

ASSET MANAGEMENT INDUSTRY

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December 2018

Assets Under Management

(Amounts in PKR bln)

	Oct'18	Jun'18*	Jun'17*	Jun'16*	Jun'15*
Open-end	601.7	561.5	560.3	425.9	379.1
Voluntary Pension	27.1	26.1	25.2	18.8	13.6
Close-end	1.5	1.5	1.9	1.7	1.7
Total	630.3	589.1	587.4	446.4	394.4
Growth (%)	7.0	0.3	31.6	13.2	4.5

	Oct'18	Dec'17*	Dec'16*	Dec'15*	Dec'14*
Open-end	601.7	536.9	562.7	421.7	404.7
Voluntary Pension	27.1	23.6	22.4	15.3	10.0
Close-end	1.5	1.5	2.1	1.6	1.9
Total	630.3	562.0	587.2	438.6	416.6
Growth (%)	12.2	(4.3)	33.9	5.3	16.2

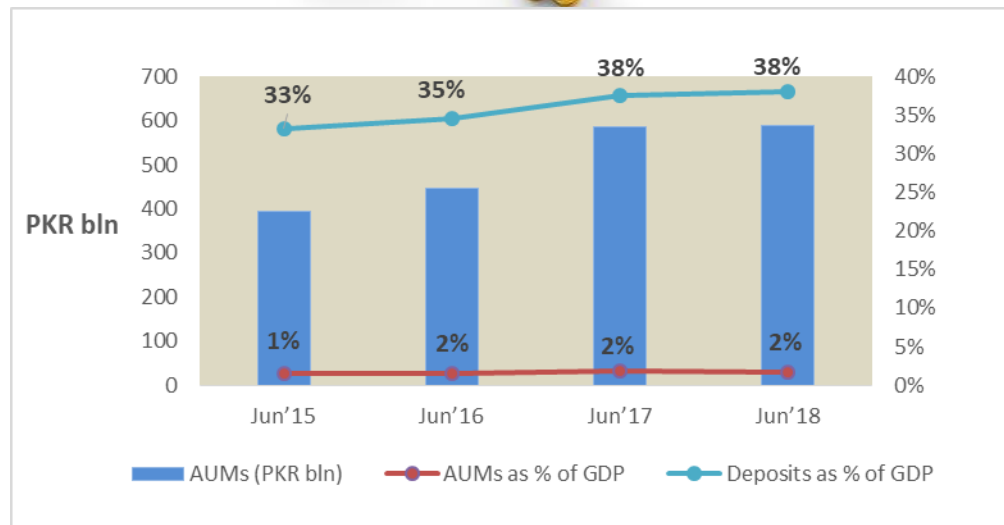
**does not include the AUMs of PICIC growth and investment funds*

AUMs v/s Deposits

	Jun'18	Jun'17	Jun'16	Jun'15
AUMs (PKR bln)	589	587	446	394
Total Deposits (PKR bln)	13,063	11,987	10,060	9,141
GDP (PKR bln)	34,396	31,963	29,076	27,443

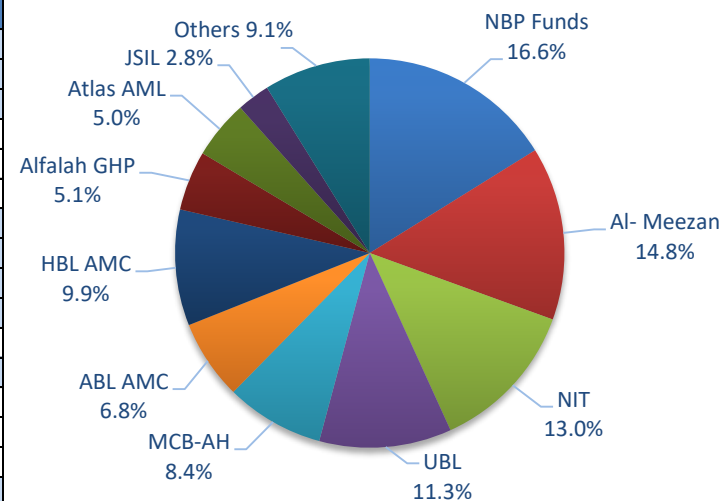


- AUMs as a percentage of GDP remained very low with no significant increase over the years
- Deposits as a percentage GDP is high
- Asset management industry lacks penetration as compared to banks
- Banks have higher geographical presence throughout the country

