



Rating Action

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PACRA MAINTAINS STABILITY RATING OF LAKSON MONEY MARKET FUND

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of the Lakson Money Market Fund (LMMF) at '**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 LMMF primarily invests in treasury bills, money market placements, and deposits with scheduled banks with the objective of providing stable and competitive returns by constructing a highly liquid portfolio. The rating reflects very strong credit quality of the fund's assets and a strong liquidity profile. Moreover, the rating incorporates fund's very low exposure to interest rate volatility. The sound profile of the fund largely emanates from fund's investment in short term government securities, making up more than half of the fund's net assets. The balance of the fund's assets is invested in a combination of money market instruments and scheduled banks with a minimum entity/instrument rating of 'AA'. However, the fund has high concentration in unit holding pattern compared to peers, making it vulnerable to redemption pressure, though significant holding by group companies mitigate the risk, to a large extent. The main factor affecting the rating 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

Incorporated in January 2009, Lakson Investments Limited (LI) is the investment management arm of Lakson Group. Lakson has presence in multiple sectors including, consumer non-durables, fast food, insurance, media, paper and board, printing and packaging, surgical instruments, technology, textiles, and travel.

The Chief Executive Officer, Mr. Babar Ali Lakhani, has investment management experience in local and foreign markets. LI has been rated "AM3+" by PACRA. The company is currently managing three open-end funds Equity, Money Market and Income - with total assets under management of PKR 6.045bln at end-Jul11. The Fund Manager of LMMF, Mr. Muhammad Umair Chauhan, is also the CIO of LI and has extensive local experience in the asset management industry.

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