



Rating Action

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PACRA Maintains Stability Rating of BMA Chundrigar Road Savings Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of BMA Chundrigar Road Savings Fund (BMA-CRSF), an open-end aggressive income fund, at 'A+ (f)' (Single A Plus ; fund rating). The fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

The fund primarily invests in all fixed income and money market instruments of medium risk and short duration with the objective of providing high regular income to its unit holders.

The rating reflects the fund's good credit quality and sound liquidity profile. At end-Sep16, the fund is invested in PIBs (20%), while bank placements were 29% and exposure as cash was 42%. The exposure was with banks rated 'A-' & above. The remaining portfolio of the fund was invested in TFC/ sukuks (2%) and spread transactions (5%). The unit holding pattern of the fund is highly concentrated with the top10 investors representing 90% of the net assets. However, this risk is mitigated by sizeable investment (32%) of the management company.

Going forward, the fund intends to maintain a diverse asset mix; government securities, high credit quality TFCs, CPs and cash. The main risk factors affecting the stability of returns are sensitivity of government securities to changes in interest rates. Material changes in the fund's asset allocation strategy, which could negatively impact the fund's credit quality and exposure to interest rate risk, remain critical for the rating.

About the Management Company:

BMA Asset Management Company (BMA), incorporated in April 2005, is licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies Regulations. The company is a fully owned subsidiary of BMA Capital Management Limited. The company is currently managing two open-end funds with assets under management of PKR 519mln at end-Sep16. BMA is also managing Separately Managed Accounts.

Mr. Khaldoon Bin Latif, the CEO, has an extensive experience of the mutual fund industry. The fund manager, Mr. Syed Qamar Abbas has a vast experience of over 11 years in mutual funds industry.

Applicable Criteria and Related Research

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

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