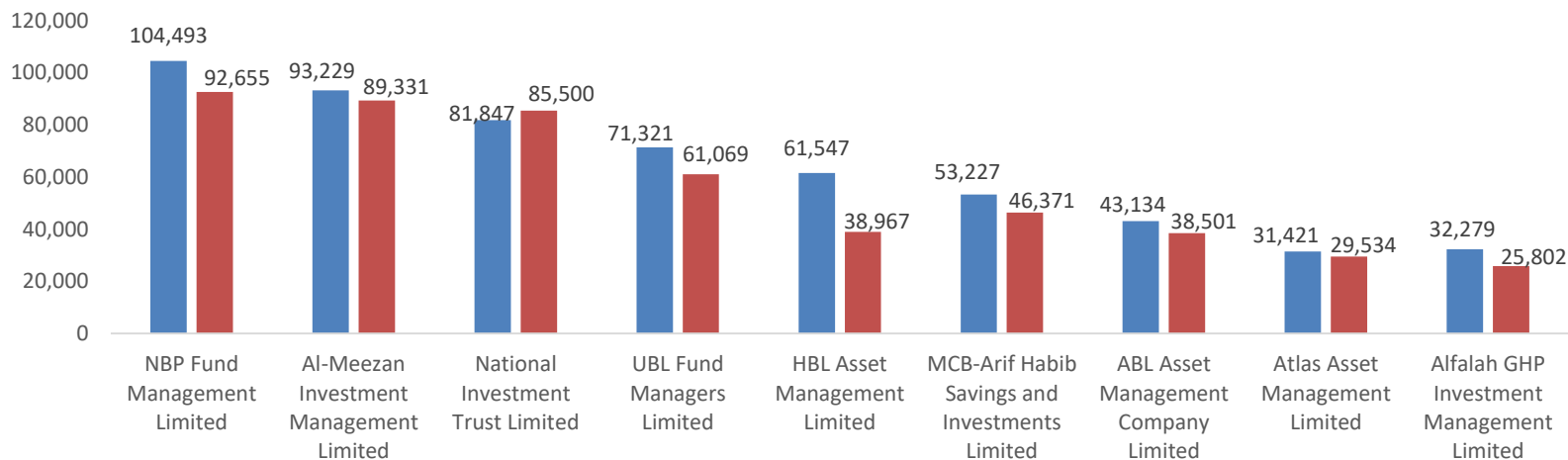


Market Share

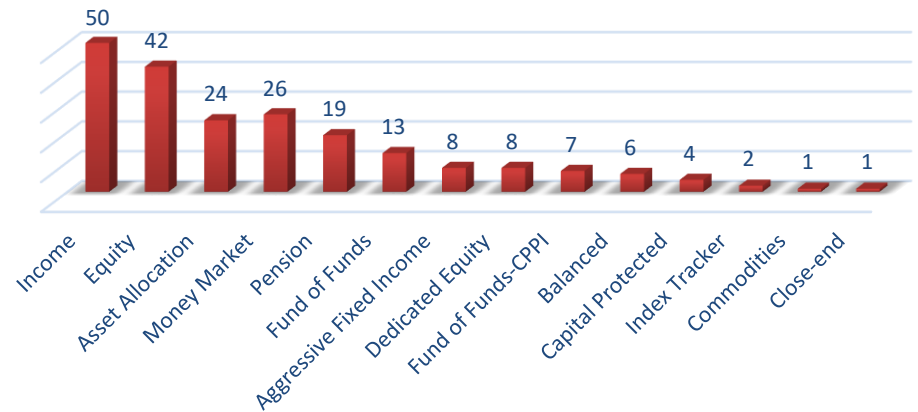
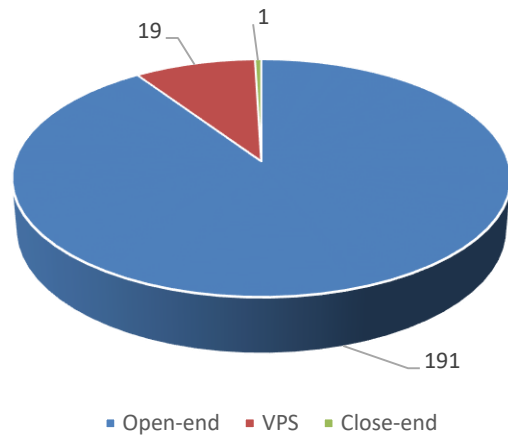
No.	AMC	Rating	Market Share (Oct'18)	AUMs (Oct'18) PKR mln	Market Share (June'18)	AUMs (Jun'18) PKR mln	Market Share (Dec'17)	AUMs (Dec'17) PKR mln
1	NBP Fund Management Limited	AM1	16.6%	104,493	16.8%	99,148	16.5%	92,655
2	Al-Meezan Investment Management Limited	AM1	14.8%	93,229	15.8%	93,208	15.9%	89,331
3	UBL Fund Managers Limited	AM1	11.3%	71,321	11.7%	68,965	10.9%	61,069
4	National Investment Trust Limited	AM2++	13.0%	81,847	14.8%	87,100	15.2%	85,500
5	MCB-Arif Habib Savings and Investments Limited	AM2++	8.4%	53,227	8.2%	48,488	8.3%	46,371
6	ABL Asset Management Company Limited	AM2++	6.8%	43,134	6.1%	36,165	6.9%	38,501
7	HBL Asset Management Limited	AM2+	9.9%	61,547	7.1%	41,962	6.9%	38,967
8	Atlas Asset Management Limited	AM2+	5.0%	31,421	5.2%	30,861	5.3%	29,534
9	Alfalalah GHP Investment Management Limited	AM2+	5.1%	32,279	4.4%	25,891	4.6%	25,802
10	Lakson Investments Limited	AM2+	2.1%	13,268	2.6%	15,365	3.0%	16,670
