



The Pakistan Credit Rating Agency Limited

STABILITY RATING REPORT
MCB Pakistan Fixed Return Fund
[CATEGORY: Fixed Rate / Return]

Date	Rating Type	Action	Rating	Outlook	Rating Watch
03-Jul-23	Stability Rating	Maintain	AA+ (f)	Stable	-
30-Dec-22	Stability Rating	Initial	AA+ (f)	Stable	-



FUND STABILITY REPORT

May'23

MCB Pakistan Fixed Return Fund Plan V

Fund Facts (May'23)

Fund	MCB Pakistan Fixed Return Fund Plan V
Fund Category	Fixed Rate / Return
Launch Date	2-Mar-23
Fund Size	PKR 8,394 Mln
AMC	MCB-Arif Habib Savings & Investments Limited
AMC Rating	AM1
Fund Manager	Mr. Syed Mohammad Usama Iqbal
Peer Universe	Fixed Rate / Return Funds

History

History	May'23
Fund Size (PKR mln)	8,394
Category Size (PKR mln)	57,546
Fund NAV (PKR/Unit)	104.6
Fund Dividend (PKR/Unit)	-
WAM (Days)	17
Duration (Days)	5

Asset Allocation Summary

	May'23	Mar'23
PIBs	92.6%	95.0%
Cash	0.2%	0.2%
Sukuk & CPs	-	-
TFCs	-	-
Others	7.2%	4.8%

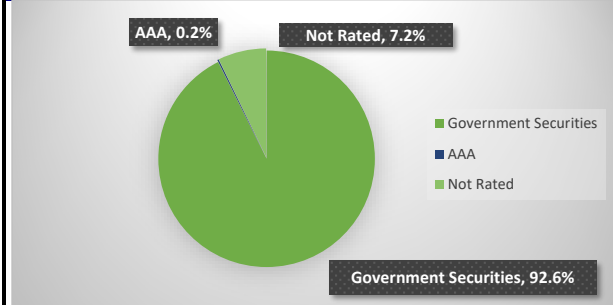
Fund's Objective

The Objective of MCB Pakistan Fixed Return Plan V (MCB PFRPV) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Asset Manager (May'23)

Year of Incorporation	2000
Conventional Funds	11
Shariah-Compliant Funds	8
Pension Schemes	2
CEO	Mr. Muhammad Saqib Saleem
CIO	Mr. Mohammad Asim, CFA
AUMs	PKR 153.8 Bln

Credit Quality (May'23)

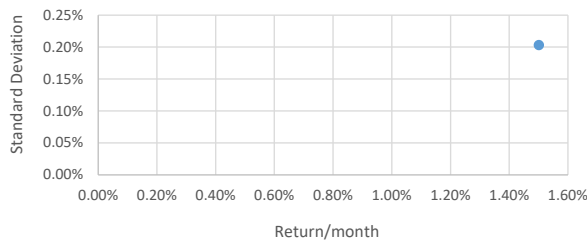


Return Summary

Period	MCB PFRP V	Peer Avg.	Fund SD.	Peer SD.
Since Inception	4.6%	2.5%	0.2%	0.2%

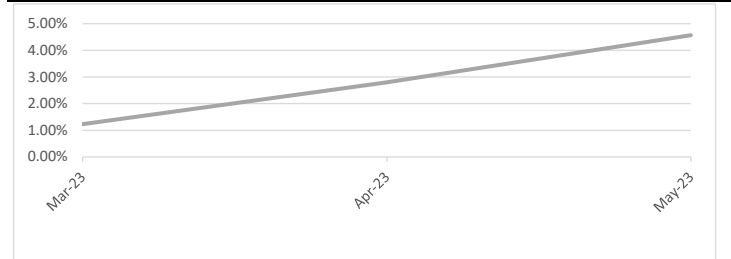
Risk

Return | Standard Deviation Analysis | Since Inception



Performance

MCB PFRP V | (Cumulative Returns since inception)



Commentary

MCB Pakistan Fixed Return Plan V is in compliance with the authorized investment policy. At May'23, the Plans had placed 92.8% of its assets in 1year T-Bills. The weighted average maturity and the duration of the Plan stood at 17days and 5days depicting very low credit risk. The top ten investor's concentration in above plan was 35% representing very low level of redemption pressures.

