

Rating Action

Lahore : 09-Dec-2016

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PACRA Maintains Stability Rating of Atlas Money Market Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of Atlas Money Market Fund (AMF), an open-end money market fund, at 'AA (f)' (Double A; fund rating). The fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

The investment mandate of the fund is to provide stable income stream with preservation of capital by investing in AA and above rated banks and short term Government Securities.

The rating reflects the fund's investment philosophy. At end-sept16, entire portfolio of the fund was invested as cash with banks rated 'AA+' (36%) and 'AA' (64%). On monthly average basis, fund's exposure in Government securities was 65% in Sept16. Fund's exposure towards interest rate risk remained within stated policy of the fund. Duration of the fund remained below 75 days in last 4 quarters. The unit holding pattern of the fund is highly concentrated, emanating high liquidity risk as top10 investors represent 90% of the fund's assets.

Going forward, the rating remains dependent on maintaining exposure with high credit quality financial institutions with portfolio duration less than 90 days. Meanwhile, the remaining assets of the fund must be placed with scheduled banks having very strong credit quality. PACRA would monitor compliance against agreed parameters on monthly average basis.

About the Management Company:

Atlas Asset Management Limited (AAML), incorporated in August 2002, is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited - the holding company of Atlas Group. Atlas Group, established in 1962, is one of the well-known business groups of the country with presence in manufacturing, financial, and trading sectors. AAML is the management company for AMF and is rated 'AM2' by PACRA. The company is presently managing seven open end funds and two pension schemes with the assets under management aggregating PKR 22.8bln at end-Sep16.

The CEO, Mr. Habib-ur-Rehman, an FCA from ICAEW, is veteran of the asset management industry. The Fund Manager, Mr. Fawad Javaid, CMA, joined AAML in Feb13. He carries adequate experience in domestic mutual fund industry.

Applicable Criteria and Related Research

- Mutual Funds | Oct-16
- Fund Stability Rating Methodology

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