11	JS Investments Limited	AM2	2.8%	17,893	2.5%	14,932	2.1%	12,072
12	AKD Investment Management Limited	AM3++	0.9%	5,571	1.0%	5,794	1.0%	5,362
13	Pak Oman Asset Management Company Limited	AM3+	0.8%	5,131	0.9%	5,381	1.1%	6,167
14	Habib Asset Management Limited	AM3+	0.7%	4,503	0.7%	4,408	0.6%	3,223
15	AWT Investments Limited	AM3+	0.3%	1,665	0.4%	2,178	0.3%	1,700
16	Faysal Asset Management Limited	AM3	1.2%	7,634	1.3%	7,941	1.5%	8,179
17	BMA Asset Management Company Limited	AM3	0.2%	1,186	0.1%	684	0.1%	657
18	786 Investments Limited	AM3	0.1%	765	0.1%	598	0.0%	224
19	First Capital Investments Limited	AM4++	0.0%	167	0.0%	102	0.0%	162
	Total		100%	630,280	100%	589,171	100%	562,008



AUMs (PKR mln)

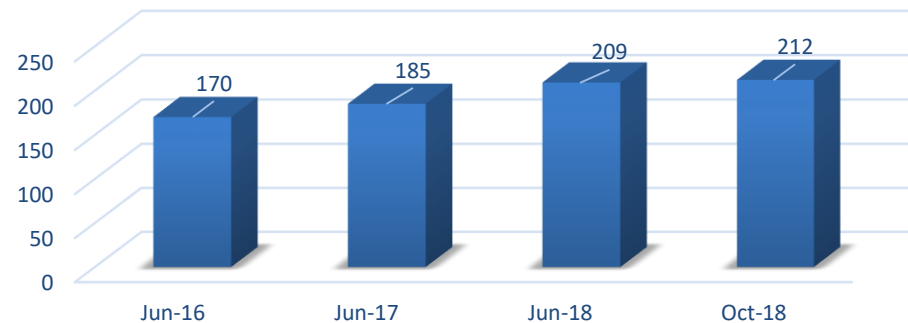


Number of Funds



- Increasing number of mutual funds
- Highest number of income funds followed by equity funds
- New mutual funds launched in CY18 to help increase AUM base
- Mutual funds product awareness through roadshows and seminars has increased number of retail investors

