

Asset Management

Sector Study



*Jun'20*

# Table of Contents

**Page 3-4**

**Global  
Dynamics**

**01**

**Page 5-7**

**Economy  
Review**

**02**

**Page 8-10**

**Industry  
Snapshot**

**03**

**Page 11-12**

**Funds &  
Categories**

**04**

**Page 13**

**Investment  
Avenues**

**05**

**Page 14**

**Category  
returns  
benchmark**

**06**

**Vs**



# Global AUM | Open End

USD bln (Excl.FoF)	2014	2015	2016	2017	2018	2019
Americas	20,077	19,533	21,093	24,898	23,640	28,641
Europe	13,804	13,731	14,117	17,722	16,478	18,808
Asia and Pacific	4,114	4,770	5,008	6,498	6,426	7,256
Africa	146	122	146	182	155	177
<b>World</b>	<b>38,142</b>	<b>38,156</b>	<b>40,364</b>	<b>49,300</b>	<b>46,699</b>	<b>54,882</b>

## Global AUMs | %age of GDP

USD bln	Americas	Europe	Australia	Japan	China	Korea	India	Philippines	Pakistan	Total
			Asia and Pacific							
AUMs	28,641	18,808	2,201	2,064	1,891	538	346	6	4	54,882
GDP (Dec'19)	26,991	20,926	1,450	5,110	14,200	1,690	2,800	356	320	86,599
% GDP	106%	90%	144%	39%	13%	30%	11%	1%	1%	63%

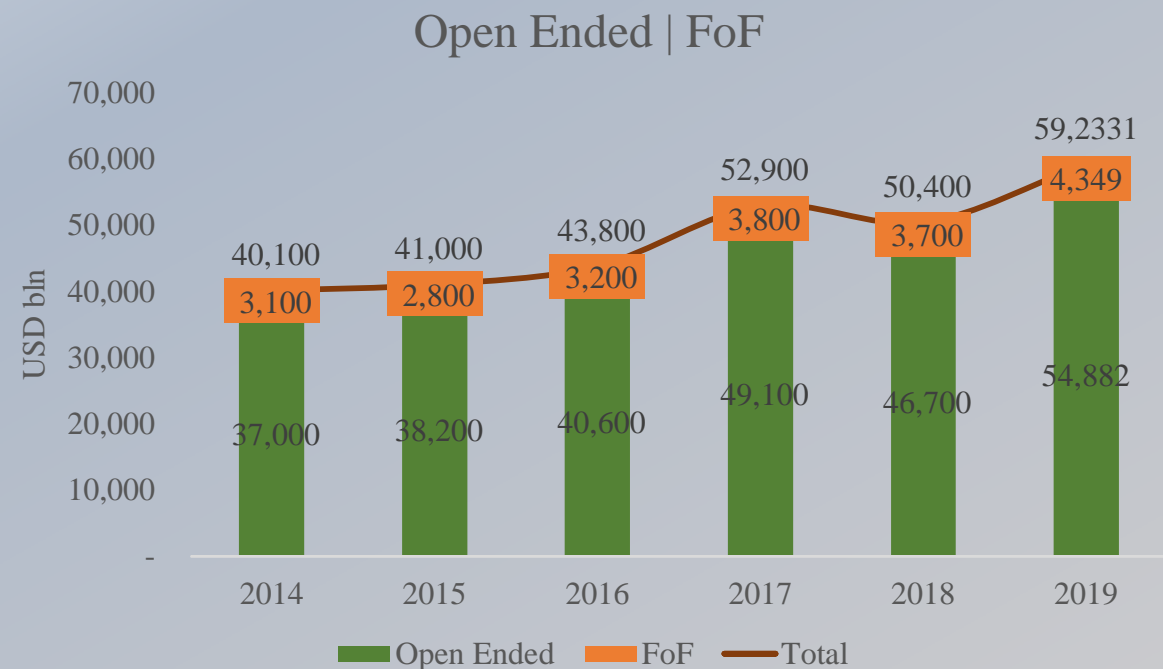
- All amounts are rounded to nearest dollars and percentage.
- The table AUMs as percentage of GDP is showing the major countries.



