



Rating Action

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PACRA UPGRADES STABILITY RATING OF ATLAS MONEY MARKET FUND

The Pakistan Credit Rating Agency (PACRA) has upgraded stability rating of Atlas Money Market Fund (AMF) to ‘AA+(f) (Double A Plus – fund rating) [Previous rating: “AA(f)” (Double A – fund rating)], an open-end money market fund. The fund’s rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

The primary investment objective of the fund is to provide investors with high and stable rate of current income by investing in a diversified portfolio of T-Bills, money market placements and deposits with scheduled banks, including investments outside Pakistan. The rating reflects strong credit quality of the fund’s assets and a strong liquidity profile. At the same time, the rating incorporates fund’s very low exposure to interest rate volatility. The fund’s very low risk emanates from its investment policy of maintaining more than 85% of the fund’s net assets in short term government securities with a duration of less than 60 days. For rest of the assets, a major portion would be in the form of term deposits with banks rated ‘AA’ and above. In a short span, AMF witnessed a significant increase in its size to reach 2.1bln at end-Nov10 with a diversified unit holding pattern.

The investment policy would strive to maintain weighted average maturity of net assets below 60 days, with no security having a maturity of more than 180 days. The main factor affecting the stability of fund could be significant change in asset mix in favor of non-government securities, increasing the credit and liquidity risks.

About the Management Company: Atlas Asset Management Limited (AAML), incorporated in August 2002, is majority owned (88%) by 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 the AMF and has been rated ‘AM3+’ by PACRA. AAML is currently managing eight open, close end mutual and pension funds with aggregate AUM of around PKR 5bln as at end Nov10. The management team of AAML consists of well qualified and experienced personnel. Mr. M. Habib-Ur-Rahman, FCA, the CEO of Atlas, holds a charter from ICAEW and is a Harvard Alumni with vast experience in the capital markets, besides having extensive knowledge of the asset management industry. Mr. Abdul Samad, the CIO of AAML, who is also the Fund Manager of AMF, has extensive experience in the Asset Management industry.

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