

Date: January 1, 2021

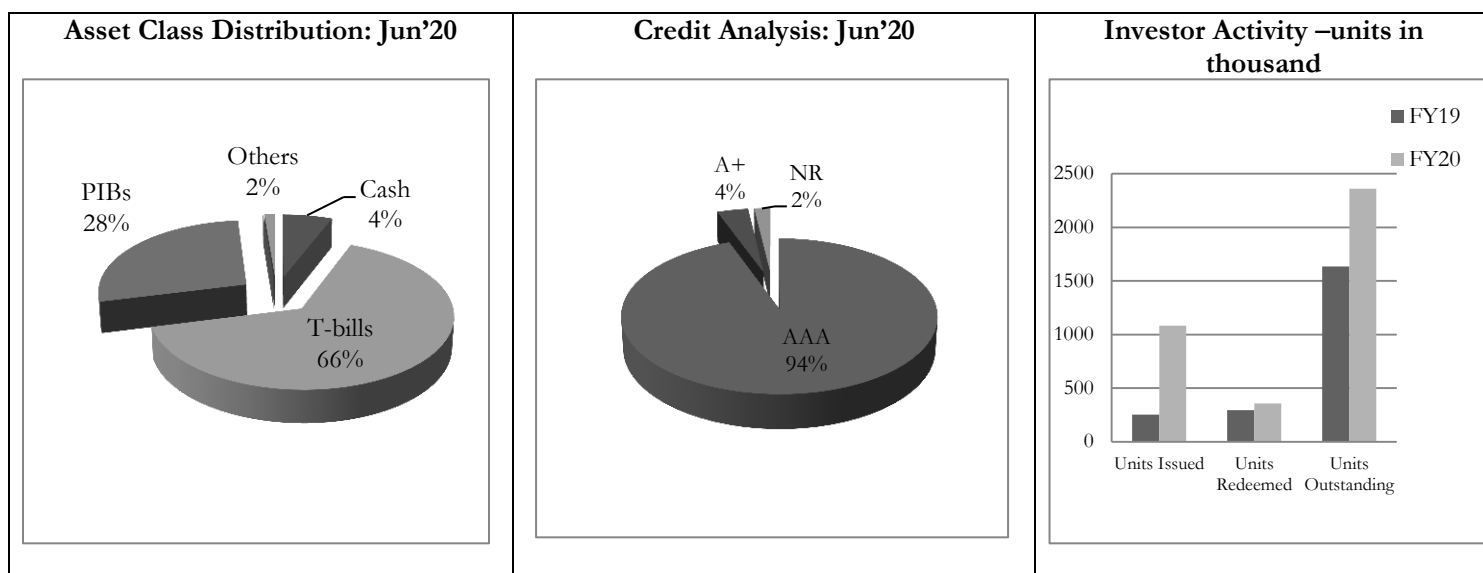
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Investment Objective

The aim of the fund is to generate relatively higher yield as compared to conventional bank placements, from a portfolio of sovereign and money market instruments.

Askari Sovereign Yield Enhancer		
Rating Category	Latest	Previous
Fund Stability Rating	AA-(f)	A+(f)
	<i>Dec 31, 2020</i>	<i>Nov 26, 2019</i>
Asset Management Company	Pak Oman Asset Management Company Limited	
External Auditor - Fund	RSM Avais Hyder Liaquat Nauman	
Chief Executive	Ms Sadaf Kazmi	
Fund Manager	Mustafa Kamal	
Trustee	Central Depository Company	
Front-end Load	1.25%	
Back-end Load	Nil	
Management Fee	1.35%	
Benchmark	Average 6 month PKRV	

Askari Sovereign Yield Enhancer			
In Rs. m	FY20	FY19	FY18
Type of Scheme		Income	
Return (%) (<i>Gross returns</i>)	14.0%	6.2%	4.5%
Benchmark (%)	12.0%	10.0%	6.2%
Relative Ranking	10/14	29/30	28/29
Fund Size (in Rs. m)	242.2	167.2	177.2
Retail (%)	0%	7.0%	14.9%
Associates (%)	0%	61.0%	59.6%
Number of Investors	127	128	143
Top 10 Investors / AUMs	93%	94%	
WATM (<i>Weighted Average Time to Maturity</i>)(years)	2.28	1.41	0.87
Duration (years)	2.29	0.76	0.09
Asset Allocation			
<i>TFCs</i>	0.00%	9.24%	9.2%
<i>Term Deposits</i>	0.00%	0.00%	9.4%
<i>T-Bills</i>	66.2%	52.9%	75.7%
<i>PIBs</i>	28.10%	33.2%	0.0%
<i>Cash</i>	3.84%	2.5%	4.6%
<i>Others</i>	1.87%	2.1%	0.90%



Askari Sovereign Yield Enhancer Fund (ASYE) is an income fund launched in May 2012 managed by Pak Oman Asset Management Limited (POAML) which holds a management quality rating of AM3+. The fund's objective is to generate relatively higher yields than conventional bank deposits through a pool of sovereign and fixed income debt instruments.