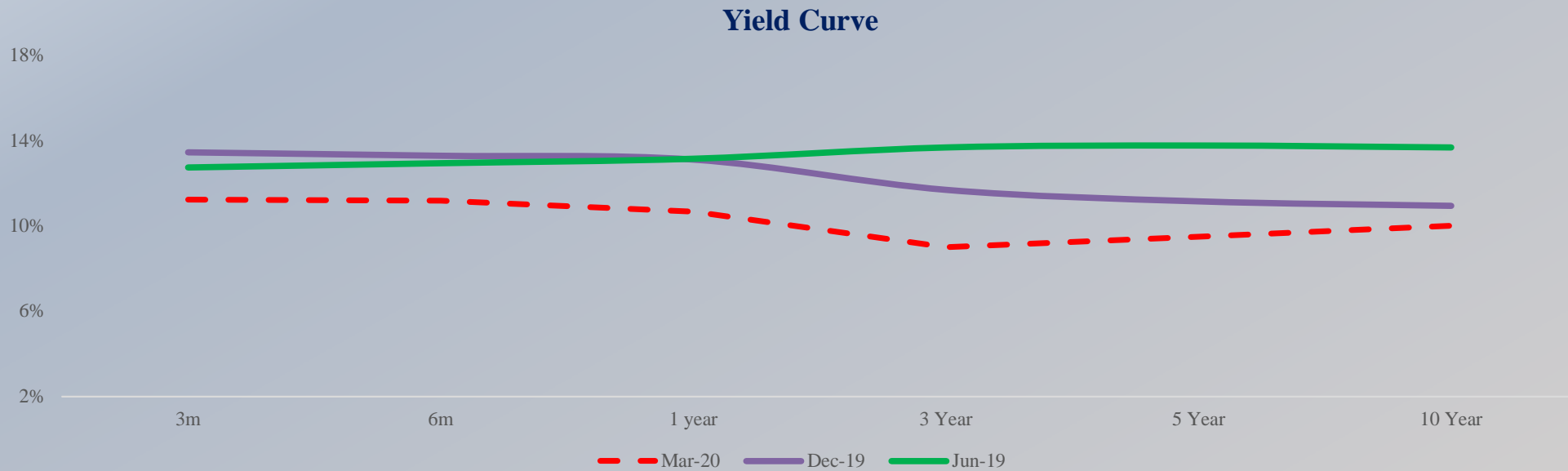
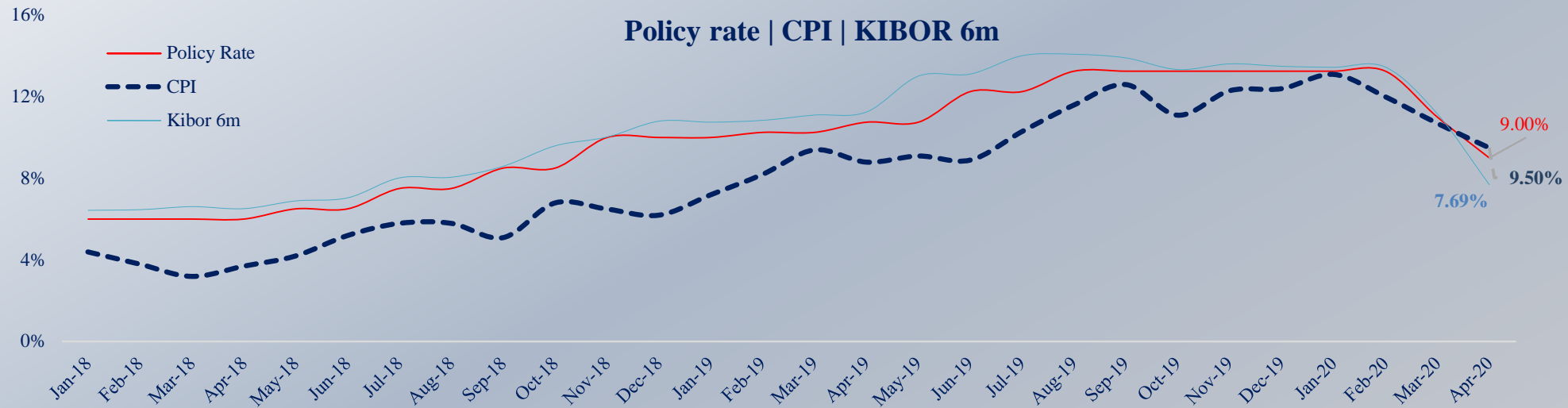
# Global AUM | Categories

