

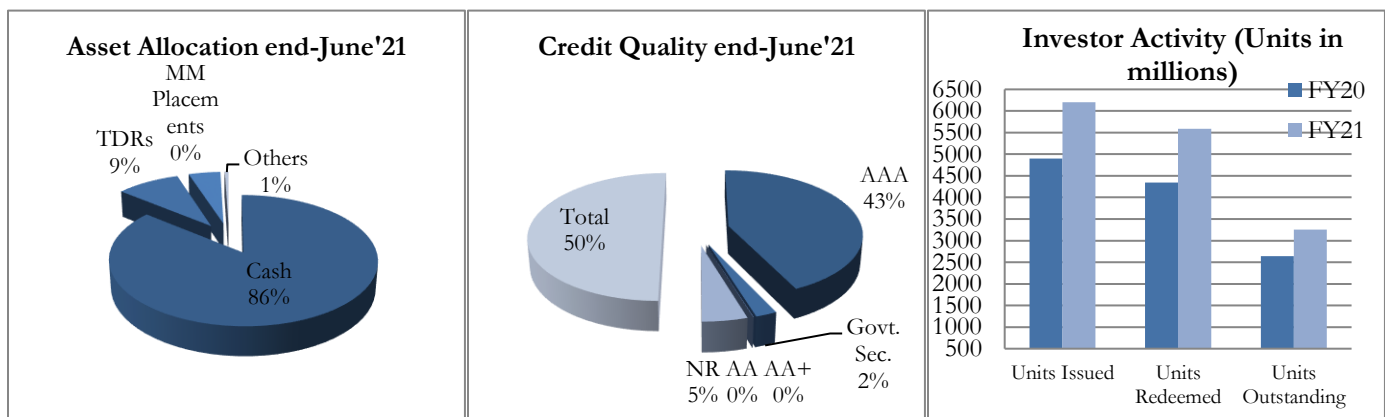
Date: January 18, 2022

Analysts: Syed Fahim Haider Shah

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
Fund Stability Rating	AA+ (f)	AA+ (f)
	Jan 18, '22	Dec 31, '20
AMC	ABL Asset Management Company Limited (ABL AMC)	
External Auditors – Fund	A.F. Ferguson - Chartered Accountants	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	0.5% of average daily net assets	
Benchmark	70%-Avg of 3M PKRV rates + 30% 3M Avg Deposit Rate of 3 AA rated banks	



ABL Cash Fund (ABL-CF) is an open-ended money market fund launched in 2020, with an aim to provide high liquidity options to its investors through deploying assets in short-term and sovereign instruments.

Fund size increased significantly with net assets amounting to Rs. 34.8b (FY20: Rs. 26.9b) at end-FY21, representing an increase of 29.4% during the year.

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

Offering document (extract)

Description	Minimum rating	Min- Max Limits
Government Securities	N/A	0%-100%
Cash in Bank Accounts	AA	0%-100%
Bank Deposits	AA	0%-75%
Letter of Placement (LoP), Certificate of Deposits/Investments (COD/I) and Certificate of Musharika (COM) with any NBFC and Modaraba	AA	0%-25%
Any investment, which is an Authorized Investment under the Trust Deed or by the Commission	AA	30%

Asset Allocation:

Table 2: Asset Class Distribution:

Asset Allocation	Average June'20	Average June'21	June'21
Cash	66%	32%	86%
T-Bills	18%	46%	5%
Others including receivables	2%	1%	1%
Commercial Papers	3%	-	-
Money Market Placements	11%	17%	-
Bank Deposits	-	3%	9%
Total	100%	100%	100%

During FY21, the fund’s asset allocation was in compliance with the standards specified in the offering document. At end-June’21, the fund’s asset allocation plan remained primarily concentrated in cash balances at 86% and 5% in T-bills. Month-on-month average analysis depict that 32% of the fund’s assets were placed in cash, 46% in T-bills while remaining investment portfolio comprised of money market placements and bank deposits.