Number of Funds



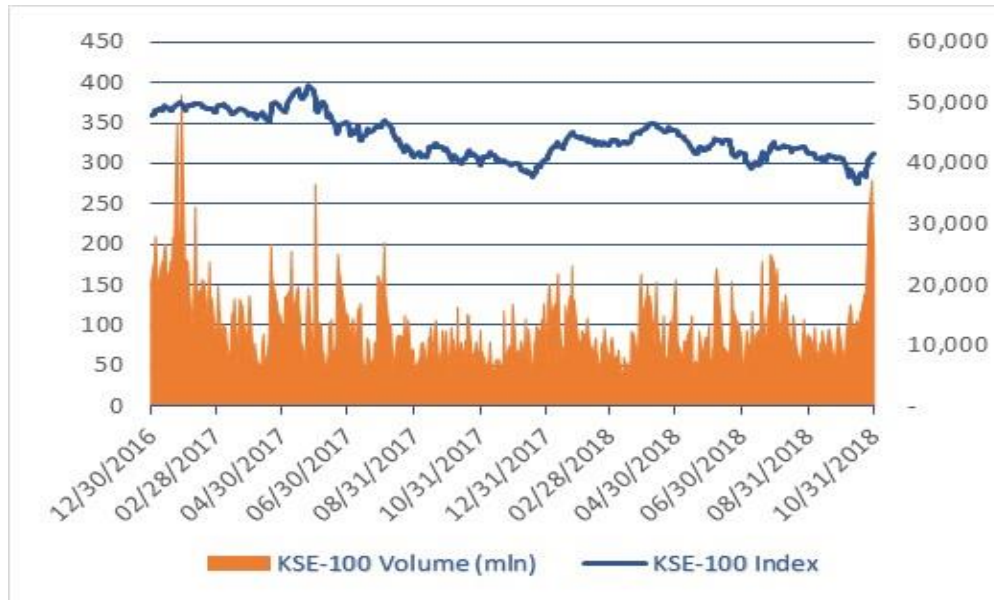
Number of Funds in Categories

Category	Oct'18	Jun'18	Dec'17	Jun'17	Dec'16
Income	29	29	29	29	29
Equity	25	23	22	22	22
Money Market	22	22	22	22	22
Asset Allocation	12	12	12	11	11
Aggressive Fixed Income	7	7	7	7	7
Balanced	5	5	6	6	6
Other Conventional funds	20	20	15	14	13
Shariah Compliant Income	21	20	18	14	17
Shariah Compliant Equity	17	17	16	16	16
Shariah Compliant Asset Allocation	12	12	11	10	10
Shariah Compliant Money Market	4	4	3	3	3
Other Shariah Compliant funds	38	38	28	27	24
<i>Total</i>	<i>212</i>	<i>209</i>	<i>189</i>	<i>185</i>	<i>180</i>

Category AUMs as a percentage of Industry AUMs

Category	Oct'18	Jun'18	Dec'17	Jun'17	Dec'16
Equity	25%	23%	24%	27%	27%
Money Market	24%	21%	17%	12%	11%
Income	8%	10%	12%	12%	16%
Aggressive Fixed Income	1%	1%	2%	2%	3%
Asset Allocation	2%	2%	2%	3%	3%
Balanced	1%	1%	1%	1%	1%
Other Conventional funds	5%	4%	3%	4%	4%
Shariah Compliant Equity	12%	13%	13%	16%	16%
Shariah Compliant Asset Allocation	4%	5%	5%	5%	3%
Shariah Compliant Income	4%	5%	6%	5%	7%
Shariah Compliant Money Market	2%	2%	2%	1%	1%
Other Shariah Compliant funds	12%	13%	13%	12%	8%
Total	100%	100%	100%	100%	100%

