

Date: January 1, 2018

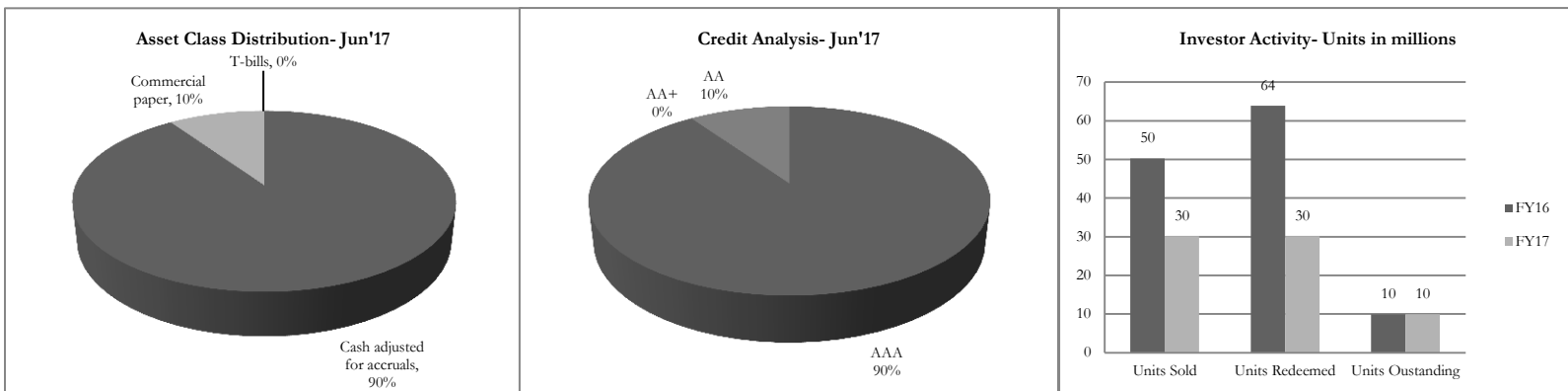
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Investment Objective

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

BMA Empress Cash Fund (BECF)		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA+(f)
	Dec 29, '17	Jan 2, '17
AMC	BMA Asset Management Company Limited	
External Auditors – Fund	EY Ford Rhodes, Chartered Accountants	
Fund Manager	Zafar Rehman	
Trustee	MCB Financial Services Limited	
Front-end Load	Up to 1%	
Back-end Load	Nil	
Management Fee	Nil	
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.	

	BECF	
	FY16	FY17
Type of Scheme	Money market	
Return (%)	4.61%	4.58%
Peer Average (%)	5.6%	6.7%
Benchmark (%)	5.8%	5.3%
Relative Ranking	22/22	22/22
Fund Size (in Rs. m)	101	101
Retail (%)	21%	14%
Associates (%)	20%	70%
Number of Investors	57	48
Management fee	0.75%	0.00%
WATM	9 Days	13 Days
Duration (at end-June)	9 Days	13 Days
Asset Allocation (at end-June)		
<i>Cash adjusted for accruals</i>	85%	90%
<i>Commercial paper</i>	0%	10%
<i>T-bills</i>	15%	0%



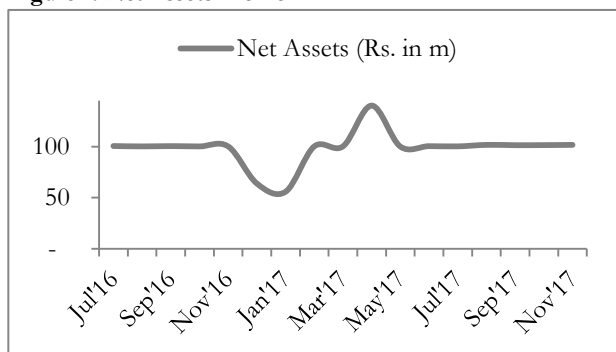
BMA Empress Cash Fund (BECF) was launched as an open-end money market scheme on November 12, 2009. The fund invests in low risk short term money market instruments while maintaining a high level of liquidity. Investment Committee (IC) comprises key personnel from top management along with representation from investment and risk management department.

Table 1: 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%

Over FY17, BECF’s net assets were reported at Rs. 100.6m (FY16: Rs. 100.5m) which remained stable when compared to the corresponding period last year.

Figure 1: Net Assets Profile



Credit Quality

As per the offering document, BECF is allowed to invest in securities with a minimum credit quality rating of AA with which it complied throughout the year.

Table 2: Asset Allocation

Asset Allocation	Jun'16	Jun'17	Average
Cash adjusted for accruals	85%	90%	74%
Commercial paper	0%	10%	2%
T-bills	15%	0%	24%

Over the year, asset allocation changed with increase in exposure in commercial paper and no investment in T-bills. Designed to maintain a very low level of risk, BECF invested primarily in cash (74%) during the course of FY17 with an average of 24% of investment in T-bills.

Table 3: Credit Quality Summary- FY17

Credit Quality	Average	Maximum	Minimum
AAA	98%	100%	90%
AA+	0%	0%	0%
AA	2%	10%	0%

Market Risk

Weighted average time to maturity (WATM) and duration of the fund has been capped at 60 days to protect the fund against losses arising due to movements in the benchmark rate. Over the course of FY17, highest WATM at any month-end were reported as 79 days at end-July 2016. Barring 2 instances, the fund complied with JCR-VIS’s duration requirement for AA+ rated fund during FY17.

JCR-VIS Credit Rating Company Limited

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

Liquidity Profile

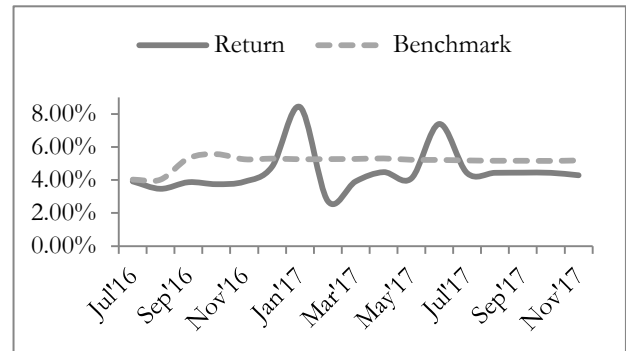
During FY17, retail share declined to 14% (FY16: 21%) and share of associates substantially rose to 70% (FY16: 20%). Concentration in the fund is sizeable; however the fund is largely deployed in liquid avenues providing support to assessment of liquidity profile.

Fund Performance

Table 4: Fund performance

Performance	FY16	FY17
Total Return	4.61%	4.58%
Peer Ranking	22 out of 22	22 out of 22
Benchmark Return	5.8%	5.3%
Peer Average	5.6%	6.7%

Figure 2: Monthly Fund Performance



Barring two months, the fund returns underperformed the benchmark with peer ranking standing in the 4th quartile owing to low investment in T-bills and commercial paper.

JCR-VIS

JCR-VIS Credit Rating Company Limited

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

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
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