Going forward, the Fund will invest in accordance with its authorized investment policy and maintain its exposure in authorized instruments, however the allocations need to be diversified appropriately. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.



FUND STABILITY REPORT

May'23

MCB Pakistan Fixed Return Fund Plan VI

Fund Facts (May'23)

Fund	MCB Pakistan Fixed Return Fund Plan VI
Fund Category	Fixed Rate / Return
Launch Date	13-Mar-23
Fund Size	PKR 4,469 Mln
AMC	MCB-Arif Habib Savings & Investments Limited
AMC Rating	AM1
Fund Manager	Mr. Syed Mohammad Usama Iqbal
Peer Universe	Fixed Rate / Return Funds

History

	May'23
Fund Size (PKR mln)	4,469
Category Size (PKR mln)	57,546
Fund NAV (PKR/Unit)	104.1
Fund Dividend (PKR/Unit)	-
WAM (Days)	17
Duration (Days)	5

Asset Allocation Summary

	May'23	Mar'23
PIBs	92.6%	93.6%
Cash	0.2%	1.7%
Sukuk & CPs	-	-
TFCs	-	-
Others	7.2%	4.7%

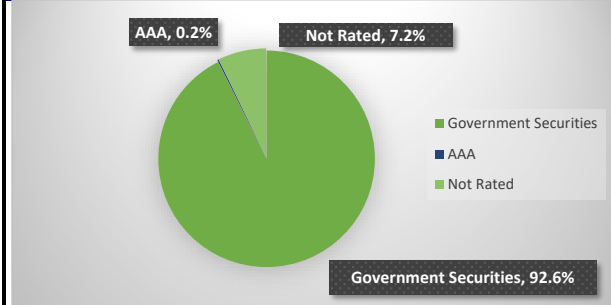
Fund's Objective

The Objective of MCB Pakistan Fixed Return Plan VI (MCB PFRPVI) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Asset Manager (May'23)

Year of Incorporation	2000
Conventional Funds	11
Shariah-Compliant Funds	8
Pension Schemes	2
CEO	Mr. Muhammad Saqib Saleem
CIO	Mr. Mohammad Asim, CFA
AUMs	PKR 153.7 Bln

Credit Quality (May'23)

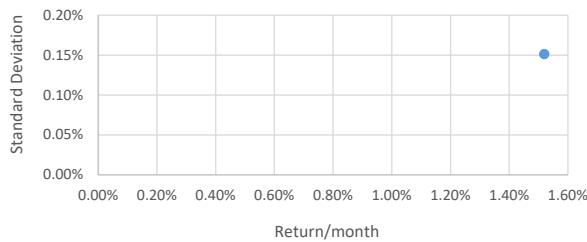


Return Summary

Period	MCB PFRP VI	Peer Avg.	Fund SD.	Peer SD.
Since Inception	4.1%	2.5%	0.2%	0.2%

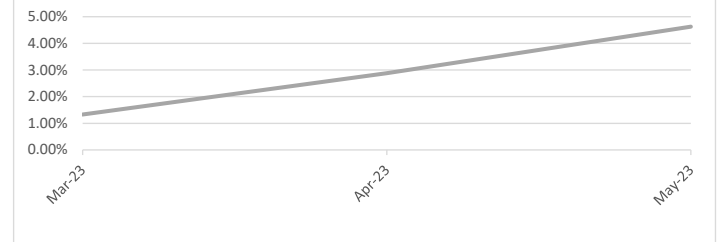
Risk

Return | Standard Deviation Analysis | Since Inception



Performance

MCB PFRP VI |(Cumulative Returns since inception)



Commentary

MCB Pakistan Fixed Return Plan VI is in compliance with the authorized investment policy. At May'23, the Plans had placed 92.8% of its assets in 1year T-Bills. The weighted average maturity and the duration of the Plan stood at 17days and 5days depicting very low credit risk. The top ten investor's concentration in above plan was 60% representing moderate level of redemption pressures. Since the plans have fixed maturity, the redemption pressure is on lower side.