USD bln	2014	2015	2016	2017	2018	2019
Equity	16,054	16,187	17,113	21,826	19,922	24,512
Bond	8,205	8,111	8,941	10,370	10,136	11,796
Balanced	4,971	5,162	5,323	6,414	5,844	6,844
Money Market	4,639	5,072	5,030	5,900	6,076	6,937
Other	2,688	3,017	3,295	3,978	3,861	3,611
Real Estate	336	532	596	747	805	1,132
Guaranteed	118	74	67	67	55	50
<b>Total</b>	<b>38,142</b>	<b>38,156</b>	<b>40,364</b>	<b>49,300</b>	<b>46,699</b>	<b>54,882</b>

USD bln	2014	2015	2016	2017	2018	2019
Equity	43%	42%	43%	44%	43%	45%
Bond	22%	21%	22%	21%	22%	21%
Balanced	13%	14%	13%	13%	13%	12%
Money Market	13%	13%	13%	12%	13%	13%
Other	7%	8%	8%	8%	8%	7%
Real Estate	1%	1%	1%	2%	2%	2%
Guaranteed	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Pakistan | Capital Market Review





# KSE-100 Performance

## KSE 100 Index | FY-20 to date

PKR In mln

Average	May'20	Apr'20	Mar'20	Feb'20	Jan'20	Dec'19	Nov'19	Oct'19	Sep'19	Aug'19	Jul'19	FY-20 to date	FY-19
Monthly Index	33,735	31,927	33,590	39,820	42,413	40,718	37,149	33,593	31,293	30,537	33,140	35,265	39,062
Monthly Vol	133	161	179	114	168	194	186	125	90	86	62	136	96
Monthly Return	-1%	16%	-26%	-6%	1%	4%	14%	6%	8%	-7%	-6%	-1%	-19%

# KSE-100 Returns

1-Year (CY19)	3-Years (CY)	5-Years (CY)
12%	16%	44%

2HFY20 To date	1HFY20	FY19	FY18	FY17	FY16	FY15
-19%	19%	-19%	-10%	23%	8%	16%

CY19	CY18	CY17	CY16	CY15	CY14	CY13
12%	-8%	-15%	46%	2%	26%	49%

May'20	Apr'20	Mar'20	Feb'20	Jan'20	Dec'19	Nov'19	Oct'19	Sep'19	Aug'19	Jul'19
-1%	16%	-26%	-6%	1%	4%	14%	7%	8%	-7%	-6.62%

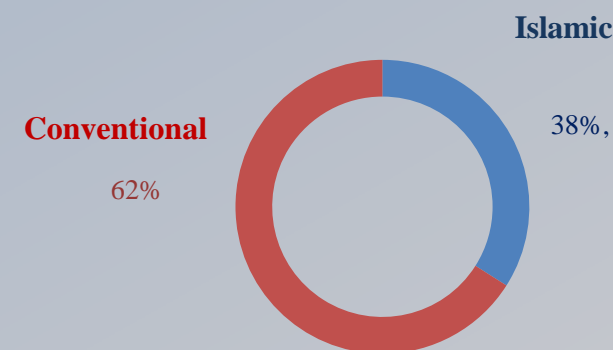
## KSE-100 Average Traded Volumes

1HCY20	CY19	CY18	CY17	CY16
153 million	107 million	96 million	102 million	130 million

# AUMs | Pakistan

PKR bln	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Dec-19	Apr-20
<b>Open-end</b>	401	449	580	580	514	651	736
<b>Voluntary Pension</b>	13	19	25	26	26	30	30
<b>Close-end</b>	2	2	2	2	1	0	0
<b>Total</b>	<b>416</b>	<b>470</b>	<b>607</b>	<b>608</b>	<b>540</b>	681	766
<b>Growth (%)</b>	<b>4</b>	<b>13</b>	<b>29</b>	<b>0.2</b>	<b>(11)</b>	26	12