Credit Quality:

Table 3: Credit quality summary FY21

Credit Quality	Average	Maximum	Minimum
AAA	84%	97%	68%
AA+	14%	31%	0%
AA	1%	5%	0%
Others	1%	10%	0%

The fund’s Investment Policy Statement (IPS) restricts exposure in below ‘AA’ rated instruments. During FY21, average allocation in AAA rated instruments accounted for 84% of the AUMs, 14% in AA+ and 1% in AA rated instruments. No breach was witnessed during the year and the fund complied with the credit quality requisites for the assigned ratings.

Market Risk:

The average weighted average maturity (WAM) of the fund is capped at 90 days for the purpose of countering any adverse movements in the benchmark rate. Moreover, the fund is prohibited from investing in any asset class

possessing maturity higher than 6 months. During the year, maximum and minimum WAM was reported at 58 days and 2 days, respectively, and stood at 6 days at end-FY21. There was no breach in the WAM and duration of the fund during FY21.

Liquidity Profile:

The total number of investors increased to 4,196 (FY20: 3,714) by end-FY21. Proportion of retail investors and associates decreased to 10% (FY20: 16%) and 17% (FY20: 25%), respectively, owing to increase in investment by unrelated corporates which accounted for 73% (FY20: 60%) of investment portfolio at end-FY21. Owing to fund’s liquid asset allocation plan, ability to meet redemption is considered sound.

Fund Performance:

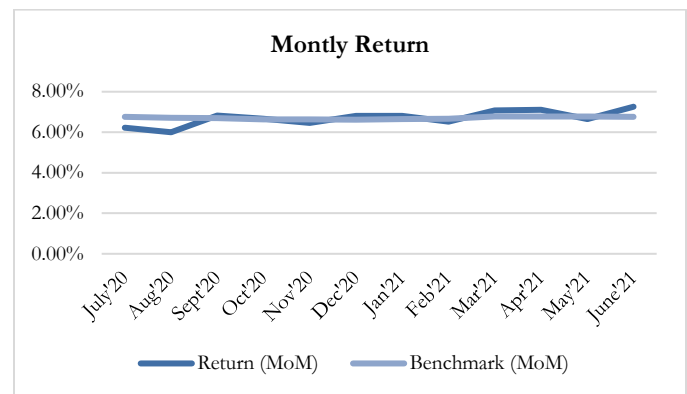


Table 5: Fund Performance:

Performance	FY20	FY21
Total Return	12.61%	6.91%
Peer Ranking	11/20	8/21
Benchmark Return	11.62%	6.71%
Peer Average	12.58%	6.79%

Performance of the fund is benchmarked against an equally weighted average of 3-month bank deposit rate (AA rated or above) and 3-month PKRV rates. Peer rankings of the fund stood at 8 out of a total of 21 funds for FY21 (FY20: 11 out of 20).

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	18-Jan-22	AA+ (f)	Reaffirmed
Fund Stability	31-Dec-20	AA+ (f)	Reaffirmed
Fund Stability	20-Jan-20	AA+ (f)	Upgrade
Fund Stability	16-Jan-19	AA (f)	Reaffirmed
Fund Stability	16-Jan-18	AA (f)	Reaffirmed
Fund Stability	30-Dec-16	AA (f)	Reaffirmed
Fund Stability	31-Dec-15	AA (f)	Reaffirmed
Fund Stability	13-Aug-14	AA (f)	Reaffirmed
Fund Stability	17-Jan-13	AA (f)	Downgrade
Fund Stability	06-Apr-12	AA+(f)	Harmonized
Fund Stability	31-Dec-11	AA+(f)	Reaffirmed

BALANCE SHEET	FY20	FY21
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<u>INCOME STATEMENT</u>		
Total Income	3,070	2,360
Profit Before Tax	2,792	2,131
Profit After Tax	2,792	2,131
<u>RATIO ANALYSIS</u>		
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A