

Asset Management

Sector Study

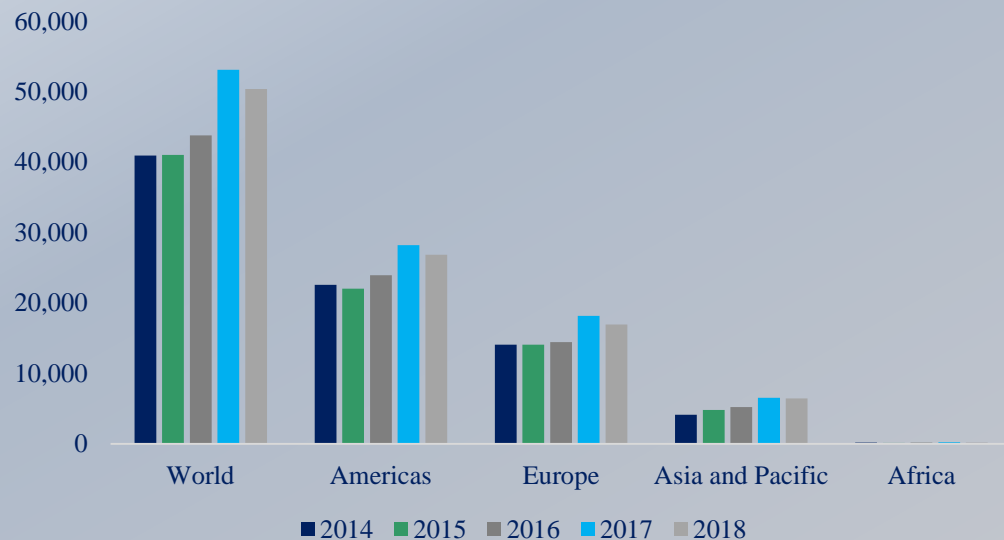


Table of Contents

Page 1-4 Global Dynamics 01	Page 5 Economy Review 02	Page 6-7 Industry Snapshot 03	Page 8-11 Funds & Categories 04	Page 12-13 Investment Avenues 05	Page 14 Money Market Review 06
---	--	---	---	--	--

Global AUM (Open End)

USD bln	2014	2015	2016	2017	2018
World	40,933	41,009	43,797	53,111	50,367
Americas	22,563	22,024	23,949	28,194	26,816
Europe	14,065	14,054	14,459	18,175	16,913
Asia and Pacific	4,134	4,786	5,217	6,528	6,455
Africa	171	145	172	214	182



- Global asset management industry is in a period of rapid change, driven by shifting investor preferences, margin compression, regulatory developments, and advancing technologies.
- Global asset management industry enjoyed strongest growth in 2017, fueled by bull markets and high net inflows

World AUM as % of GDP

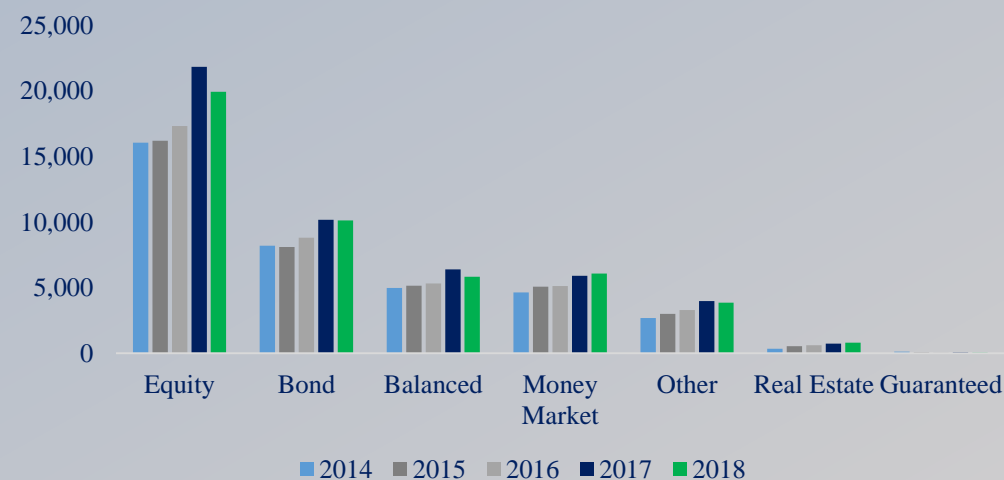
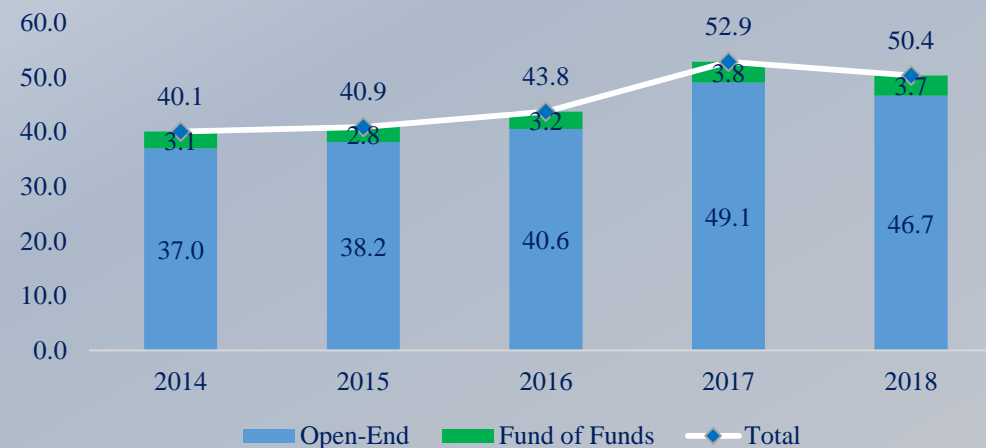
USD bln	2014	2015	2016	2017	2018
AUM	40,933	41,009	43,797	53,111	50,367
GDP	78,832	74,602	75,653	80,051	84,835
AUM as % of GDP	52%	55%	58%	66%	59%



