

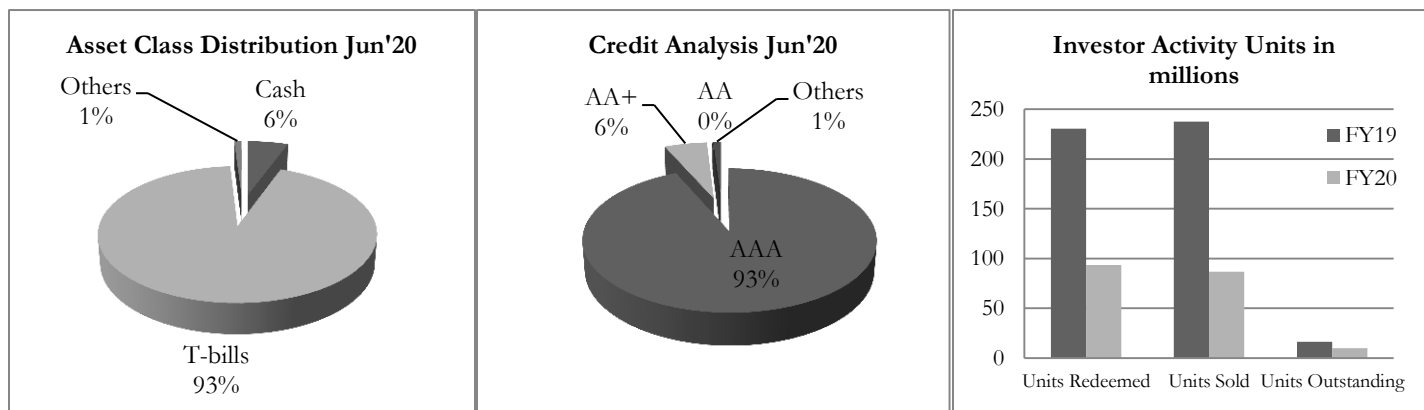
Date: January 1, 2021

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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

BMA Empress Cash Fund (BECF)		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA+(f)
	Dec 31, '20	Dec 29, '19
AMC	BMA Asset Management Company Limited	
External Auditors – Fund	EY Ford Rhodes, Chartered Accountants	
Trustee	MCB Financial Services Limited	
Front-end Load	Up to 1%	
Back-end Load	Nil	
Management Fee	0.35%	
Benchmark	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) is an open ended money market fund with an aim to provide its investors with attractive yields. In order to maintain exposure to risk, the fund needs to deploy its assets in a diversified mix of deposits comprising of short term government securities and money market instruments.

During FY20, net assets of the fund declined amounting to 100m (FY19 167m)

Investment Committee (IC) comprises key personnel from top management along with representatives from investment and risk management department.

Offering document (extract)

Description	Min rating	Min- Max Limits
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%
“Reverse REPO” against Government Securities or such securities in accordance with the Regulations as may be allowed from time to time.	AA	0%-50%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Jun'19	Jun'20	Average
Cash adjusted for accruals	15%	6%	22%
LOP	-	-	-
T-bills	84%	93%	77%
Others	0.5%	1%	0.8%
Total	100%	100%	100%

During FY20 asset allocation complied with the specified standards of the offering document. The fund's major holding at end June'19 was engrossed in cash and other receivables at 5.6% and T-bills at 93% respectively. Month-on-month average analysis exhibit that around 77% of the fund portfolio comprised investments in T-bills in FY20 (FY19 66%)

Credit Quality:

Table 2: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	84%	99.5%	63%
AA+	15%	36%	0%
AA	0%	0%	0%

As per requisites of the offering document, BECF is required to invest in instruments that have a minimum credit quality rating of 'AA'. BECF complied with this criterion throughout the year and managed to preserve average 84% of its assets in AAA rated issue/issuer.

Market Risk:

WAM of the fund is capped at 90 days as stated by the fund's IPS. During FY20, modified duration of the fund remained compliant under the specified limit for the assigned ratings. Minimum and maximum durations were reported at end-June'20 and end-Jan'20 at 1 and 83 day(s).

Fund Performance:

Performance	FY19	FY20
Total Return	8.84%	11.47%
Peer Ranking	5/20	21/21
Benchmark Return	8.71%	11.70%
Peer Average	8.65%	12.60%

Benchmark of the fund is determined by a mix of 70% of three months PKRV rates and 30% three months average deposit rate of three AA rated scheduled banks. BECF generated a return of 11.47% at end-June'20 underperforming its benchmark and peer average of 11.70% (FY19: 8.71%) & 12.60% (FY19: 8.65%), respectively. Peer rankings of the fund deterred during FY20 placing itself in the fourth quartile ranking 21st out of a total of 21 funds)

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	12/31/2020	AA+(f)	Reaffirmed
Fund Stability	12/26/2019	AA+(f)	Reaffirmed
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)	Harmonized
Fund Stability	7/11/2011	AA+(f)	Final

BALANCE SHEET	FY19	FY20
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	72	26
Profit Before Tax	66	23
Profit After Tax	66	23
<u>RATIO ANALYSIS</u>		
Net Cash Generated from Operating Activities	0.7	170
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A