Net assets of the fund witnessed a gradual upward trend as compared to the preceding year amounting to Rs. 242.2 (mn) at end-Jun'20. Highest growth in the fund's size was reported at end-Apr'20 closing at 273.9

As per requisites of the fund's offering document (OD) and IPS, the fund must deploy at least 70% of its assets in government securities and minimum 10% of net assets to cash or cash equivalents (which include government securities of maturity not longer than 90 days)

Table 1: Offering Document (Extract)

	Limits (%)	Min. Rating
Government Securities	70% - 100%	N/A
Cash and near cash instruments	10% - 100%	A-
Term Deposits/placements with banks, Reverse repo transactions against government securities	0%-15%	A+
Term Finance Certificates/ Sukuks	0%-10%	A+
Any investment authorized by commission	0%-50%	A-
Any investment authorized by regulatory approval in any foreign fixed instrument	0%-30%	A-

Asset Allocation

The fund’s IPS restricts minimum 70% exposure in government securities and minimum 10% in cash placements. At end-June’20, sizeable portion of the fund’s asset base was deployed in T-bills and PIBs while approximately 4% was allocated in cash balances. Month-on-month average analysis manifests Ijarah exposure amounting to around 15% for the year.

Table 2: Asset Allocation

	Jun’20	Jun’19	FY20 Average
Cash	4%	3%	15%
TFCs	0%	9%	3%
T-Bills	66%	53%	58%
PIBs	28%	33%	15%
Term Deposits	0%	0%	3%
Ijarah Sukuk	0%	0%	15%
Others	2%	2%	4%
Total	100%	100%	

Credit Risk

The fund maintains a conservative investment policy stating that it can only deploy its assets in instruments with minimum ‘A-’ rating. During FY20 the fund took average 27% exposure in A+ rated instruments while remaining 75% of the fund’s net assets were allocated in AAA rated issue/issuer.

Table 3: Credit Quality Summary FY20

	Average	Maximum	Minimum
AAA	75%	97%	20%
AA+	0%	2%	0%
AA-	6%	25%	0%
A+	27%	79%	4%
NR	4%	34%	1%

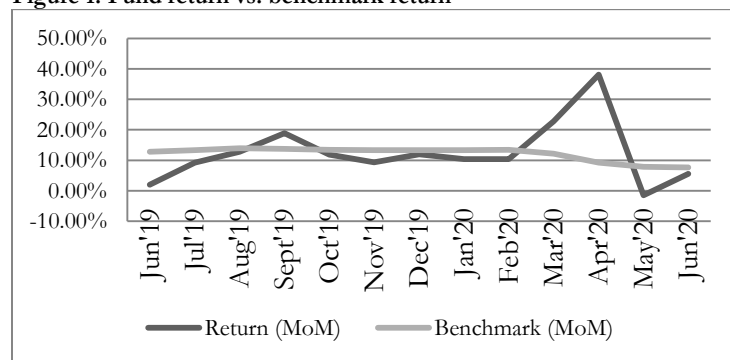
Modified Duration

In order to minimize market and price risk due to any adverse movement in discount rate, weighted average maturity (WAM) of the fund is capped at 4 years and target duration of the fund is 3 years (with time to maturity of any single asset in the portfolio not exceeding 10 years). Maximum WAM and duration were reported at 4.42 and 2.28 year(s) at Apr’20 and Jun’20 respectively.

Fund Performance

Performance of the fund is benchmarked against an equally weighted average of 6 months PKRV rates. During the year the ASYEF posted a return of 14.02% (FY19 6.2%) outperforming its benchmark and peer average. Month-on-month analysis manifest that the fund has generated relatively higher returns than its benchmark. At end-Jun’20, the fund was ranked 10th out of a total of 14 funds.

Figure 1: Fund return vs. benchmark return



Top 10 investors constituted 93% of total net AUMs at end-Jun’20 while contribution from associates and retail declined to 0%. Unrelated corporates held maximum AUMs for FY20.

Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	12/31/2020	AA- (f)	Upgraded
Fund Stability	11/26/2019	A+(f)	Reaffirmed
Fund Stability	05/07/2018	A+(f)	Reaffirmed
Fund Stability	12/30/2016	A+ (f)	Reaffirmed
Fund Stability	12/31/2015	A+ (f)	Initial

FINANCIAL SUMMARY
(amounts in PKR millions)
BALANCE SHEET

	FY19	FY20
Paid Up Capital	NA	NA
Total Equity	NA	NA

INCOME STATEMENT

Total income	15	34
Profit Before Tax	10	28
Profit After Tax	10	28

RATIO ANALYSIS

Net Cash Generated from Operating Activities	9	(41)
Current Ratio (x)	NA	NA
Gearing (x)	NA	NA