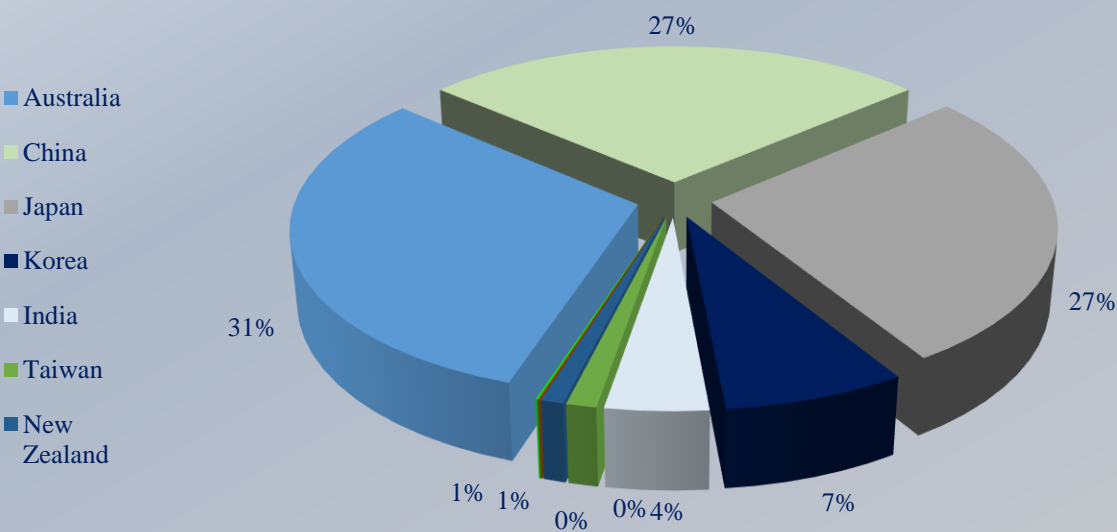
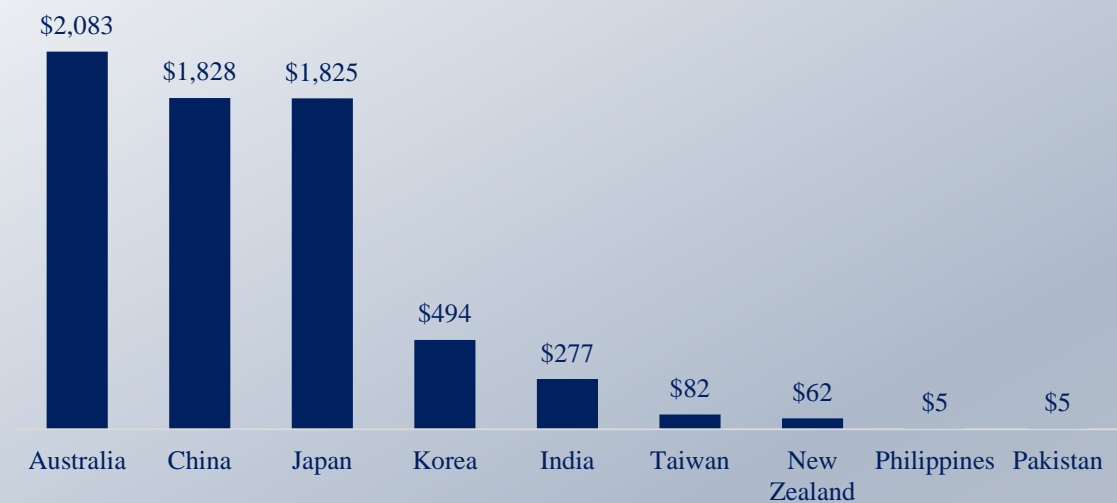
Global AUM (Categories)

USD bln	2014	2015	2016	2017	2018
Equity	16,054	16,187	17,326	21,826	19,922
Bond	8,205	8,111	8,797	10,183	10,136
Balanced	4,971	5,162	5,323	6,398	5,844
Money Market	4,639	5,072	5,135	5,900	6,076
Other	2,688	3,017	3,302	3,978	3,861
Real Estate	336	532	607	747	805
Guaranteed	118	74	66	67	55
Total	37,011	38,155	40,556	49,099	46,699