Share in open ended mutual funds  
Apr'20



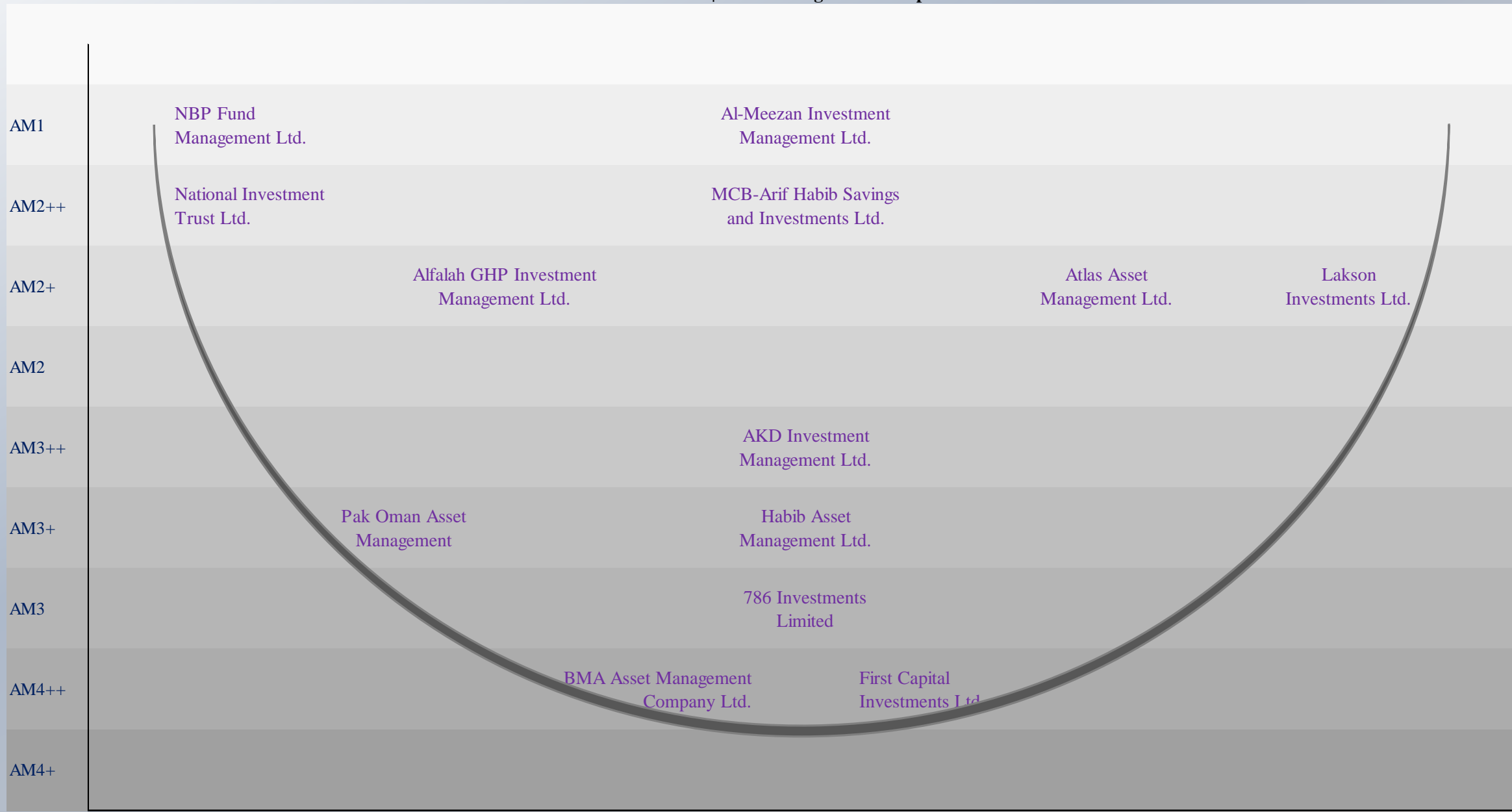


# Market Share

AMC	Ratings	Market Share	AUMS (PKR in bln)			
			Apr'20	Dec'19	Jun'19	Dec' 18
NBP Fullerton Asset Management Limited	AM1	19.0%	145.8	111.8	89.8	89.1
Al-Meezan Investment Management Limited	AM1	17.8%	136.3	123.1	91.3	88.0
UBL Fund Managers Limited	AM1	9.0%	68.9	62.7	52.3	62.3
National Investment Trust Limited	AM2++	8.8%	67.6	75.0	67.4	75.9
MCB-Arif Habib Savings and Investments Limited	AM2++	8.3%	63.6	58.1	44.3	47.1
ABL Asset Management Limited	AM2++	7.7%	59.1	53.1	37.5	39.4
HBL Asset Management Limited	AM2+	7.7%	58.8	46.8	42.7	51.8
Alfalah GHP Investment Management Limited	AM2+	5.4%	41.3	41.9	31.6	31.4
Atlas Asset Management Limited	AM2+	4.7%	35.8	30.8	25.7	29.0
Lakson Investments Limited	AM2+	2.8%	21.7	20.5	15.6	19.5
JS Investment Limited	AM2	2.4%	18.3	20.9	19.1	18.5
Faysal Asset Management Limited	AM2	3.3%	25.0	15.7	8.4	9.3
AKD Investment Management Limited	AM3++	0.6%	4.6	5.4	4.4	5.0
Pak Oman Asset Management	AM3+	0.5%	3.9	4.3	3.3	5.1
Habib Asset Management Limited	AM3+	0.7%	11.1	6.9	3.3	3.8
AWT Investment Management Limited	AM3+	0.4%	2.8	2.7	1.8	1.7
786 Investments Limited	AM3	0.1%	0.6	0.5	0.6	0.7
BMA Asset Management Company Limited	AM4++	0.04%	0.3	0.2	0.3	1.3
First Capital Investments Limited	AM4++	0.01%	0.1	0.1	0.1	0.1
<b>Total Industry AUMs</b>		<b>100%</b>	<b>766.0</b>	<b>681.2</b>	<b>539.9</b>	<b>579.3</b>

