

*Date: December 20, 2017*

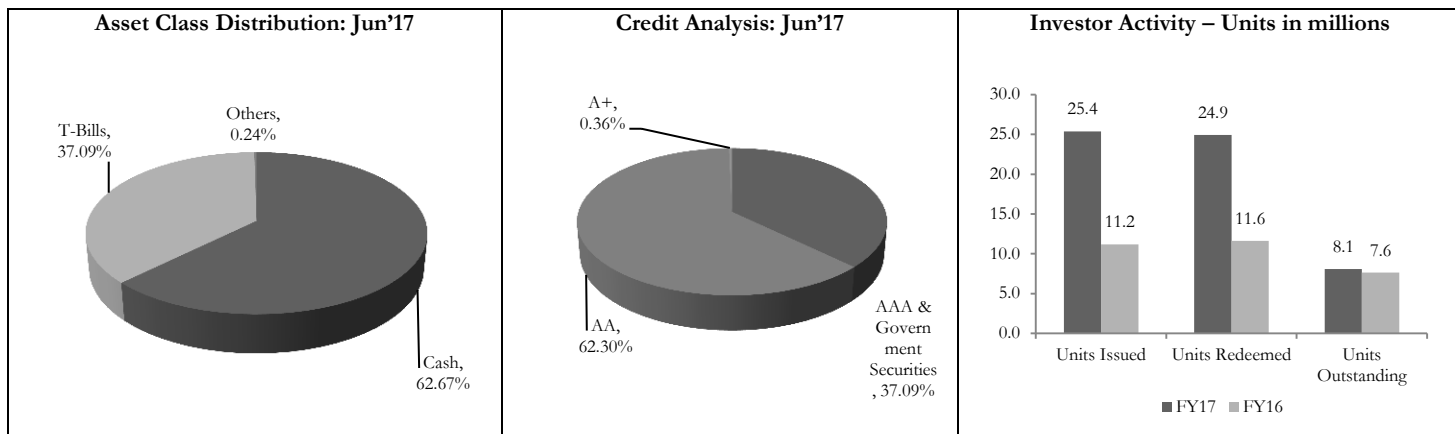
**Analysts:** Muniba Khan

**Investment Objective**

The objective of the fund is to provide a regular and reasonable rate of return and maintain high liquidity by investing primarily in low risk and short duration fixed income instruments.

JS Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	<b>AA(f)</b>	<b>AA+(f)</b>
	<i>December 20, 2017</i>	<i>December 30, 2016</i>
Management Company	JS Investments Limited	
External Auditor - Fund	M/s KPMG Taseer Hadi & Co. Chartered Accountants	
Chief Executive Officer	Mr. Hasnain Raza Nensey	
Fund Manager	Mr. Asim Ilyas	
Trustee	MCB Financial Services Ltd.	
Front-end Load	1%	
Back-end Load	Nil	
Management Fee	0.5% p.a.	
Benchmark	70/30 composition of: - avg. 3-months PKRV rates - avg. 3m deposit return of comm. banks with at least AA	

JS-CF				
	FY17	FY16	FY15	
Type of Scheme	Money Market			
Return (%)	5.3%	5.7%	9.3%	
Peer Average (%)	5.2%	5.6%	9.7%	
Benchmark (%)	6.5%	5.7%	8.2%	
Relative Ranking	18 out of 22	9 out of 22	10 out of 19	
Fund Size (in Rs. m)	821	782	825	
Retail (%)	24%	57%	22%	
Associates (%)	16%	14%	47%	
Number of Investors	170	212	146	
Top 10 Investors / AUMs	70%	69%	78%	
Fund Stability Rating		AA+ (f)	AA+ (f)	
Management fee	0.50%	0.50%	0.50%	
Front-end Load	1.00%	1.00%	1.00%	
WATM*	7 days	1 day	17 days	
Duration	7 days	1 day	17 days	
Asset Allocation (at end June)				
	<i>T-Bills</i>	37.1%	-	89.4%
	<i>Cash</i>	62.7%	99.6%	10.6%
	<i>Others</i>	0.2%	0.4%	-



JS Cash Fund (JSCF) was launched as an open-end money market scheme on March 29, 2010. As per mandate, the fund invests in low risk short term money market instruments while maintaining a high level of liquidity. Net assets of the fund increased to Rs. 821.4m (FY16: Rs. 782.4m) at end-June 2017; AUMs subsequently declined to Rs. 607.1m mainly on account of redemptions at end-4M18.

In line with its mandate, the fund's exposure to various sources of risks has been maintained at low end of the risk spectrum, both by policy and as also manifested in actual asset allocation. As per investment policy, pre-defined exposure limits are in place for each investment avenue.

**Table 1: Offering document (extract)**

Description	Min. Rating	Min-Max Limits	Min-Max Actual
Current and saving accounts with Banks & DFIs	AA	0%-100%	17%-100%
Government Securities	AA	0%-100%	0%-83%
Debt securities issued by government backed entities	AA	0%-50%	-
Any security declared as government security	AA	0%-50%	-
Deposits with scheduled commercial banks	AA	0%-80%	-
Clean placement of funds with Banks and DFIs	AA	0%-50%	-
Certificates of Deposit (CoD) issued by NBFCS & Certificate of Musharaka (CoM) issued by Modaraba	AA (instrument) AAA(entity)	0%-20%	-
Repurchase agreements with a maturity of < 1 year	AA (instrument) A (entity)	0%-50%	-
Commercial Paper	AA	0%-30%	-
Foreign investment in authorized investments	AA	0%-30% or < USD15m	-
Other authorized investment	AA	0%-20%	0%-0.5%

The Investment Committee (IC) comprises Chief Executive Officer (CEO), Chief Financial Officer (CFO) Chief Investment Officer (CIO), Head of Research and fund manager. Decision making is done on consensus basis.