USD bln	2014	2015	2016	2017	2018
Equity	43%	42%	43%	44%	43%
Bond	22%	21%	22%	21%	22%
Balanced	13%	14%	13%	13%	13%
Money Market	13%	13%	13%	12%	13%
Other	7%	8%	8%	8%	8%
Real Estate	1%	1%	1%	2%	2%
Guaranteed	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%

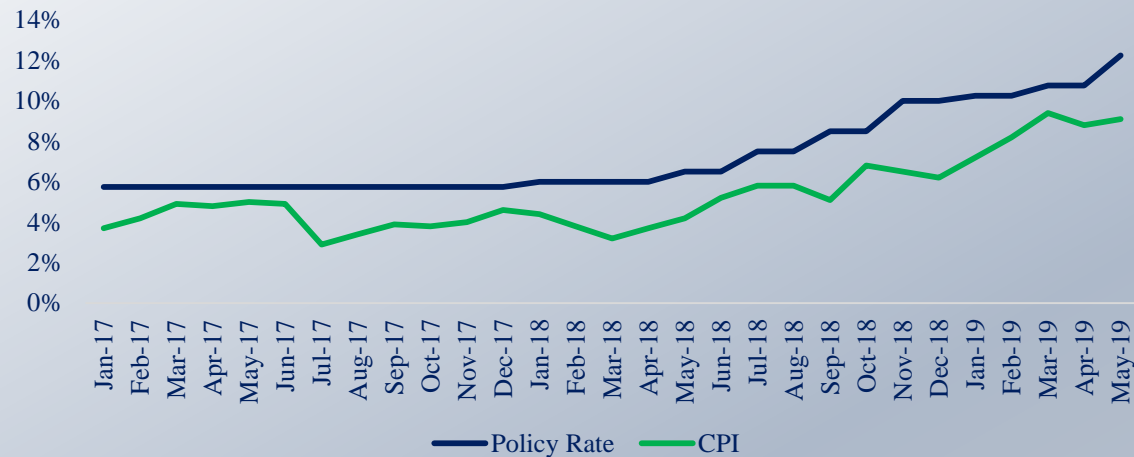


Asia Pacific AUM (USD bln) 2018

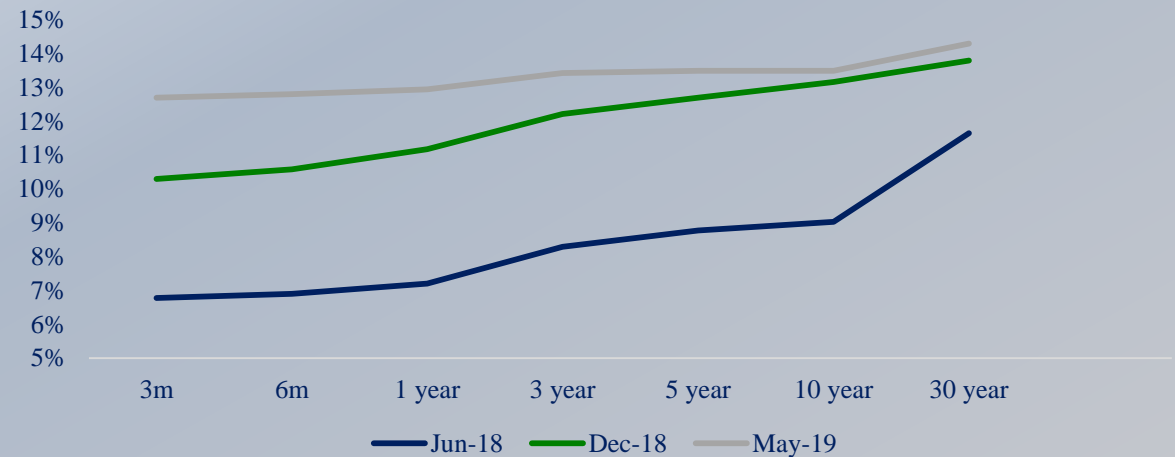