KSE-100 Index



- KSE-100 index ended FY18 on a bearish note due to contradicting economic indicators, persistent political noise and continuous sell-off by foreign investors
- After general elections in July 2018, the new government took almost two months to provide clarity on measures to reduce twin deficits. In response, KSE-100 witnessed continuous selling and posted a low of 36,663 index points in Oct-18 and negative return of ~3% in 1QFY19
- Rupee devaluation, falling central bank reserves and rising oil prices took a toll on economic growth causing concern among investors
- Twin deficits and debt repayments led to the steep slide in falling foreign exchange reserves which created a negative impact

Returns

1-Year (FY18)	3-Years (FY)	5-Years (FY)
-10%	22%	100%

1QFY19	FY18	FY17	FY16	FY15
-3%	-10%	23%	8%	16%

10MCY18	1HCY18	CY17	CY16	CY15	CY14	CY13
3%	4%	-15%	46%	2%	26%	49%

Investment Portfolio

	1QFY19				FY18				FY17			
Participants	Gross Buy (mln)	Gross Sell (mln)	Net Buy / (Sell) (mln)	Net Buy / (Sell) USD (mln)	Gross Buy (mln)	Gross Sell (mln)	Net Buy / (Sell) (mln)	Net Buy / (Sell) USD (mln)	Gross Buy (mln)	Gross Sell (mln)	Net Buy / (Sell) (mln)	Net Buy / (Sell) USD (mln)
Individuals	357,966	346,397	11,569	97	1,723,841	1,723,261	580	5	2,918,454	2,923,979	(5,526)	(53)
Companies	24,839	23,026	1,813	16	154,098	143,245	10,853	100	194,499	181,145	13,354	127
Banks / DFI	17,842	18,397	(555)	(4)	86,293	87,432	(1,139)	(10)	161,052	180,701	(19,648)	(187)
NBFC	1,161	1,420	(259)	(2)	4,718	5,625	(907)	(8)	9,586	10,217	(631)	(6)
Mutual Funds	37,913	40,596	(2,683)	(24)	183,247	186,797	(3,550)	(35)	328,464	268,004	60,460	576
Other Organizations	8,621	6,102	2,519	21	44,565	36,018	8,547	78	45,261	47,305	(2,043)	(19)
Broker Proprietary Trading	101,446	103,465	(2,019)	(17)	437,845	442,697	(4,852)	(44)	638,919	639,544	(626)	(6)
Insurance Companies	24,882	12,763	12,119	102	102,656	79,839	22,817	204	79,198	56,055	23,142	220
LIPI NET	574,671	552,166	22,505	189	2,737,263	2,704,914	32,349	290	4,375,433	4,306,950	68,483	652
FIPI NET	45,721	(68,226)	(22,505)	(189)	287,435	(319,765)	(32,330)	(289)	488,115	(556,584)	(68,470)	(652)

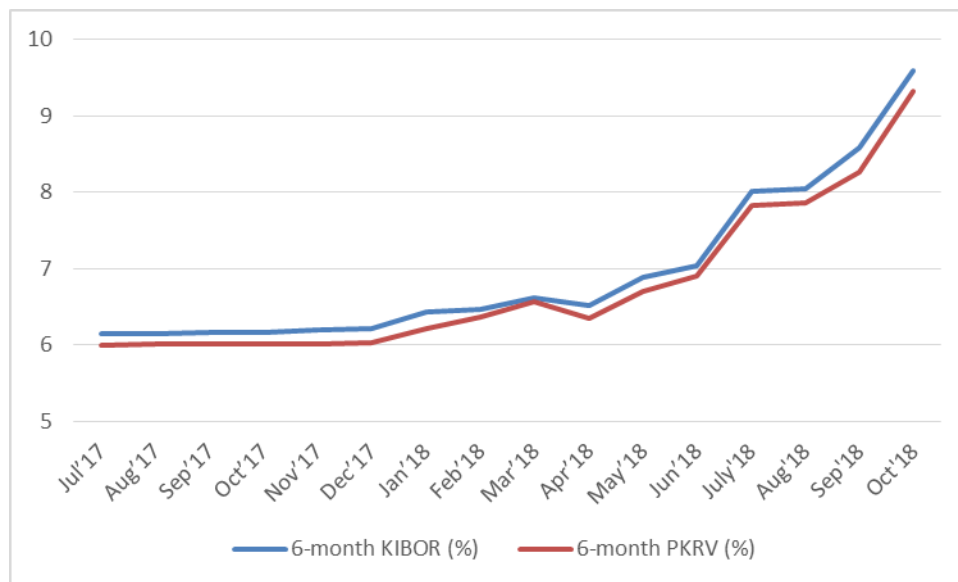
- During 1QFY19 and FY18, mutual funds were net sellers of USD 24 million and USD 35 respectively
- Net selling by mutual funds is owed to the lacklustre performance of the equity market

