

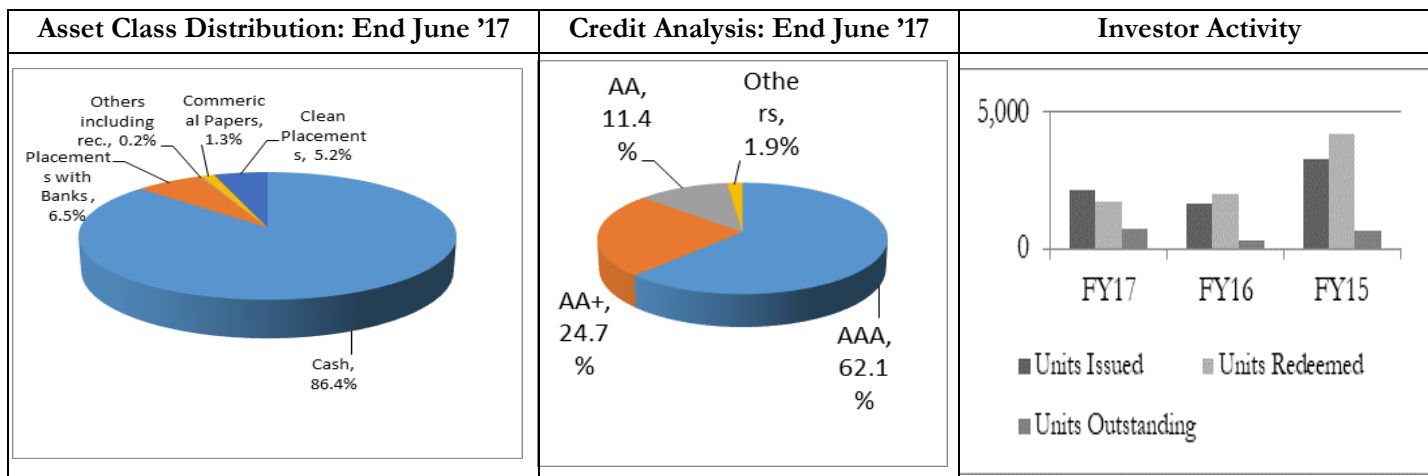
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Investment Objective

To provide investors, with consistent returns with high level of liquidity, through a blend of money market and sovereign debt instruments

ABL Cash Fund		
Rating Category	Latest	Previous
	AA(f)	AA(f)
Fund Stability Rating	16 Jan 2018	30 Dec 2016
Management Company	ABL Asset Management Company Limited (ABL AMC)	
Chief Executive	Mr. Alee Khalid Ghaznavi	
Fund Manager	Mr. Fahad Aziz	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	10% of gross earning subject to a minimum fee of 0.75% and a maximum fee of 1.0% of average daily net assets	
Benchmark	70%-Average of 3 Month PKRV & 30%- 3M Bank Deposit Rate	



Established in July'2010, ABL Cash Fund operates as open end money market fund. The fund is managed by ABL AMC which has a management quality rating of 'AM2++' denoting very good management characteristics.

The investment committee (IC) , responsible for managing the fund in accordance with the regulations, is composed of seven members which includes the CEO, Chief Investment Officer, Chief Financial Officer & Company Secretary, Fund Managers and Head of Risk Management. Head of Research attends meetings as an invitee and is not a voting member.

Net assets of the fund amounted to Rs. 7.6b at end FY17 (FY16: Rs. 2.6b). Funds AUM have followed an upward trajectory during FY17. The fund's net assets were at maximum in June'17 in FY17.

Following its mandate, the fund maintains low exposure to risk. Consequently, pre-defined limits have been defined in order to limit deployment in different asset classes.

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Table 1: ABL Cash Fund Operational Limits

Asset Class	Minimum rating	Exposure Range
		FY17
Treasury Bills	-	0-100%
Term deposits	AA	0-75%
Money market placements		0-50%
Reverse repo		0-50%
Commercial papers		0-10%
Cash in bank accounts		0-50%
COIs, COMs, & CODs issued by NBFCs	AAA	0-10%

The fund on average maintained approximately 87.0% holding in cash. Cash placements were maximum in July'16 at 97%. Average placements with bank was at 6.5%; reaching a maximum of 18.4% in FY17.

Table 2: Asset allocation summary

	End-June FY17	End-June FY16	Avg. FY17	Limit
Cash	86.40%	81.00%	72.20%	0-100%
Placement with banks (TDRs)	6.50%	0.00%	3.40%	0-75%
T-Bills	0.00%	0.00%	17.20%	0-100%
Others including receivables	0.70%	0.20%	0.58%	-
Commercial Papers	1.30%	0.00%	0.20%	0-10%
Clean Placements	5.20%	0.00%	5.90%	0-75%
Government Securities	0.00%	18.80%	8.01%	0-100%

Credit quality of the fund has remained in line with Investment policy statement (IPS) with no allocation of funds in below 'AA' rated entities/instruments. Exposure to 'AA' rated counterparties averaged 18.4% of total assets during FY17 with remaining investment in higher rated investment avenues.

Table 3: Credit quality summary FY17

	Average	Maximum	Minimum
AAA	34.4	76.4	0.1
AA+	27.8	92.3	0.2

AA	18.4	49.7	0.2
Government Securities	17.3	65.5	0.0
others	1.7	8.0	0.0

The weighted average maturity (WAM) of the fund is capped at 90 days for the purpose of countering any adverse movement in the benchmark rate. Moreover, the fund is prohibited from investing in any asset possessing maturity of higher than 6 months. During the year there was no breach in the WAM of the fund.

Table 4: Market risk summary FY17

	Average	Maximum	Minimum
WAM	17.4	49.0	1.1

Performance of the fund is benchmarked against 70%-average of 3 month PKRV & 30%-3M bank deposit rate. Peer rankings of the fund stood at 2 out of 22 in FY17 (FY16: 7 out of 22)..

Table 5: Performance summary

Performance	FY17	FY16
Total Return	8.7%	5.8%
Benchmark Return	5.0%	3.8%

Total number of investors have decreased to 974 (FY16: 998) by end-FY17 with Top 10 investors representing 74.8% of net AUMs. Retail portion of the fund has significantly decreased from 45% at end-FY16 to 9% by end-FY17. The remaining 91% of investment comprises unrelated corporates JCR-VIS

Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability Management Quality</u>				
16-Jan-18	AA(f)			Reaffirmed
30-Dec-16	AA(f)			Reaffirmed
31-Dec-15	AA(f)			Reaffirmed
13-Aug-14	AA(f)			Reaffirmed
17-Jan-13	AA(f)			Downgrade
06-Apr-12	AA+(f)			Harmonized
31-Dec-11	AA+(f)			Reaffirmed