Economy Review

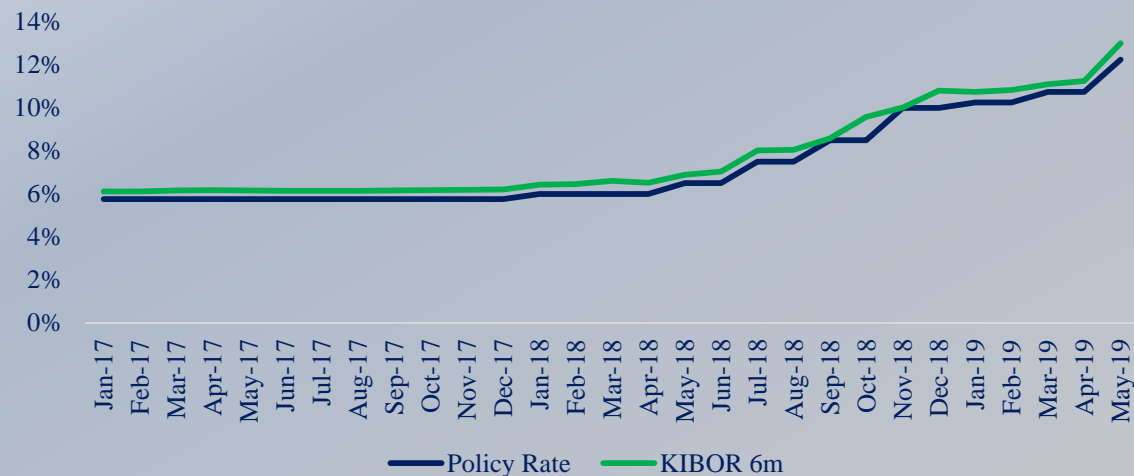
Policy Rate vs CPI



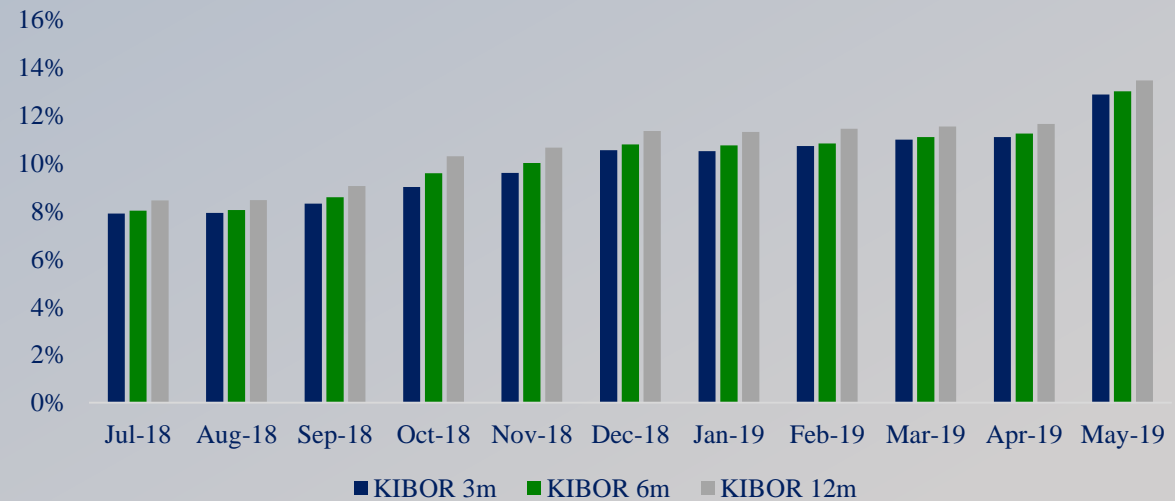
Yield Curves (PKRV)



Policy Rate vs KIBOR 6m



KIBOR



Assets Under Management

PKR bln	Jun-15	Jun-16	Jun-17	Jun-18	Apr-19
Open-end	401	449	580	580	556
Voluntary Pension	13	19	25	26	26
Close-end	2	2	2	2	1
Total	416	470	607	608	583
Growth (%)	4	13	29	0.2	(4)

