

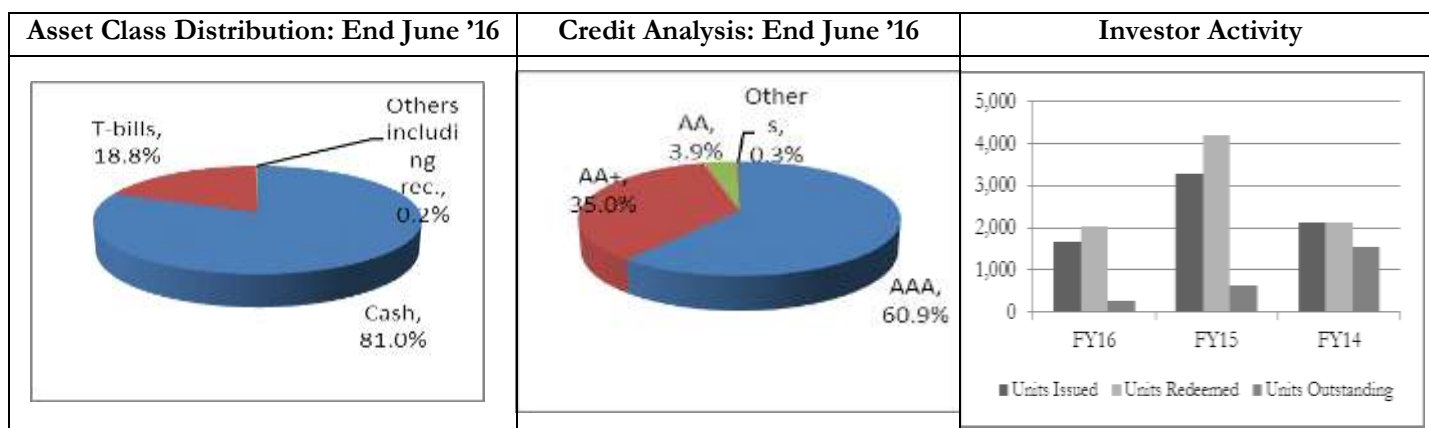
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**Investment Objective**

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
	<b>AA(f)</b>	<b>AA(f)</b>
Fund Stability Rating	30 Dec 2016	31 Dec 2015
Management Company	ABL Asset Management Company Limited (ABL AMC)	
Chief Executive	Mr. Alee Khalid Ghaznavi	
Fund Manager	Mr. Faizan Saleem	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	1%	
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 high management quality.

The investment committee (IC) , responsible for managing the fund in accordance with the regulations, is composed of five members which includes the CEO, Chief Investment Officer, Head of Research and two Fund Managers. Head of Risk attends meetings as an invitee and is not a voting member.

Net assets of the fund amounted to Rs. 2.6b at end FY16 (FY15: 6.4b). Funds AUM have followed a downward trajectory during FY16. As per management, decrease in fund size was due to planned year-end redemptions. Fund size has subsequently increased to Rs. 4.69b at end-Nov'2016.

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.

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## JCR-VIS Credit Rating Company Limited

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

**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%

The fund on average maintained approximately 64% holding in T-Bills (under 90 days maturity) while the remaining was largely kept as cash. Though T-bill exposure reached a high of 95% in one month, the same decreased to a minimum of 18.8% at end-FY16 on account of improved rates on bank deposits as compared to T-bills.

**Table 2: Asset allocation summary**

	End-June FY16	End-June FY15	Avg. FY16	Limit
Cash	81.0%	25.5%	36%	0-100%
Placement with banks (TDRs)	0%	15.3%	-	0-75%
T-Bills	18.8%	59.1%	64%	0-100%
Others including receivables	0.1%	0.1%	0.22%	
WAM	4.5	58.7	42.9	0-90 days

Credit quality of the fund has remained in line with IPS with no allocation of funds to below 'AA' rated entities. Exposure to 'AA' rated counterparties averaged 21.5% of total assets during FY16 with remaining investment in higher rated investment avenues.

**Table 3: Credit quality summary FY16**

	Average	Maximum	Minimum
AAA	51.5%	60.9%	23.9%
AA+	23.0%	37.2%	0.51%
AA	25.3%	49.8%	3.9%

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 FY16**

	Average	Maximum	Minimum
WAM	42.9	66	4.5

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 7 out of 22 for FY16 (FY15: 3 out of 21). Benchmark of the fund has subsequently been changed to 70%-average of 3 month PKRV & 30%- 3M bank deposit rate

**Table 5: Performance summary**

Performance	FY16	FY15
Total Return	5.8%	9.4%
Benchmark Return	3.8%	6.1%
Peer Group Average	5.6%	8.7%

Total number of investors have decreased to 998 (FY15: 1,106) at end-FY16 with Top 10 investors representing 58% of net AUMs. Retail portion of the fund has significantly increased from 17% at end-FY15 to 44% at end-FY16 on account of complete redemption by associate parties. The remaining 56% of investment comprises unrelated corporates <sup>JCR-VIS</sup>

**Rating History**

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b><u>RATING TYPE: Fund Stability Management Quality</u></b>				
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