Going forward, the Fund will invest in accordance with its authorized investment policy and maintain its exposure in authorized instruments, however the allocations need to be diversified appropriately. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.



FUND STABILITY REPORT

May'23

MCB Pakistan Fixed Return Fund Plan VII

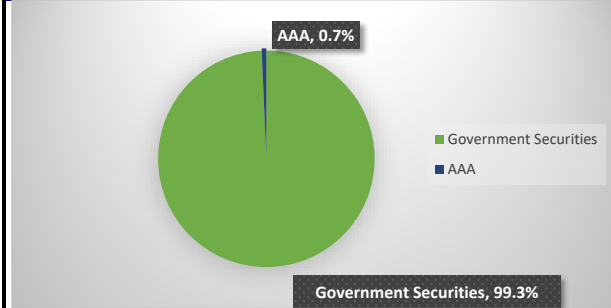
Fund Facts (May'23)

Fund	MCB Pakistan Fixed Return Fund Plan VII
Fund Category	Fixed Rate / Return
Launch Date	25-Oct-22
Fund Size	PKR 223 Mln
AMC	MCB-Arif Habib Savings & Investments Limited
AMC Rating	AM1
Fund Manager	Mr. Syed Mohammad Usama Iqbal
Peer Universe	Fixed Rate / Return Funds

Asset Allocation Summary

	May'23	Mar'23	Dec'22
T-Bills	99.3%	99.4%	99.8%
Cash	0.7%	0.5%	0.2%
Sukuk & CPs	-	-	-
TFCs	-	-	-
Others	-	0.1%	-

Credit Quality (May'23)



Risk

Return | Standard Deviation Analysis | Oct'22 to May'23



History

	May'23	Mar'23	Dec'22
Fund Size (PKR mln)	223	228	249
Category Size (PKR mln)	57,546	62,156	31,855
Fund NAV (PKR/Unit)	106.0	103.1	101.1587
Fund Dividend (PKR/Unit)	-	-	-
WAM (Days)	140	201	301
Duration (Days)	126	201	301

Fund's Objective

The Objective of MCB Pakistan Fixed Return Plan VII (MCB PFRP VII) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Asset Manager (May'23)

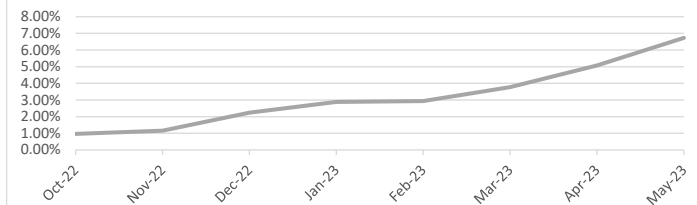
Year of Incorporation	2000
Conventional Funds	11
Shariah-Compliant Funds	8
Pension Schemes	2
CEO	Mr. Muhammad Saqib Saleem
CIO	Mr. Mohammad Asim, CFA
AUMs	PKR 153.7 Bln

Return Summary

Period	MCB PFRP VII	Peer Avg.	Fund SD.	Peer SD.
Dec'22	2.2%	0.3%	0.5%	0.3%
Mar'23	1.5%	-0.2%	0.4%	1.5%
May'23	2.8%	2.9%	0.2%	0.2%
Since Inception	6.7%	1.6%	0.5%	1.2%

Performance

MCB PFRP VII | Oct'22 to May'23 (Cumulative Monthly Returns)



Commentary

MCB Pakistan Fixed Return Plan VII is in compliance with the authorized investment policy. At May'23, the Plans had placed ~99.7% of its assets in 12 month T-bills. The weighted average maturity and the duration of the Plan stood at 140 days and 126 days, however, since the investments are in Govt. Securities, hence, the credit risk is at a manageable level.