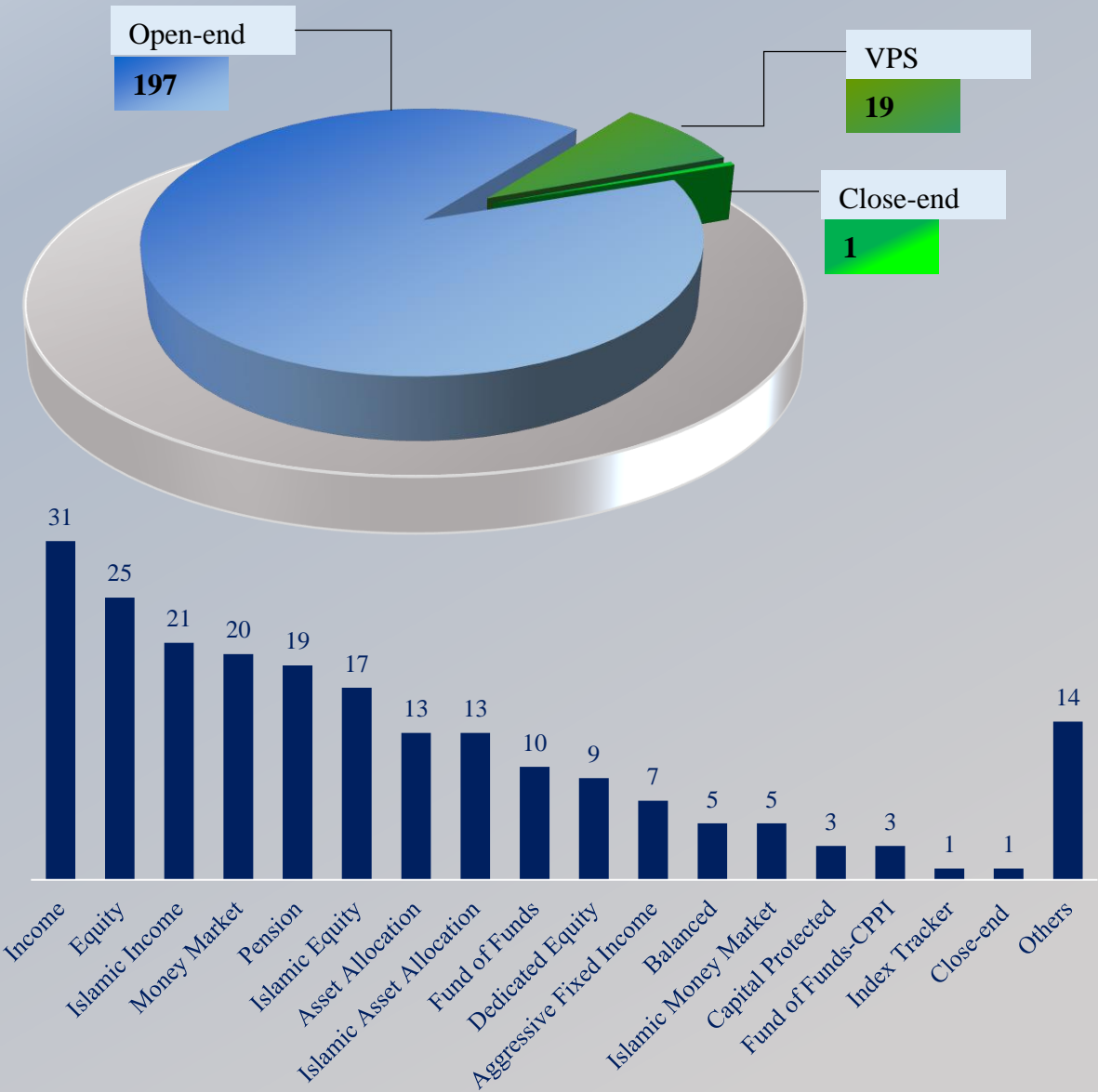


Market Share

	AMC	Rating	Outlook	Market Share (Apr-19)	AUMs (Apr-19) PKR mln	Market Share (Dec-18)	AUMs (Dec-18) PKR mln
1	Al-Meezan Investment Management Limited	AM1	Negative	16.3%	94,991	15.2%	88,007
2	NBP Fund Management Limited	AM1	Stable	15.7%	91,897	15.4%	89,073
3	UBL Fund Managers Limited	AM1	Stable	10.8%	63,003	10.8%	62,309
4	National Investment Trust Limited	AM2++	Stable	12.3%	71,728	13.1%	75,936
5	MCB-Arif Habib Savings and Investments Limited	AM2++	Positive	8.5%	49,683	8.1%	47,164
6	ABL Asset Management Limited	AM2++	Stable	6.3%	36,810	6.8%	39,466
7	HBL Asset Management Limited	AM2+	Positive	8.6%	50,346	8.9%	51,806
8	Alfalalah GHP Investment Management Limited	AM2+	Stable	5.9%	34,484	5.4%	31,368
9	Atlas Asset Management Limited	AM2+	Stable	4.7%	27,516	5.0%	29,055
10	Lakson Investments Limited	AM2+	Stable	3.1%	18,037	3.4%	19,564
11	JS Investment Limited	AM2	Positive	3.2%	18,813	3.2%	18,534
12	AKD Investment Management Limited	AM3++	Stable	0.8%	4,694	0.9%	5,072
13	Pak Oman Asset Management	AM3+	Stable	0.7%	4,165	0.9%	5,074
14	Habib Asset Management Limited	AM3+	Stable	0.5%	3,110	0.7%	3,795
15	AWT Investment Management Limited	AM3+	Stable	0.3%	1,609	0.3%	1,692
16	Faysal Asset Management Limited	AM3	RW-Developing	1.9%	11,005	1.6%	9,345
17	BMA Asset Management Company Limited	AM3	Negative	0.1%	797	0.2%	1,266
18	786 Investments Limited	AM3	Stable	0.1%	697	0.1%	662
19	First Capital Investments Limited	AM4++	RW-Developing	0.0%	110	0.0%	134
				100%	583,495	100%	579,323

