

Date: December 26 2019

Analyst:

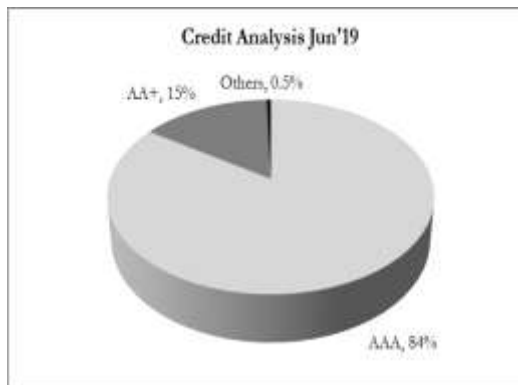
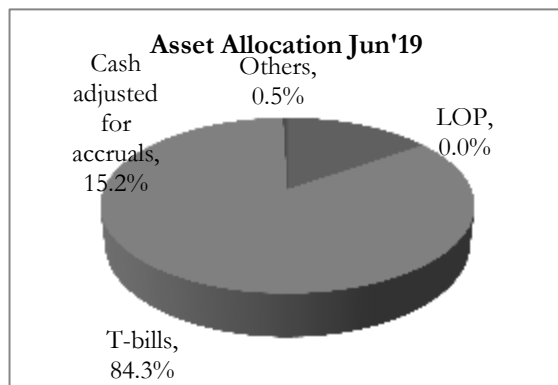
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Investment Objective

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

Fund Characteristics	BECF	
	FY18	FY19
Type of Scheme	Money market	
Return (%)	4.45%	8.84%
Peer Average (%)	5.2%	8.65%
Benchmark (%)	5.35%	8.71%
Relative Ranking	21/21	5/20
Fund Size (in Rs. m)	101.0	167.0
Retail (%)	16%	25%
Number of Investors	45	50
Fund Stability Rating	AA+(f)	AA+(f)
Management fee	0.00%	0.35% as of Nov'19
WATM	0	41
Modified Duration (at end-June)	0	41
Asset Allocation (at end-June)		
Cash adjusted for accruals	24%	15.2%
LOP	-	-
Commercial paper	-	-
T-bills	76%	84.3%

BMA Empress Cash Fund (BECF)		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA+(f)
	Dec 26, '19	Dec 28, '18
AMC	BMA Asset Management Company Limited	
External Auditors – Fund	EY Ford Rhodes, Chartered Accountants	
Fund Manager	Mehreen Munsif Ali	
Trustee	MCB Financial Services Limited	
Front-end Load	Up to 1%	
Back-end Load	Nil	
Management Fee	0.35% as of Nov'19	
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.	



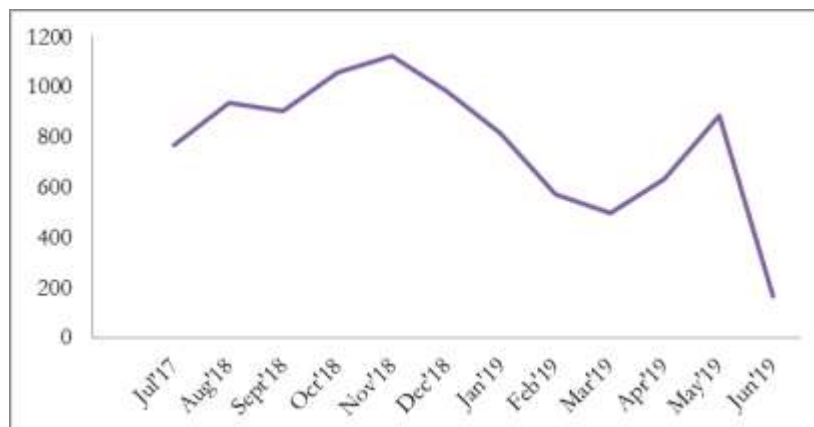
BMA Empress Cash Fund (BECF) was launched on November 12, 2009 as an open ended money market scheme. In order to maintain a high level of liquidity, the fund invests in low risk short term money market instruments. Investment Committee (IC) comprises key personnel from top management along with representatives 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%

During FY19 net assets of BECF significantly increased to Rs. 167m (FY18: Rs. 101m). Net assets fluctuated throughout the year and at end-Nov'19 size of the fund amounted to approximately Rs. 234m.

