

Date: January 13, 2021

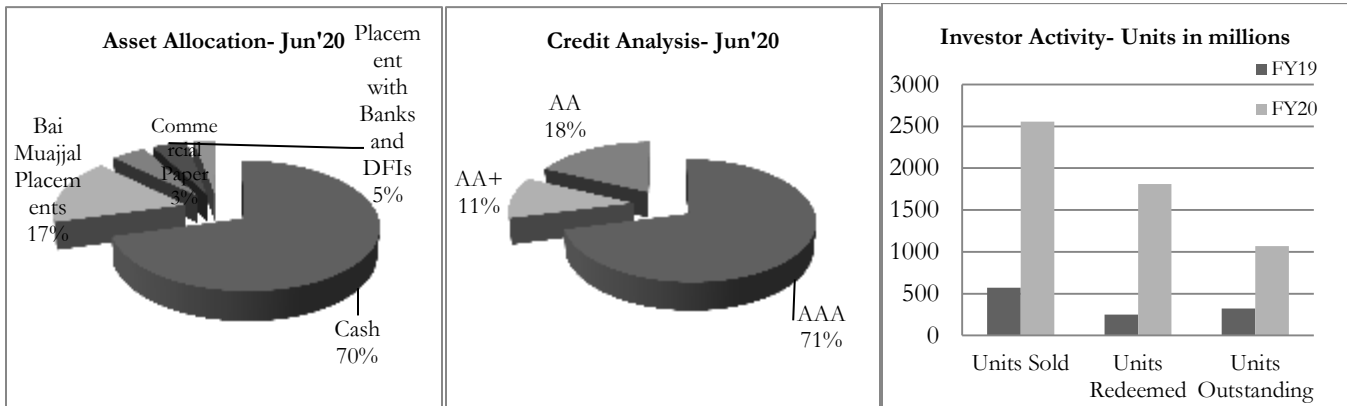
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Investment Objective

To meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments.

Meezan Rozana Amdani Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA(f)
	Jan 7, 2021	June 30, 2020
AMC	Al Meezan Investment Management Ltd.	
External Auditors – Fund	A.F. Ferguson and Co. Chartered Accountants	
Fund Managers	Faizan Saleem, MBA	
Shariah Advisor	Meezan Bank Limited	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	Up to 3.5% of gross earnings subject to minimum floor of 0.10% of net assets p.a. and maximum cap of 0.75% of net assets p.a.	
Benchmark	Three months average deposit rates of three AA rated Islamic Banks or Islamic windows of Conventional banks as selected by MUFAP	

MRAF	FY19	FY20
Type of Scheme	Open-end Islamic Money Market	
Return (%)	9.97%	11.76%
Benchmark for FYTD return (%)	3.83%	5.37%
Monthly return (%)	10.59%	8.09%
Benchmark (%)	4.45%	4.45%
Peer Average (%)	NA	10.88%
Relative Ranking	NA	2 out of 9
Fund Size (in Rs. m)	16,188	53,351
Retail (%)	41.2%	79.0%
Associates (%)	5.5%	0%
Number of Investors	1,929	3,032
Top 10 Investors / AUMs	NA	67%
Fund Stability Rating	AA(f)	AA+(f)
WATM (In Days)	38 days	23 days
Modified Duration (at end-month in days)	10 days	5 days
Asset Allocation		
<i>Cash</i>	47%	72%
<i>Placements with Banks and DFIs</i>	38%	5%
<i>Bai Muajjal Placement</i>	-	17%
<i>Commercial Paper</i>	13%	5%
<i>Sukukus</i>	-	1%
<i>Other including receivables</i>	2%	2%



Launched in December 2018, Meezan Rozana Amdani Fund (MRAF) is a Shariah Compliant, open-end fund that aims to provide a daily payout through investing in specified Islamic money market instruments. The daily pay-out is reinvested offering high liquidity.