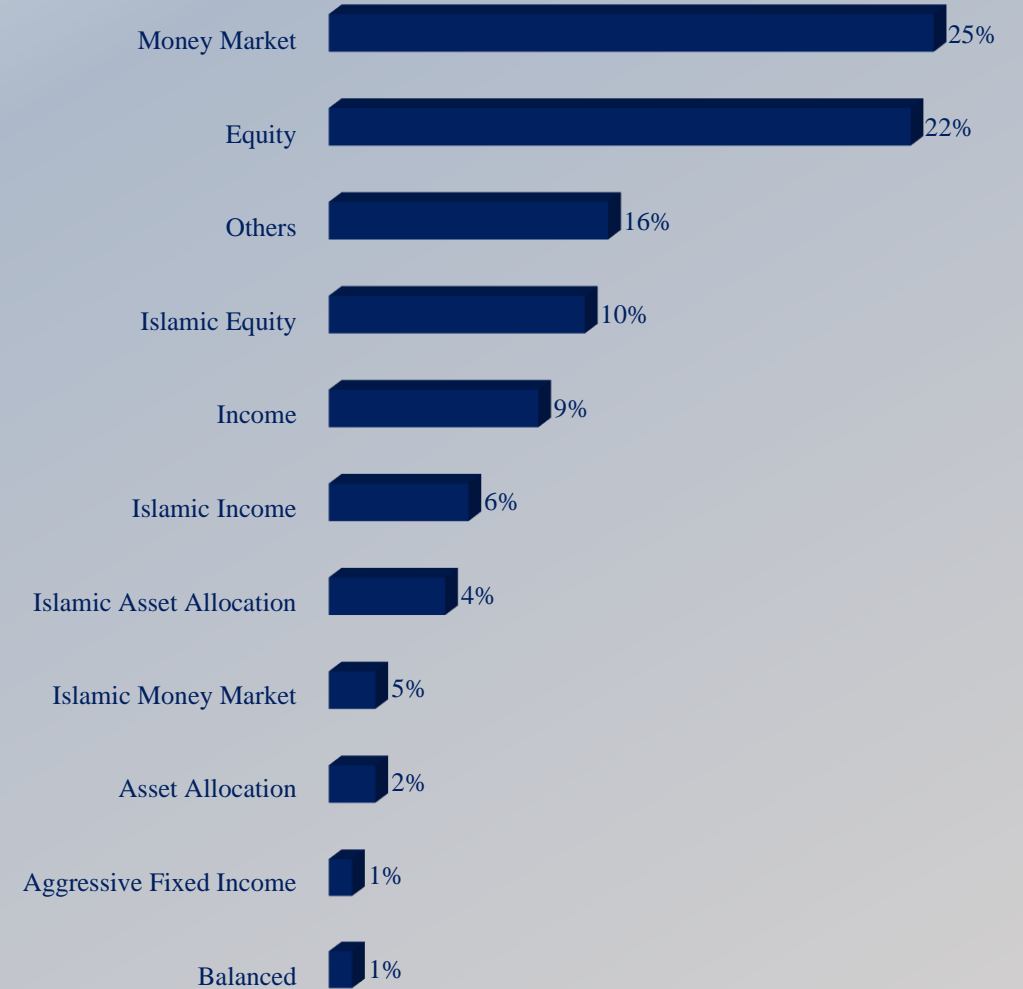
Funds

Category	Jun-17	Dec-17	Jun-18	Dec-18	Apr-19
Equity	23	21	23	25	25
Asset Allocation	11	12	12	13	13
Balanced	5	5	5	5	5
Islamic Equity	16	16	17	17	17
Islamic Asset Allocation	10	11	12	13	13
Income	29	29	30	30	31
Islamic Income	18	18	20	21	21
Aggressive Fixed Income	7	7	7	7	7
Money Market	22	22	20	20	20
Islamic Money Market	3	3	4	5	5
Others	41	45	58	60	60
Total	185	189	209	216	217

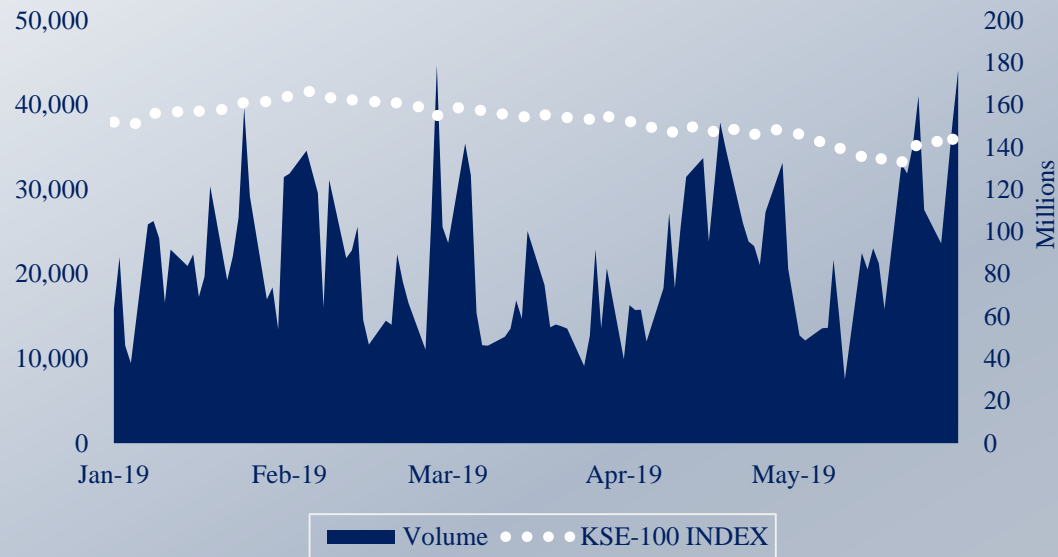


Category as % of Industry AUM

Category	Jun-17	Dec-17	Jun-18	Dec-18	Apr-19
Equity	27%	24%	23%	23%	22%
Asset Allocation	3%	2%	2%	2%	2%
Balanced	1%	1%	1%	1%	1%
Income	12%	12%	10%	8%	9%
Money Market	12%	17%	21%	25%	25%
Aggressive Fixed Income	2%	2%	1%	1%	1%
Islamic Equity	16%	13%	13%	11%	10%
Islamic Asset Allocation	5%	5%	5%	4%	4%
Islamic Income	5%	6%	5%	5%	6%
Islamic Money Market	1%	2%	2%	2%	5%
Others	16%	16%	17%	17%	16%
Total	100%	100%	100%	100%	100%



KSE-100 Performance



- During first five months of CY19, KSE-100 posted a negative return of ~3%.
- Trading activity remained low on the back of negative market sentiments due to uncertainty on market performance in the backdrop of an economic slowdown, rising interest rate environment and consistent drag on IMF front.
- Concerns on upcoming budgetary measures remained in limelight. The overall trading volumes in first five months of CY19 remained low, (5MCY19: 88mln, CY18: 97mln, CY17: 102mln) as compared to previous years. This put pressure on income of all brokerage entities.

