

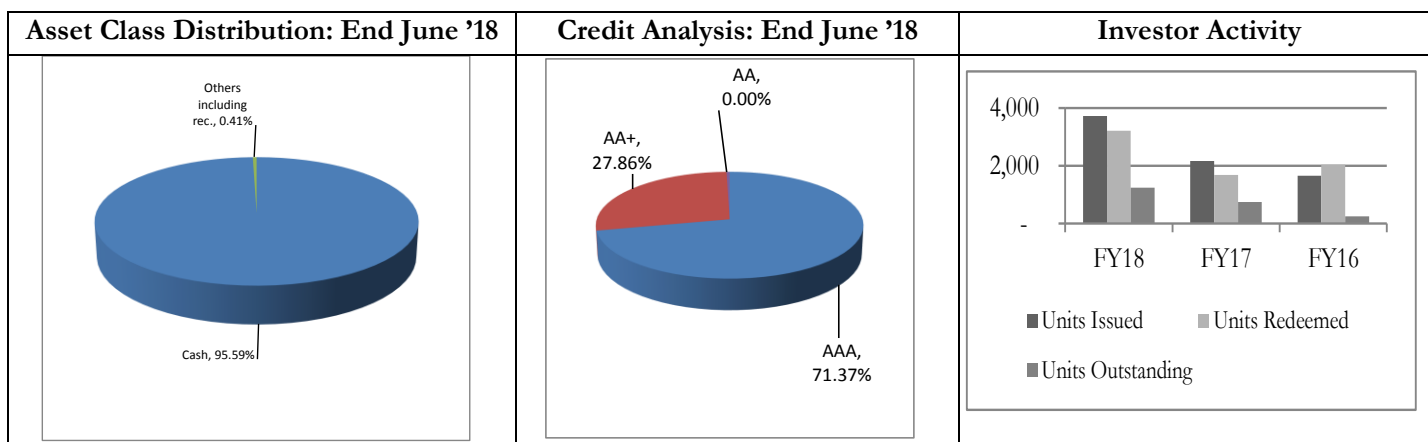
January 16, 2019

**Analyst:** Muhammad Ibad Desmukh  
Muhammad Hamza Amir

**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	<b>AA(f)</b> 16 Jan 2019	<b>AA(f)</b> 16 Jan 2018
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 earnings subject to a minimum fee of 0.75% and a maximum fee of 1.00% 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 quality.

Net assets of the fund amounted to Rs. 13.2b at end FY18 (FY17: 7.64b). Fund size has subsequently increased to Rs. 21.7b at end-Oct'2018.

In order to cater to 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.

**Table 1: ABL Cash Fund Operational Limits**

Asset Class	Minimum rating	Exposure Range
		<b>FY16</b>
Treasury Bills	-	25-100%
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%

## JCR-VIS Credit Rating Company Limited

Technical Partner – IIRA, Bahrain | JV Partner – CRISL, Bangladesh

The fund on average maintained approximately 58.27% holding in T-Bills (under 90 days maturity) while the remaining was largely kept as cash.

**Table 2: Asset allocation summary**

	End-June FY18	End-June FY17	Avg. FY18	Limit
Cash	95.59%	86.40%	56.47%	0-100%
Placement with banks (TDRs)	0%	6.50%	14.85%	0-75%
T-Bills	0%	0.00%	58.27%	0-100%
Others including receivables	0.41%	0.70%	0.59%	-
Commercial Papers	0%	1.30%	0.72%	0-10%
Clean Placements	0%	5.20%	0%	0-75%
Government Securities	0%	0.00%	0%	0-100%
WAM	1	7.10	24.87	

Exposure to ‘AA’ rated counterparties averaged 19.16% of total assets during FY18.

**Table 3: Credit quality summary FY18**

	Average	Maximum	Minimum
AAA	43.75%	67.09%	0.01%
AA+	19.62%	36.91%	0.61%
AA	7.13%	19.8%	0.01%

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 FY18**

	Average	Maximum	Minimum
WAM	24.57	49	1

Performance of the fund was benchmarked against an equally weighted average of 3 month bank deposit rate (AA rated or above) and 3 month PKRV rate. Peer rankings of the fund stood at 9 out of 21 for FY18 (FY17: 2 out of 21).

**Table 5: Performance summary**

Performance	FY18	FY17
Total Return	5.41%	8.7%
Benchmark Return	5.35%	5.0%

Total number of investors have increased to 2,133 (FY17: 974) at end-FY18 with Top 10 investors representing 58% of net AUMs. Retail portion of the fund has significantly increased from 9% at end-FY17 to 14% at end-FY18. The remaining 86% of investment comprises unrelated corporates <sup>JCR-VIS</sup>

## JCR-VIS Credit Rating Company Limited

Technical Partner – IIRA, Bahrain | JV Partner – CRISL, Bangladesh

### Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b><u>RATING TYPE: Fund Stability Management Quality</u></b>				
16-Jan-19	AA(f)			Reaffirmed
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