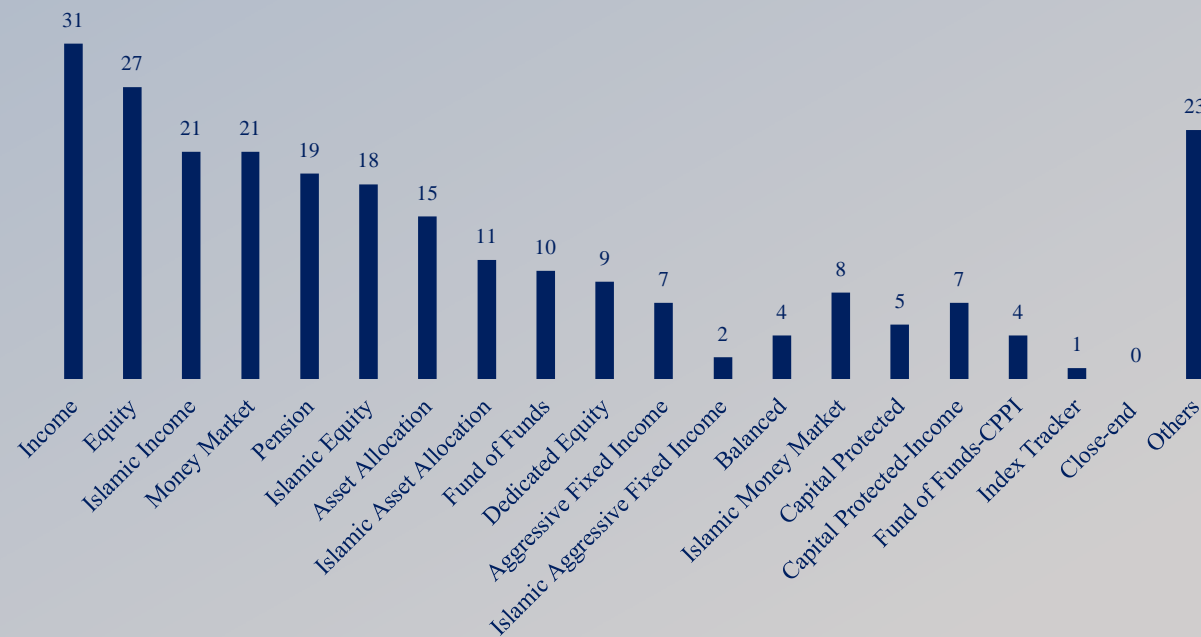
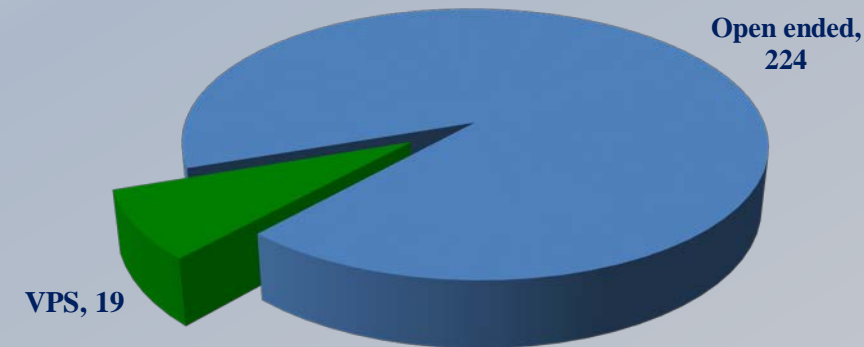
# Rating Curve