	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Average Monthly Index	39,344	40,296	38,867	37,159	34,903
Average Monthly Volume	87	91	70	96	96

KSE-100 Returns

1-Year (CY18)	3-Years (CY)	5-Years (CY)
-8%	13%	47%

1HFY19	FY18	FY17	FY16	FY15
-12%	-10%	23%	8%	16%

CY18	CY17	CY16	CY15	CY14	CY13
-8%	-15%	46%	2%	26%	49%

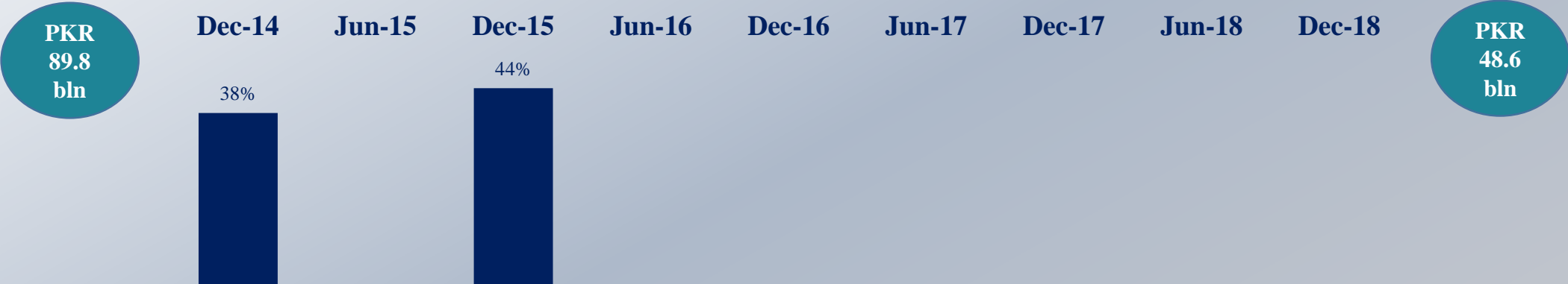
Dec'18	Nov'18	Oct'18	Sep'18	Aug'18	Jul'18	Jun'18	May'18	Apr'18	Mar'18	Feb'18	Jan'18
-8%	-3	2%	-2%	-2%	2%	-2%	-6%	0%	5%	-2%	9%

KSE-100 Average Traded Volumes

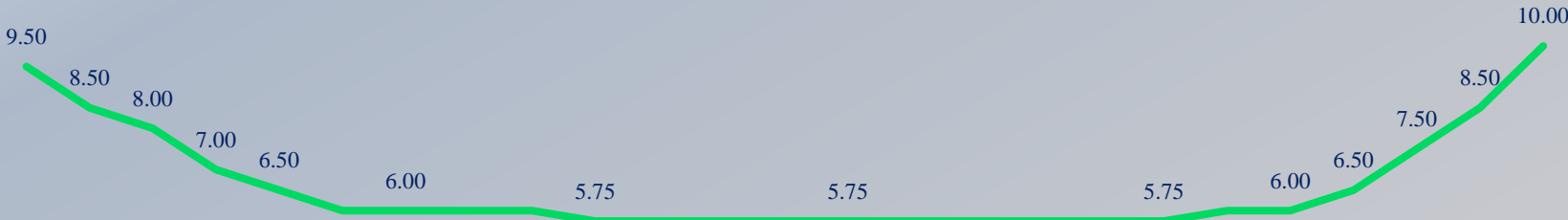
1HCY19	CY18	CY17	CY16
88 million	96 million	102 million	130 million