Net Assets Profile



Credit Quality

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.

Credit Quality Summary- FY19

Credit Quality	Average	Maximum	Minimum
AAA	87%	100%	26%
AA+	25%	73%	9%
AA	0%	0%	0%

Asset Allocation

Asset Allocation	Jun'18	Jun'19
Cash adjusted for accruals	24%	15.2%
LOP	-	-
T-bills	76%	84.3%
Others	-	0.46%
Total	100%	100%

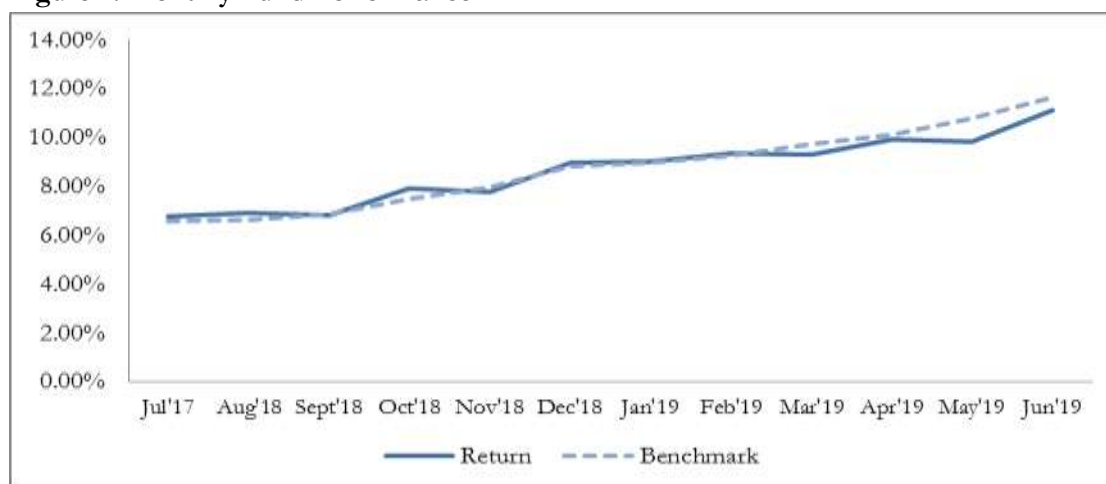
On an average basis the fund deployed 66% of its assets in T-bills and 31% in cash respectively, manifesting an increase in T-bill exposure (FY18: 13%). With an aim to invest in low risk instruments to preserve high liquidity, T-Bills at end-June'19 were measured at 84%. At end-Nov'19 the fund placed 79% of its asset in T-bills and 21% in cash placements respectively.

Market Risk

Highest Weighted Average Time to Maturity (WATM) was reported at end-Apr'19 at 77 days where as the minimum was reported at 1 day at end-Jan'19. At end-Nov'19 WAM was reported at 51 days. WAM and duration of the fund complied with the IPS and JCR criteria for the assigned ratings.

Fund Performance
Fund per fund performance

Performance	FY18	FY19	Jul-Nov '19
Total Return	4.45%	8.84%	12.08%
Peer Ranking	21/21	5/20	16/20
Benchmark Return	5.35%	8.71%	12.65%
Peer Average	5.2%	8.65%	11.21%

Figure 2: Monthly Fund Performance


Fund rankings out-performed the benchmark at few instances during the course of FY19, however at during last quarter of FY19 under-performed its benchmark. Overall, the fund outperformed the benchmark during FY19. Peer rankings of the fund significantly improved from 21/21 to 5/20 standing in the 1st quartile at end-June'19. However, rankings stood at 16/20 at end-Nov'19.

Rating Type	Rating Date	Medium to Long Term	Rating Action
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)	Harmonised
Fund Stability	7/11/2011	AA+(f)	Final

FINANCIAL SUMMARY		(amounts in	
PKR millions)			
<u>BALANCE SHEET</u>	FY18	FY19	
Paid Up Capital	NA	NA	
Total Equity	NA	NA	
<u>INCOME STATEMENT</u>			
Total income	6	71	
Profit Before Tax	4	66	
Profit After Tax	4	66	
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities	(64)	0.7	
Current Ratio (x)	NA	NA	
Gearing (x)	NA	NA	