Going forward, the Fund will invest in accordance with its authorized investment policy and maintain its exposure in authorized instruments, however the allocations need to be diversified appropriately. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.



FUND STABILITY REPORT

May'23

MCB Pakistan Fixed Return Fund Plan IX

Fund Facts (May'23)

Fund	MCB Pakistan Fixed Return Fund Plan IX
Fund Category	Fixed Rate / Return
Launch Date	30-Mar-23
Fund Size	PKR 4,322 Mln
AMC	MCB-Arif Habib Savings & Investments Limited
AMC Rating	AM1
Fund Manager	Mr. Syed Mohammad Usama Iqbal
Peer Universe	Fixed Rate / Return Funds

History

	May'23
Fund Size (PKR mln)	4,322
Category Size (PKR mln)	57,546
Fund NAV (PKR/Unit)	103.2
Fund Dividend (PKR/Unit)	-
WAM (Days)	17
Duration (Days)	5

Asset Allocation Summary

	May'23	Apr'23
PIBs	92.5%	93.7%
Cash	0.3%	0.3%
Sukuk & CPs	-	-
TFCs	-	-
Others	7.2%	6.0%

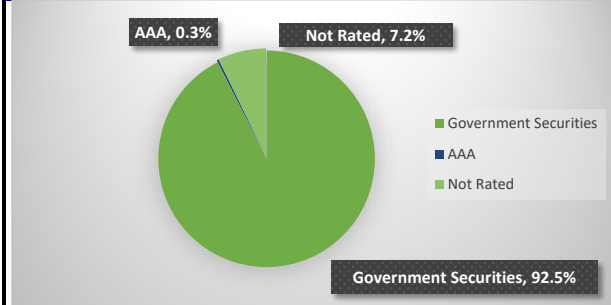
Fund's Objective

The Objective of MCB Pakistan Fixed Return Plan IX (MCB PFRPIX) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Asset Manager (May'23)

Year of Incorporation	2000
Conventional Funds	11
Shariah-Compliant Funds	8
Pension Schemes	2
CEO	Mr. Muhammad Saqib Saleem
CIO	Mr. Mohammad Asim, CFA
AUMs	PKR 153.7 Bln

Credit Quality (May'23)

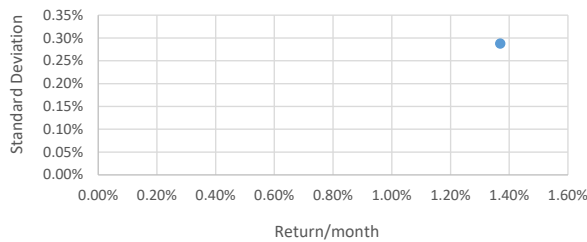


Return Summary

Period	MCB PFRP IX	Peer Avg.	Fund SD.	Peer SD.
Since Inception	4.2%	2.4%	0.3%	0.2%

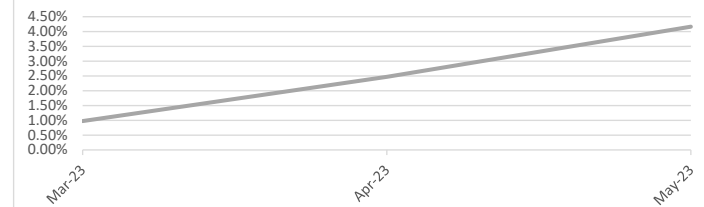
Risk

Return | Standard Deviation Analysis | Since Inception



Performance

MCB PFRP IX |(Cumulative Returns since inception)



Commentary

MCB Pakistan Fixed Return Plan IX is in compliance with the authorized investment policy. At May'23, the Plans had placed 92.8% of its assets in 3year PIBs. The weighted average maturity and the duration of the Plan stood at 17days and 5days depicting very low credit risk. The top ten investor's concentration in above plan was 98.5% representing high level of redemption pressures. Since the plans have fixed maturity, the redemption pressure is on lower side.