RATING CURVE | Asset Management Companies



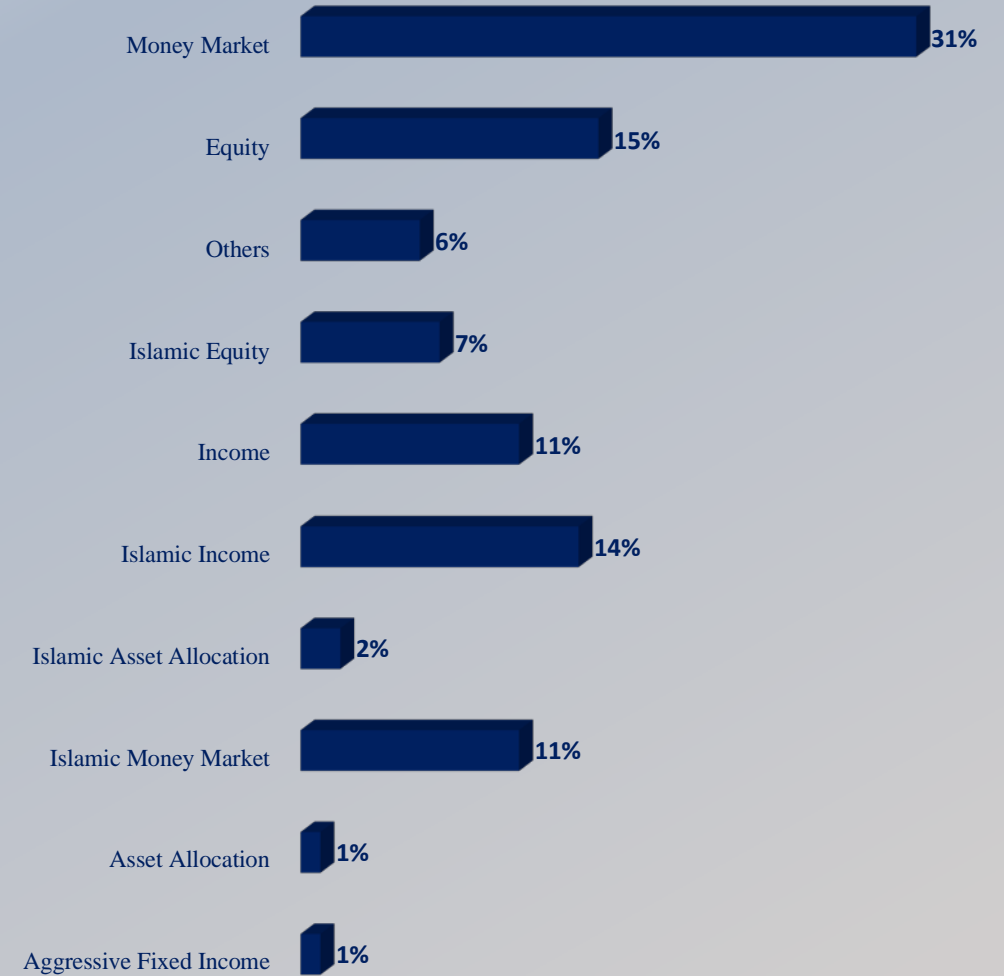
# Funds

Category	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Apr-20
Equity	23	21	23	27	27	27	27
Asset Allocation	11	12	12	13	13	14	15
Balanced	5	5	5	5	5	5	5
Islamic Equity	16	16	17	17	17	18	18
Islamic Asset Allocation	10	11	12	13	13	11	11
Income	29	29	30	30	31	30	31
Islamic Income	18	18	20	21	21	21	21
Aggressive Fixed Income	7	7	7	7	7	7	7
Money Market	22	22	20	20	20	21	21
Islamic Money Market	3	3	4	5	5	7	8
Others	41	45	58	67	74	77	82
<b>Total</b>	<b>185</b>	<b>189</b>	<b>209</b>	<b>225</b>	<b>233</b>	<b>238</b>	<b>243</b>



