101.5m (FY17: Rs. 100.5m) which remained stable throughout the year.

**Figure 1: Net Assets Profile**



### Credit Quality

As per the offering document, BECF is allowed to invest in securities with a minimum credit quality rating of AA with which it complied throughout the year.

**Table 2: Asset Allocation**

Asset Allocation	Jun'17	Jun'18	Average
Cash adjusted for accruals	90%	23.58%	89%
Commercial paper	10%	0%	10%
T-bills	0%	75.87%	13%

Asset allocation changed with increase in exposure in cash and more allocation in T-bills during the latter part of FY18. Designed to maintain a very low level of risk, BECF invested primarily in cash (89%) during the course of FY18 with an average of 13% of investment in T-bills.

**Table 3: Credit Quality Summary- FY18**

Credit Quality	Average	Maximum	Minimum
AAA	96%	99%	89%
AA+	2%	10%	0%
AA	3%	10%	0%

### Market Risk

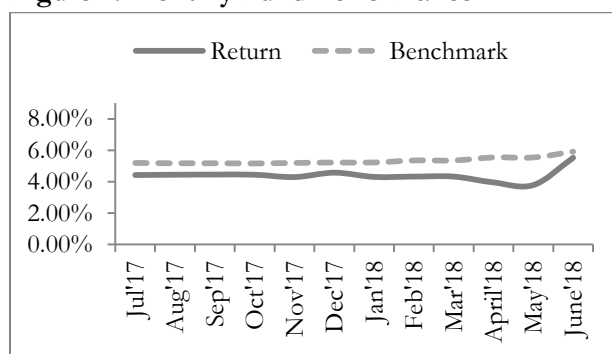
Weighted average time to maturity (WATM) and duration of the fund has been capped at 60 days to protect the fund against losses arising due to movements in the benchmark rate. Over the course of FY18, highest WATM at any month-end were reported as 10 days at end-July 2017.

### Fund Performance

**Table 4: Fund performance**

Performance	FY18	FY17
Total Return	4.45%	4.58%
Peer Ranking	21 out of 21	21 out of 21
Benchmark Return	5.35%	5.3%
Peer Average	5.2%	6.8%

**Figure 2: Monthly Fund Performance**



Fund returns underperformed the benchmark with peer ranking standing in the 4<sup>th</sup> quartile JCR-VIS

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### Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	12/28/2018	AA+(f)	Reaffirmed
Fund Stability	12/29/2017	AA+(f)	Reaffirmed
Fund Stability	01/02/2017	AA+(f)	Reaffirmed
Fund Stability	09/30/2015	AA+(f)	Reaffirmed
Fund Stability	10/23/2014	AA+(f)	Reaffirmed
Fund Stability	6/20/2013	AA+(f)	Reaffirmed
Fund Stability	4/2/2012	AA+(f)	Harmonised
Fund Stability	7/11/2011	AA+(f)	Final