Going forward, the Fund will invest in accordance with its authorized investment policy and maintain its exposure in authorized instruments, however the allocations need to be diversified appropriately. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.



FUND STABILITY REPORT

May'23

MCB Pakistan Fixed Return Fund Plan XI

Fund Facts (May'23)

Fund	MCB Pakistan Fixed Return Fund Plan XI
Fund Category	Fixed Rate / Return
Launch Date	12-Apr-23
Fund Size	PKR 1,630 Mln
AMC	MCB-Arif Habib Savings & Investments Limited
AMC Rating	AM1
Fund Manager	Mr. Syed Mohammad Usama Iqbal
Peer Universe	Fixed Rate / Return Funds

History

	May'23
Fund Size (PKR mln)	1,630
Category Size (PKR mln)	57,546
Fund NAV (PKR/Unit)	102.8
Fund Dividend (PKR/Unit)	-
WAM (Days)	21
Duration (Days)	9

Asset Allocation Summary

	May'23	Apr'23
T-Bills	99.2%	99.2%
Cash	0.8%	0.7%
Sukuk & CPs	-	-
TFCs	-	-
Others	-	0.1%

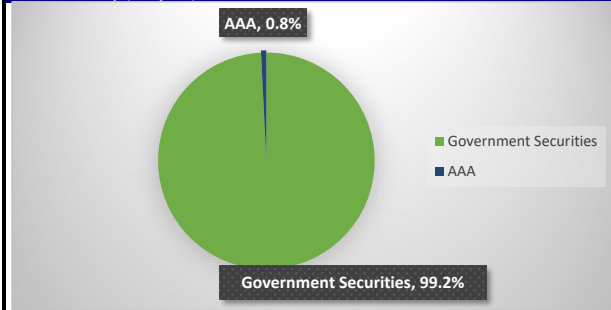
Fund's Objective

The Objective of MCB Pakistan Fixed Return Plan XI (MCB PFRP XI) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Asset Manager (May'23)

Year of Incorporation	2000
Conventional Funds	11
Shariah-Compliant Funds	8
Pension Schemes	2
CEO	Mr. Muhammad Saqib Saleem
CIO	Mr. Mohammad Asim, CFA
AUMs	PKR 153.7 Bln

Credit Quality (May'23)



Return Summary

Period	MCB PFRP XI	Peer Avg.	Fund SD.	Peer SD.
Since Inception	3.3%		0.0%	

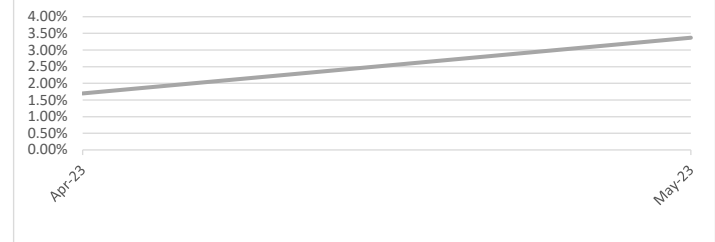
Risk

Return | Standard Deviation Analysis | Since Inception



Performance

MCB PFRP XI | (Cumulative Returns since inception)



Commentary

MCB Pakistan Fixed Return Plan XI is in compliance with the authorized investment policy. At May'23, the Plan had placed ~99.2% of its assets in 12month T-bills. The weighted average maturity and the duration of the Plan stood at 21days and 9ays. Since the investments are in Govt. Securities, hence, the credit risk is at a manageable level. The top ten investor's concentration in above plan was 81.2% representing high level of redemption pressures. Since the plans have fixed maturity, the redemption pressure is on lower side.

Going forward, the Fund will invest in accordance with its authorized investment policy and maintain its exposure in authorized instruments, however the allocations need to be diversified appropriately. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.