# Fund Category AUMs

Category	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Apr-20
Equity	27%	24%	23%	23%	22%	19%	15%
Asset Allocation	3%	2%	2%	2%	2%	1%	1%
Balanced	1%	1%	1%	1%	1%	0.5%	0.9%
Income	12%	12%	10%	8%	9%	10%	11%
Money Market	12%	17%	21%	25%	25%	26%	31%
Aggressive Fixed Income	2%	2%	1%	1%	1%	1%	1%
Islamic Equity	16%	13%	13%	11%	10%	9%	7%
Islamic Asset Allocation	5%	5%	5%	4%	4%	2%	2%
Islamic Income	5%	6%	5%	5%	6%	11%	14%
Islamic Money Market	1%	2%	2%	2%	5%	7%	11%
Others	16%	16%	17%	17%	16%	14%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

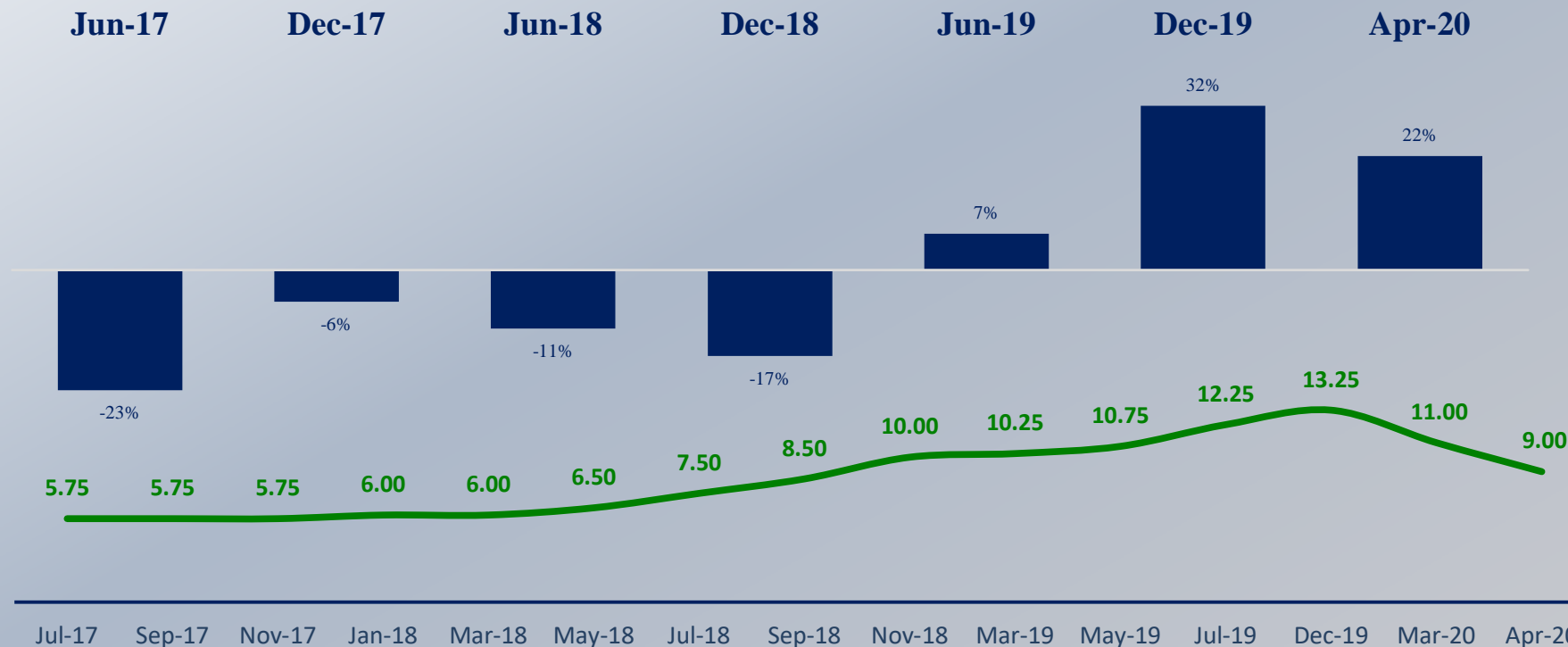


\* Others includes fund of funds, capital protected, Index tracker and pension funds



