



Rating Action

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PACRA UPGRADES STABILITY RATING OF MCB CASH MANAGEMENT OPTIMIZER FUND

The Pakistan Credit Rating Agency (PACRA) has upgraded stability rating of MCB Cash Management Optimizer Fund (CMOP) 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 objective of the fund is to provide investors with high and stable rate of return by investing in a diversified portfolio of T-Bills, money market placements and deposits with scheduled banks. The rating reflects fund’s strong credit quality, sound liquidity profile, and low exposure to interest rate volatility. The sound credit and liquidity profile of the fund emanates largely from fund’s investment of more than 70% in short term government securities with average maturity of less than 60 days at end-Jan11. The remaining funds are invested in a combination of money-market instruments and deposits with scheduled banks rated ‘AA’ and above. In a short span, CMOP witnessed a significant increase in its size to reach 10bln at end-Jan11 with a adequately diversified unit holding pattern.

Going forward, the fund will remain invested more than 70% in T-bills with weighted average maturity of less than 90 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: MCB Asset Management Company Limited (MCB AMC), a wholly owned subsidiary of MCB Bank Limited (MCB) rated AA+ by PACRA, commenced operations in Feb06. MCB is the fourth largest bank in Pakistan in terms of asset size. Nishat Group, the major shareholder in MCB, is one of the distinguished business groups in Pakistan.

MCB AMC is the management company for CMOP. PACRA has lately assigned “Positive Outlook” to the asset manager rating of “AM2-“of MCB AMC. The AMC is currently managing five open-end funds with aggregate AUM of around PKR 16.7bln as at end-Jan11.

The management team of MCB AMC consists of well qualified and experienced personnel. Mr. Yasir Qadri, the CEO MCB AMC, has extensive experience in the asset management industry. The Fund Manager of CMOP, Mr. Kashif Rafi, MBA, has broad experience in managing money market portfolios.

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