Net Movement in Income & Money Market

Income



Policy Rate



Money Market



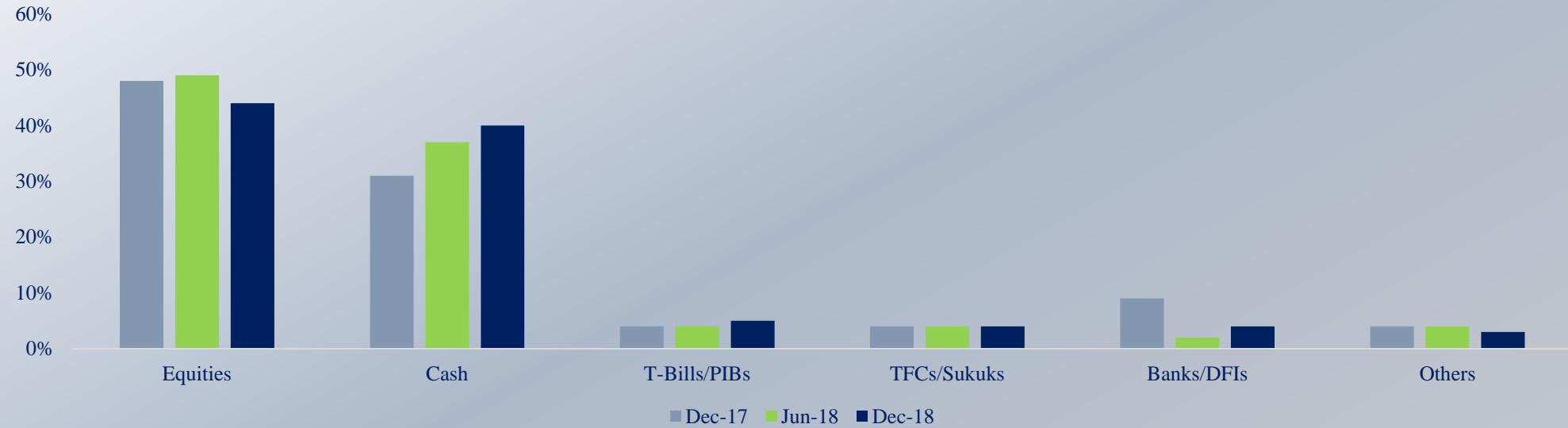
PKR
89.8
bln

PKR
48.6
bln

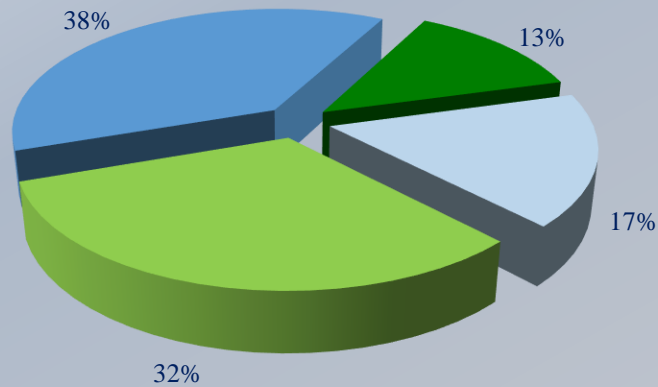
PKR
103.2
bln

PKR
143.8
bln

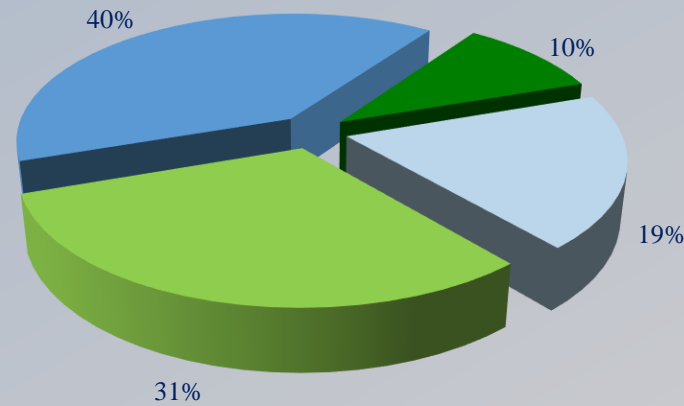
Asset Allocation & Unit Holding



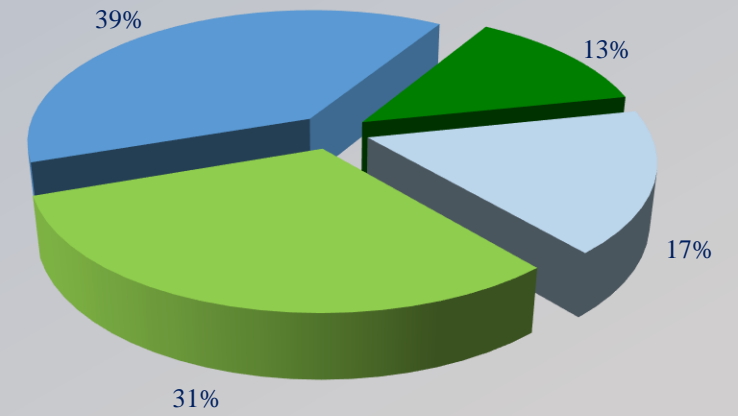
Dec-17



Jun-18



Dec-18



■ Individuals ■ Banks & FIs ■ Retirement funds ■ Others

Bibliography

- www.iifa.ca
- www.mufap.com.pk
- www.sbp.org.pk

Analysts	Shahzaib Khalid Supervising Senior +92 42 3586 9504 shahzaib.khalid@pacra.com	Muhammad Usman Senior Financial Analyst +92 42 3586 9504 muhammad.usman@pacra.com	Masooma Zahid Financial Analyst +92 42 3586 9504 masooma.zahid@pacra.com
-----------------	---	---	--

DISCLAIMER

PACRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. The information in this document may be copied or otherwise reproduced, in whole or in part, provided the source is duly acknowledged. The presentation should not be relied upon as professional advice.