



## Rating Action

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## PACRA Maintains Stability Rating of PIML Daily Reserve Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of PIML Daily Reserve Fund (PIML DRF), 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 objective of the fund is to generate consistent returns with minimal risk by investing primarily in government securities, cash & near cash instruments.

The rating reflects the fund's investment philosophy. At end-sept16, fund's exposure with T-Bills was 48%, while exposure placements with DFIs were 31% with the rating of 'AA+'. The remaining assets of the fund were invested as cash with the banks rated 'AA'. Fund's monthly average exposure with Government securities was 68% in Sep16. Fund's exposure in Government securities was above 25% from March16 - Sept16. The duration of the fund in the same period was 43 days. The fund possess high redemption risk as its unit holding pattern represents that almost entire portfolio is concentrated with top 10 investors.

Going forward, the rating remains dependent on maintaining exposure with high credit quality financial institutions with portfolio duration not exceeding 90 days. Meanwhile, the remaining assets of the fund must be placed with scheduled banks and DFIs having credit ratings 'AA' and above. PACRA would monitor compliance against agreed parameters on monthly average basis.

### About the Management Company:

Established in 2011, Primus Investment Management Limited (PIML) is a wholly owned subsidiary of Pak Brunei Investment Company Limited (Pak Brunei). PIML is a Non-Banking Finance Company, licensed by the Securities and Exchange Commission of Pakistan to manage open and closed end funds. PIML is currently managing seven open end schemes with assets under management of PKR 8.8bln at end-Sept16.

The CEO, Mr. Ahmed Ateeq, has been associated with the asset management industry for more than a decade. The Fund Manager, Khawar Salman, has a cumulative working experience of more than 16year.

### Applicable Criteria and Related Research

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

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