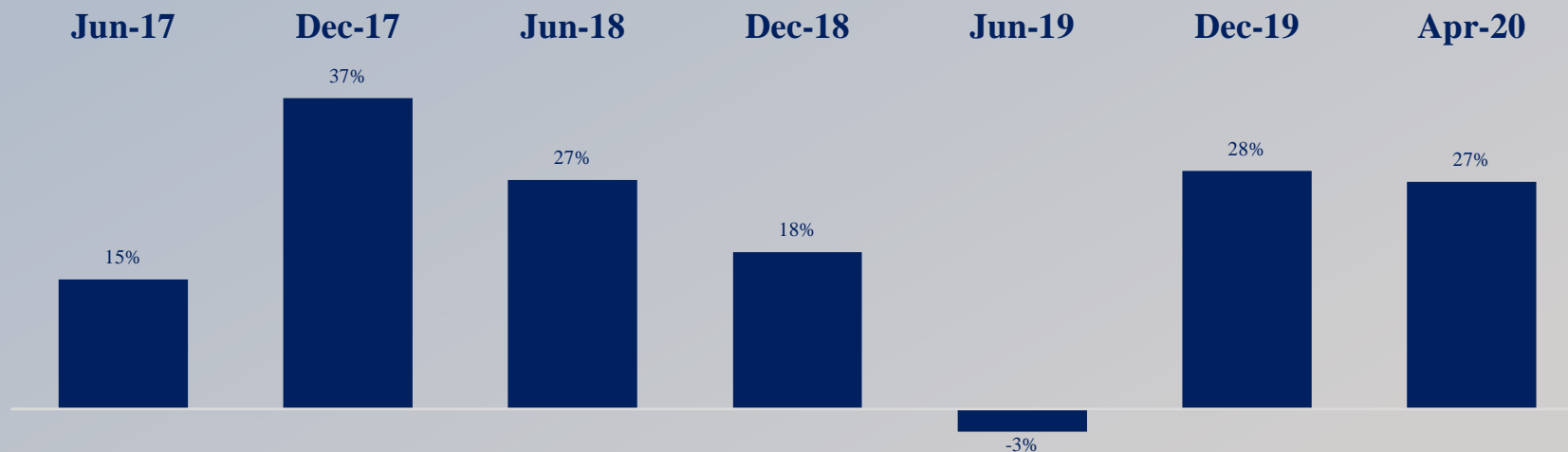
# Net Movement | Income and Money Market

## Income



## Policy Rate

## Money Market



# Category Returns Vs Benchmark

Category	Avg. Return	
	Actual	Benchmark
Income	14.8%	12.8%
Money Market	13.0%	12.2%
Aggressive Fixed Income	11.5%	8.9%
Asset Allocation	0.7%	7.1%
Balanced	-0.3%	7.1%
Index Tracker	-8.6%	-7.3%
Equity	-9.2%	-7.4%
Shariah Compliant Income	11.2%	6.1%
Shariah Compliant Aggressive Fixed Income	10.6%	9.5%
Shariah Compliant Money Market	9.7%	5.3%
Shariah Compliant Balanced	2.8%	1.2%
Shariah Compliant Asset Allocation	1.3%	4.9%
Shariah Compliant Index Tracker	-6.9%	-6.2%
Shariah Compliant Equity	-9.0%	-6.2%

## *Income and Money Market*

*Amid rising interest rate environment during the rolling twelve month period, the income funds and money market categories performed well above the benchmark. The usual benchmark of the categories was 6-month KIBOR or average six/three month deposit rate of three A/AA rated banks.*

## *Aggressive Fixed Income*

*This category is allowed to take exposure in high risk corporate debt instruments which provides better return in addition to PIBs. Most of the funds went for a mixture of PIBs, Bank Placements and Corporate debt instruments, resulting in higher return than benchmark.*

## *Shariah Compliant Income*

*This category outperformed its bench mark by investing in Islamic debt instruments and bank placements. Most of the funds placed significant portion of AUMs in sukus for better return.*

## *Equity Funds*

*Remained under pressure due to volatility in capital markets and lower returns*

# Bibliography

- [www.iifa.ca](http://www.iifa.ca)
- [www.mufap.com.pk](http://www.mufap.com.pk)
- [www.sbp.org.pk](http://www.sbp.org.pk)

<b>Analysts</b>	<b>Madiha Sohail</b> Assistant Manager +92 42 3586 9504 <a href="mailto:Madiha.sohail@pacra.com">Madiha.sohail@pacra.com</a>	<b>Afnan Iqbal</b> Senior Financial Analyst +92 42 3586 9504 <a href="mailto:Afnan.Iqbal@pacra.com">Afnan.Iqbal@pacra.com</a>	<b>Shahzad Aslam</b> Financial Analyst +92 42 3586 9504 <a href="mailto:Shahzad.Aslam@pacra.com">Shahzad.Aslam@pacra.com</a>
-----------------	---	--	---

## 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.