Stability Ratings Explained

The Stability rating is based on a detailed quantitative assessment of fund's portfolio and qualitative assessment of fund management. It provides the investors with an objective measure as to the main areas of risk to which the income funds are exposed, which is credit risk, liquidity risk and interest rate risk.

Credit Risk

- The foremost factor is credit risk, having the highest weight in the rating matrix. The opinion is based on review of various factors, including the fund's investment policies regarding credit risk exposure towards various market segments, individual and cumulative credit quality of the investment portfolio, the diversification of assets across investment types and issuers, and weighted average maturity.

Market Risk

- The more complex part of evaluating a fund's stability involves determining the fund's sensitivity to the changing market conditions. PACRA assess market risk in the nexus of variables affecting the market value of the underlying portfolio. Market value can fluctuate due to a number of variables largely including interest rate, liquidity and operating environment.

Liquidity Risk

- The liquidity of a security refers to the speed at which that security can be sold for approximately the price at which the fund has it valued. Securities which are less liquid are subject to greater price variability. While analyzing the liquidity of investment portfolio, PACRA considers the types of investments in the portfolio, the maturity structure, and secondary market liquidity.

Historical Returns Volatility

- Funds having operational history of six-months or more, the variability in returns is gauged on standardized basis through coefficient of variation for each fund in a category. The coefficient of variation is calculated by dividing standard deviation of fund's monthly returns by average monthly return (SD of Monthly Returns/Average Monthly Return).

Asset Manager

- Management scoring is derived from the asset manager rating of the company managing the fund. PACRA reviews the policies and procedures developed by the management to meet its investment objectives. Therefore, an assessment of the fund manager's qualification and experience, asset management company's capabilities and track record are an integral part to the fund rating process.

FUND STABILITY RATING SCALE

Symbols	Definitions
AAA(f)	An exceptionally strong capacity to maintain relative stability in returns and possesses negligible exposure to risks.
AA+(f) AA(f) AA-(f)	A very strong capacity to maintain relative stability in returns and possesses low exposure to risks. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions.
A+(f) A(f) A-(f)	A fund with stable performance generally in line with its peers with strong capacity to respond to future opportunities or stress situations.
BBB+(f) BBB(f) BBB-(f)	An adequate capacity to maintain relative stability in returns and possesses high exposure to risks. This capacity may be impacted adversely by changes in circumstances or in economic conditions.
BB+(f) BB(f) BB-(f)	A low capacity to maintain stability in returns and possesses very high exposure to risks.
B(f)	A very low capacity to maintain stability in returns and possesses very high exposure to risks.

The fund stability rating scale of AAA to B is appended by the letter (f) to denote fund ratings and to differentiate it from the nomenclature used for issue and issuer ratings

Rating Watch

Alerts to the possibility of a rating change subsequent to, or in anticipation of some material identifiable event. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled.

Rating Outlooks

Indicates the potential and direction of a rating in response to a) trends in economic and/or fundamental business/financial conditions and/or deviation from expected trend. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Disclosure

Name of Fund	MCB Pakistan Fixed Return Fund
Sector	Mutual Funds
Type of Relationship	Solicited
Purpose of the Rating	Stability Rating
Applicable Criteria	Stability Rating Methodology (Jun-22)
Related Research	Sector Study Mutual Funds Performance and Stability (Feb-23)
Rating Analysts	Muhammad Azmat Shaheen azmat.shaheen@pacra.com

Regulatory and Supplementary Disclosure

Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

(2) Conflict of Interest

i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)

ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)

iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)]

Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee Restrictions

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(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)

(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report |

(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)

(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)

(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)

(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity

(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)

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(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)

(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)

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Monitoring and review

(18) PACRA does not monitor Stability Rating on continuous basis. Any potential change therein due to any event associated with the fund is incorporated in next review; | Chapter III | 18-(a)

(19) PACRA reviews all outstanding ratings on semi-annual basis | Chapter III | 18-(b)

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