Market Treasury Bills

Auction Month	Total Realized Amount (PKR bln)	Total Outstanding Amount (PKR bln)	Weighted Average Yield (%)			Monetary Policy Rate (%)
			3-Month	6-Month	12-Month	
Jan-18	2,713	4,316	6.06	-	-	6.00
Feb-18	1,374	4,965	6.22	-	-	6.00
Mar-18	73	4,025	6.26	-	-	6.00
Apr-18	3,374	5,133	6.23	6.35	-	6.00
May-18	506	4,082	6.26	6.35	-	6.50
Jun-18	1,370	5,295	6.74	6.83	-	6.50
Jul-18	3,533	5,503	7.24	7.85	-	7.50
Aug-18	1,032	4,701	7.74	-	-	7.50
Sep-18	41	4,325	7.75	-	-	8.50
Oct-18	3,258	3,403	8.77	8.82	-	8.50
Nov-18	19	-	8.80	-	-	10.00

- No interest in 12-month and partial interest in 6-month T-bills
- High interest in 3-month T-bills due to anticipation of higher policy rates on account of rising current account deficit and higher inflation

Money Market Review



	Jul'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	July'18	Aug'18	Sep'18	Oct'18
6-month KIBOR (%)	6.15	6.15	6.16	6.17	6.19	6.21	6.43	6.46	6.61	6.51	6.89	7.04	8.02	8.05	8.59	9.59
6-month PKRV (%)	6.00	6.01	6.01	6.01	6.01	6.02	6.22	6.36	6.57	6.35	6.70	6.90	7.82	7.86	8.26	9.32

Pakistan Investment Bonds

Auction Settlement Month	Total Outstanding Amount (PKR bln)	Maturity Period	Total Realized Amount (PKR bln)	Coupon Rate (%)	Weighted Average Yield (%)
Jan-18	3,851	3 years	-	7.00	-
		5 years	-	7.75	-
		10 years	-	8.75	-
Feb-18	3,851	3 years	-	7.00	-
		5 years	-	7.75	-
		10 years	-	8.75	-
Mar-18	3,324	3 years	-	7.00	-
		5 years	-	7.75	-
		10 years	-	8.75	-
Apr-18	3,360	3 years	7.62	7.00	7.16
		5 years	2.36	7.75	8.03
		10 years	25.46	8.75	8.50
May-18	3,394	3 years	4.25	7.00	7.20
		5 years	1.88	7.75	8.03
		10 years	0.73	8.75	8.47
Jun-18	3,413	3 years	2.67	7.00	7.47
		5 years	0.54	7.75	8.48
		10 years	0.60	8.75	8.70
Jul-18	2,987	3 years	-	7.25	-
		5 years	-	8.00	-
		10 years	-	8.75	-
Aug-18	3,076	3 years	-	7.25	-
		5 years	15.92	8.00	9.25
		10 years	-	8.75	-
Sep-18	3,081	3 years	-	7.25	-
		5 years	4.67	8.00	9.25
		10 years	-	8.75	-
Oct-18	3,081	3 years	-	7.25	-
		5 years	-	8.00	-
		10 years	-	8.75	-
Nov-18	-	3 years	-	7.25	-
		5 years	-	8.00	-
		10 years	-	8.75	-

Bibliography

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Analysts	Shahzaib Khalid Supervising Senior +92 42 3586 9504 shahzaib.khalid@pacra.com	Masooma Zahid Associate Analyst +92 42 3586 9504 masooma.zahid@pacra.com
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