Maintaining its historical trend, net assets witnessed a multi-fold growth and stood at Rs. 45.5b (June'19: Rs. 16.2b) at end-Nov'20. At present, MRAF is the largest fund in terms of fund size.

with Islamic banks/Windows of Islamic Banks			
Shariah Compliant Placements of funds (including TDR, PLS Saving deposit, COD, COM, COI, Money Market Placements and other clean placements of the funds) with all microfinance banks, non-banking finance companies and Modarabas	AAA	0%-25%	6 months
Shariah Compliant Government Securities	AAA	0%-90%	6 months
Any other Shariah compliant investment	AA	As specified	6 months

Table 1: Offering document (extract)

Description	Min rating	Min-Max Limits	Maturity
Secured, unsecured, Listed, Unlisted and privately placed Shariah Compliant money market securities including sukuks issued by Federal Govt. , Provincial Govt. , Local Govt. , Govt. Agencies, Autonomous Bodies, public sector entities, and private sector entities.	AA or above	0%-90%	6 months
Shariah compliant Money market instruments such as Islamic TDR, Islamic Commercial Paper, Certificate of Islamic Investments (COII), Certificates of Musharaka (CoM), Islamic Certificates of Deposit (CoD), etc. with Islamic Commercial Banks and Islamic DFIs or Islamic windows of Commercial banks and DFIs.	AA	0%-90%	6 months
Cash and Cash equivalents: Shariah compliant Government Securities with 90 days maturity and cash	AA and above	10%-100%	N/A

Investment Committee (IC) comprises Chief Executive Officer (CEO), Chief Investment Officer (CIO), Head of Fixed Income, Head of Research, 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 placements with remaining exposure comprising Bai Muijjaal, commercial paper, and other receivables. Actual asset allocation has been maintained in line with the policy limits stipulated above.

Table 2: Asset Allocation

Asset Allocation	Jun'19	Jun'20	Average
Cash	47%	72%	67%
Placements with Banks and DFIs	38%	5%	12%
Bai Muajjal Placement	-	17%	11%
Commercial Paper	13%	5%	8%
Sukkuks	-	-	-
Other including receivables	2%	3%	3%

Credit Risk

As per VIS policy guidelines, the fund has largely remained complied with minimum exposure of 25% in AAA rated investments barring the period from Apr'19 to July'19. Moreover, in accordance with the offering documents guidelines, the fund since its launch has complied with exposure in minimum AA rated investments.

Table 3: Credit Quality Summary (FY20)

Credit Quality	Average	Maximum	Minimum
AAA	52%	81%	10%
AA+	16%	49%	8%
AA	31%	52%	11%

Weighted average time to maturity (WATM) and Duration of the fund has remained in line with policy guidelines and criteria for the assigned rating (limit of 90 days).

Table 4: Monthly WATM (FY20)

Month-wise WATM	Days
Average	24
Maximum	38
Minimum	15

Liquidity Profile

During the period under review, investor base grew considerably and was reported at 3,032 investors (Jun'19: 1,929 investors) investors at end-Jun'20. Unrelated corporates held 79% of the fund's total asset base while retail investors constituted 18% during FY20. The fund features concentration with top 10 investors representing 67% of total AUMs as at end-Jun'20.

Fund Performance

Table 4: Fund performance

	Jun'19	Jun'20
Return (%)	9.97%	11.76%
Benchmark (%)	3.83%	5.37%
Peer Average (%)		10.88%
Relative Ranking		2 out of 9

Since the launch of the fund, MRAF has consistently outperformed benchmark return and peer funds at end-June'20 the fund posted a return of 11.76% against its benchmark of 5.37%.

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	January 7, 2021	AA+(f)	Upgrade
Fund Stability	June 30, 2020	AA(f)	Reaffirmed
Fund Stability	May 16, 2019	AA(f)	Initial

FINANCIAL SUMMARY		<i>(Amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY19	FY20
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		160.0	559.1
Profit Before Tax		128.8	483.9
Profit After Tax		128.8	483.9
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		480.9	(5,553.2)
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA