

## Sixth Sense Update

**Iffat Ibrahim**

iffat.ibrahim@bmafs.com

**Faisal Zahid**

faisal.zahid@bmafs.com

### INDUSTRY UPDATE: CASH FUNDS RISE AS OTHERS FALL

The mutual fund industry for the month of May witnessed a 7% decline in AUM from PKR186bn to PKR172bn, attributable almost entirely to the reduction in Equity and Income Fund category. Equity Funds decreased by 20% from PKR47.4bn to 37.9bn in May10, as NIT made the final disbursement of its LOC units and KSE100 index declined during the month.

Cash Funds was the only category to post AUM growth as it increased by 12% from PKR26.7bn to PKR29.9bn. The increase in AUM for the category can be largely attributed to the introduction of IGI MMF and a 30% rise of UBL LPF from PKR6.5bn to PKR8.5bn in May10. Most funds in this category witnessed double digit percentage gains in AUM, apart from MEEZAN CF and MCB CMOP which saw a 4% and 9% decline in May10.

Among the ten largest asset management companies, IGI Asset Management posted the largest MoM increase in AUM of 13% from PKR4.2bn to PKR4.7bn. This increase was largely due to the introduction of the Money Market Fund. Other AMCs to increase their AUM over the month were UBL, FAYSAL, BMA and ASKARI, which increased by PKR757mn, PKR120mn, PKR98mn and PKR73mn respectively.

#### AMC AUM Analysis

S.#	Fund Manager	AUM (PKR mn)			
		May-10	Apr-10	MoM %	YTD %
1	NIT	36,005	44,355	-19%	-28%
2	UBL Funds	19,601	18,844	4%	-7%
3	Meezan	14,146	15,080	-6%	64%
4	MCB	14,003	15,270	-8%	29%
5	NAFA	13,891	14,349	-3%	-3%
6	ABL	11,753	12,798	-8%	71%
7	AHI	11,323	11,695	-3%	30%
8	JS	10,577	12,312	-14%	-15%
9	FAYSAL	8,034	7,914	2%	3%
10	IGI	4,726	4,189	13%	198%
11	Others	28,774	28,939	-1%	7%
<b>Total</b>		<b>172,295</b>	<b>185,745</b>	<b>-7%</b>	<b>2%</b>

AUM do not include Close End and Pension Funds  
 Source: Sixth Sense Research, Fund Manager Reports

For the month of May, **Equity Fund** AUM fell by 20% from PKR47.4bn to PKR37.9bn. NIT gave one last blow to equity fund AUM with a final redistribution of the NIT (LOC) fund. Not counting the NIT(LOC) redistribution, Equity Fund AUM have fallen across the board by an average of 13%.

Following the trend of falling AUM, **Income Funds** fell by 6% from PKR64.5bn to PKR60.5bn. Similar to the previous months, changes in AUM were largely skewed,

## Sixth Sense Update

where ASKARI IF witnessed the largest AUM increase of 14% while JS IF AUM decreased by 58%.

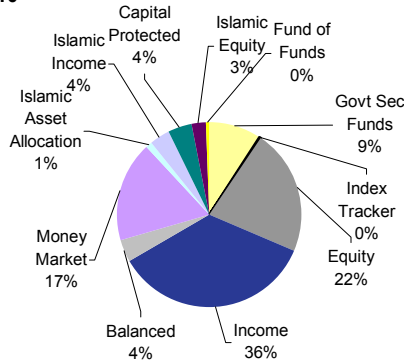
**Islamic Income Funds** AUM also decreased 4% MoM from PKR6.8bn to PKR6.5bn in May10. Most funds suffered from falling AUM with the exception of the Pak Oman AIIF and Atlas IIF which witnessed minimal increases of 2% and 1% respectively.

**Cash Funds**, the only mutual fund category to witness an increase this month grew by 12%, from PKR26.7bn to PKR29.9bn. JS CF, launched last month witnessed the largest increase in AUM of 82% from PKR0.8bn to PKR1.4bn. New fund introduced this month was the IGI Money Market Fund.

**Government Securities Funds** fell this May by 4% from PKR16.7bn to 15.9bn. This category can be divided into government security cash and government security income funds, where the two declined by 3% and 7%, respectively.

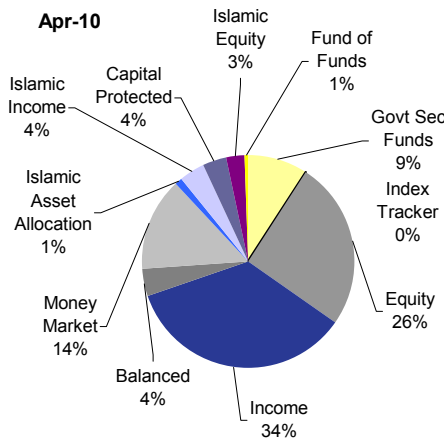
Mar10 AUM by Category

May-10



Feb10 AUM by Category

Apr-10



Number of Funds

Fund Category	May10	Apr10
Govt Sec Funds	5	5
Index Tracker	2	2
Equity	15	15
Income	26	26
Balanced & Asset Allocation	12	12
Money Market	10	9
Islamic Asset Allocation	7	7
Islamic Income	9	9
Capital Protected	8	8
Islamic Equity	3	3
Fund of Funds	1	1
<b>Total</b>	<b>98</b>	<b>97</b>

Source: Sixth Sense Research

## Sixth Sense Update

### DISCLAIMER

- All investments in Mutual Funds are subject to market risk. The NAV based prices of units, dividends, and returns are dependent on forces and factors affecting in the capital markets and as such these may go up or down on market conditions. BMA Financial Services Limited, its sponsors, partners, directors, affiliates or any group company neither take any responsibility nor guarantee results and performance for the third party investment products being offered through BMA Financial Services Limited. Past performance is not necessarily indicative of future results. Investors are advised to read the relevant sections of the respective Trust Deeds and Offering Documents.
- All information contained in this publication has been researched and compiled from sources believed to be accurate and reliable at the time of publishing. All such information and opinions are subject to change without notice. All information is provided without warranty and BMA Financial Services Limited makes no representation of any kind as to the accuracy or completeness of any information hereto contained.
- This is not an offer to buy or sell the investments referred to in this document. This document may not be reproduced, distributed or published for any purposes.
- BMA Financial Services Limited, its directors, officers, employees, group companies, affiliates, or sponsors may also have a position or be otherwise interested in the investments referred to in this document.
- For further queries and/or suggestions, please contact [research@bmafs.com](mailto:research@bmafs.com)