### Asset Allocation

Actual asset allocation has been maintained in line with the policy limits stipulated above. On month-end average basis, almost 58% of assets were deployed in cash while remaining assets were parked in T-bills during the period ending October 2017.

**Table 2: Asset Allocation**

Assets	Oct'17	Jun'17	Jun'16	Average
Cash	27.13%	62.67%	99.57%	58.44%
T Bills (Govt. sec)	72.72%	37.09%	0.00%	41.21%
Others	0.15%	0.24%	0.43%	0.35%
Total	100%	100%	100%	

### Credit & Market risk

As per the governing documents, JSCF can only invest in securities with a minimum credit quality rating of AA; however the fund invested a negligible amount (<1% of net assets) in A+ rated issue/issuer in order to meet redemptions in a timely manner.

**Table 3: Credit Quality Summary- For period ending October 2017**

Credit Quality	Average	Minimum	Maximum
AAA	36.98%	0.00%	82.52%
AA+	0.01%	0.00%	0.01%
AA	62.45%	17.17%	99.30%
AA-	0.00%	0.00%	0.00%
A+	0.18%	0.00%	0.36%

**Table 4: Risk Summary- For period ending October 2017**

	Limit	Average
Duration (days)	<90	22
WATM (days)	<90	22

To minimize losses resulting from volatility in benchmark rate, the fund’s weighted average maturity (WAM) is capped at 90 days. JSCF was in compliance with the said stipulation throughout the period ending October 2017. Highest WAM was reported at 72 days at end-July 2016 when the fund’s exposure to T-bills was at 41.4%.

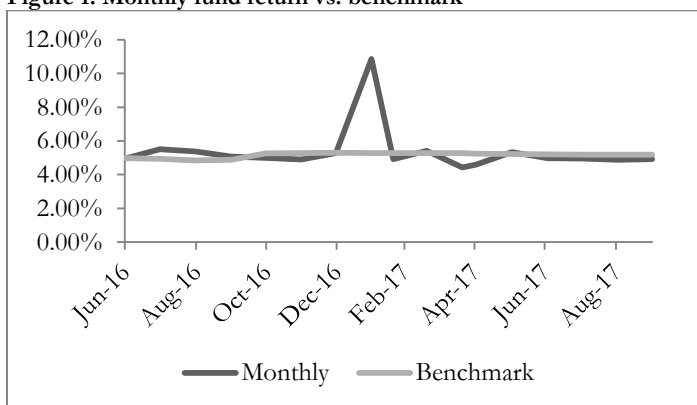
### Liquidity Profile

Given significant redemptions during the period under review, total number of investors declined to 152 (FY17: 170; FY16: 212) with proportion of retail clients reducing to 18.4% (FY17: 24.3%; FY16: 56.8%) by end-October 2017. Moreover, contribution from associates increased from 13.5% in June 2016 to 19.0% (FY17: 16.2%) in October 2017.

Unit holding pattern depicts room for improvement, concentration of top ten contributors remained on the higher side at 78.2% (FY17: 70.1%; FY16: 69.2%), as at end-October 2017. Liquidity profile of the fund is nevertheless considered strong with assets deployed in low risk and short term instruments.

### Fund Performance

**Figure 1: Monthly fund return vs. benchmark**



**Table 5: Fund performance**

	FY17	FY16	FY15
Return (%)	5.3%	5.7%	9.3%
Benchmark (%)	6.5%	5.7%	8.2%
Peer Average	5.2%	5.5%	8.6%
Relative Ranking	18/22	9/22	4/21

Benchmark of the fund is defined as a weighted average of 3 month deposit rate and 3 month PKRV rate (net of expenses). During the period under review, returns have mostly remained consistent at an average of 5%, barring a return of 10.9% earned by the fund in January 2017; return of JSCF improved on the back of Since returns offered by JSCF are determined by bank deposit and discount rate; low interest rate scenario resulted in returns on lower side. Considering annualised returns, JSCF was unable to meet its benchmark return at end-October 2017. Nevertheless, net return of the fund was comparable to peers. Relative to peers, the fund’s ranking worsened from the 9th to the 18th position of 22 funds [JCR-VIS](#)

**Rating History**

<b>Rating Date</b>	<b>Medium to Long Term</b>	<b>Rating Action</b>
<b><u>RATING TYPE: Fund Stability</u></b>		
20-Dec-17	AA(f)	Downgrade
30-Dec-16	AA+(f)	Reaffirmed
31-Dec-15	AA+(f)	Reaffirmed
11-Sep-14	AA+(f)	Reaffirmed
13-May-13	AA+(f)	Reaffirmed
30-Mar-12	AA+(f)	Reaffirmed
08-Oct-10	AA+(f)	Initial