

Date: May 16, 2019

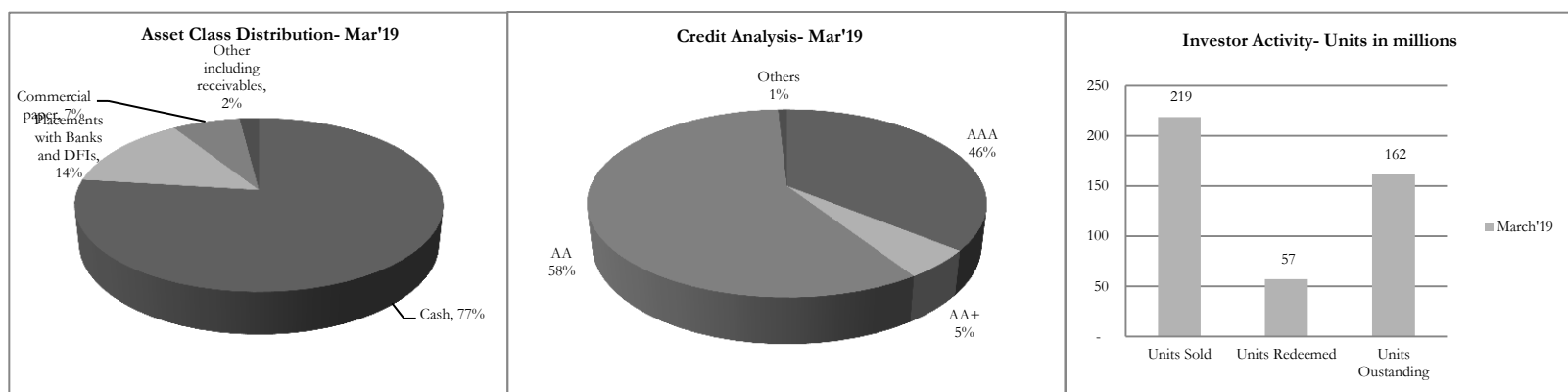
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Investment Objective

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
Fund Stability Rating	AA(f) May 16, 2019
AMC	Al Meezan Investment Management Ltd.
External Auditors – Fund	M/s A.F. Ferguson and Co. Chartered Accountants
Fund Managers	Zain Malik, CFA
Shariah Advisor	Mr. Imran Usmani
Trustee	Central Depository Company
Front-end Load	Nil
Back-end Load	Nil
Management Fee	5% of gross earnings subject to a minimum cap of 0.25% of AUM p.a. and maximum cap of 1% of AUM
Benchmark	Three months average deposit rates of three AA rated Islamic Banks or Islamic windows of Conventional banks as selected by MUFAP

MRAF	Jan'2019	March'2019
Type of Scheme	Open-end Islamic Money Market	
Inception Date	Dec'2018	
Return since inception (%)	9.7%	
Benchmark for FYTD return (%)	3.5%	
Monthly return (%)	9.5%	9.6%
Benchmark (%)	3.3%	3.6%
Peer Average (%) Jan-Mar'19	8.98%	
Relative Ranking Jan-Mar'19	1 out of 5	
Fund Size (in Rs. m)	3,199	8,080
Retail (%)	84%	91%
Associates (%)	1%	0%
Number of Investors	157	920
Top 10 Investors / AUMs	77%	53%
Fund Stability Rating	AA (f)	
WATM (In Days)	1	17.41
Modified Duration (at end- month in days)	-	18.25
Asset Allocation		
<i>Cash</i>	93%	77%
<i>Placements with Banks and DFIs</i>	0%	14%
<i>Commercial paper</i>	0%	7%
<i>Other including receivables</i>	7%	2%



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 payout will be reinvested offering high liquidity.

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 sukuk issued by Federal Govt. , Provincial Govt. , Local Govt. , Govt. Agencies, Autonomous Bodies, public sector entities, and private sector entities.	AA	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 with Islamic banks/Windows of Islamic Banks	AA	10%-100%	N/A
Shariah Compliant	AAA	0%-25%	6 months

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			
Shariah Compliant Government Securities	AAA	0%-90%	6 months
Any other Shariah compliant investment	AA	As specified	6 months

The Investment Committee (IC) comprises Chief Executive Officer (CEO), Chief Investment Officer (CIO), Head of Research, Head of Risk Management and fund managers. Decision making is based on consensus.

Net assets of the fund were reported at Rs. 14.3b (Dec'18: Rs. 1b) at end-April'2019. Fund size has witnessed continuous growth since its launch.

Credit Risk

As per the offering document, MRAF is allowed to invest in securities with a minimum credit quality rating of 'AA' with which the fund has remained compliant since its launch.

Table 2: Asset Allocation

Asset Allocation	Jan'19	Mar'19	Average
Cash	93%	78%	86%
Placements with Banks and DFIs	0%	14%	7%
Commercial paper	0%	7%	4%
Other including receivables	7%	1%	4%

Since inception, the fund's assets were primarily invested in cash and bank placements with the remaining exposure comprising commercial paper of HUBCO and K-Electric. At end-April'2019, 88% of total portfolio was held as cash

at bank, 9% was invested in commercial paper, 2% included bank placements and 1% represented other receivables.

As per VIS policy guidelines, the fund complied with minimum exposure of 25% in AAA rated investments. Moreover, in accordance with the fund’s investment policy statement, MRAF complied with exposure in minimum AA rated investments.

	Jan'19	Mar'19
Return (%)	9.5%	9.6%
Benchmark (%)	3.3%	3.5%
Peer Average (%) Jan-Mar'19	8.98%	
Relative Ranking Jan-Mar'19	1 out of 5	

Since the launch of the fund up to March'2019, MRAF has consistently outperformed benchmark return and peer funds.

Table 3: Credit Quality Summary- Jan-Mar'19

Credit Quality	Average	Maximum	Minimum
AAA	25%	38%	0%
AA+	3%	5%	0%
AA	72%	100%	58%

Table 4: Monthly Duration

Month-wise Duration	Days
Feb'19	3.65
Mar'19	18.25
Apr'19	14.6

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). Maximum duration since inception was reported in Mar'19 at 18 days which is well within rating benchmarks.

Liquidity Profile

Investor base witnessed an increase to 920 investors (Jan'19: 157 investors) at end-Mar'2019 which is expected to increase further. Share of retail investors is noted on the higher side at 91% at end-Mar'2019. Moreover, concentration of top 10 investors showcased improvement to 53% at end-Mar'2019 as compared to 77% at end-Jan'2019.

Fund Performance

Table 4: Fund performance

Rating History- MRAF

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	May 16, 2019	AA(f)	Initial