

Askari Sovereign Yield Enhancer (ASYE)

Managed By: Pak Oman Asset Management Limited

Fund Stability Rating

Latest Rating

**AA-(f)
2-Jan-25**

What is Fund Stability Rating

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

Fund Information

Launch Date	December 09, 2011
Fund Type	Open-End
Category	Income Scheme
Risk Profile	Medium
Auditor	RSM Avais Hyder Liaquat Nauman
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	0.0125
Back-end Load	Nil
Benchmark	Average 6 month PKRV
MQR Rating	0
Mgt. Fee	0.50% p.a.

Fund Overview

Askari Sovereign Yield Enhancer (the Fund) is an open-ended Income scheme constituted under a Trust Deed entered into on December 09, 2011, between UBL Fund Mngers Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

The objective of the Fund is to generate relatively higher yield than the conventional bank deposits, from a portfolio constituted of credit worthy sovereign instruments and banking sector fixed income instruments and deposits.

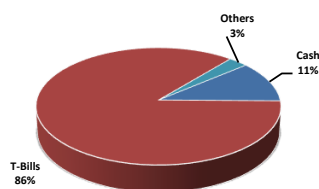
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Treasury Bills, PIBs and other Government Securities	N/A	70% - 100%
Cash and near cash instruments which include cash in Bank Accounts (excluding TDRs), GOP Ijara Sukuk and Treasury Bills not exceeding 90 days maturity both.	A-	10% - 100%
Term Deposits/placements with Banks Reverse Repo Transactions against Government Securities	A+	0% - 15%
Listed or privately placed Term Finance Certificates/Sukuks issued by Banks	A+	0% - 10%
Subject to SECP or other regulatory approvals, the Scheme may seek to invest in foreign fixed income securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and direction as may be issued by SECP and the State Bank of Pakistan from time to time	A- or as may be specified by the Commission at the time of approval	0% - 30%
Any investment, which has been authorized by the commission.	A-	0% - 50%

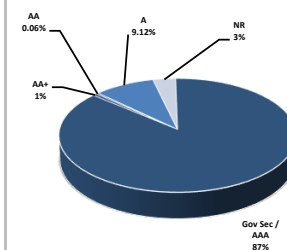
Net Assets

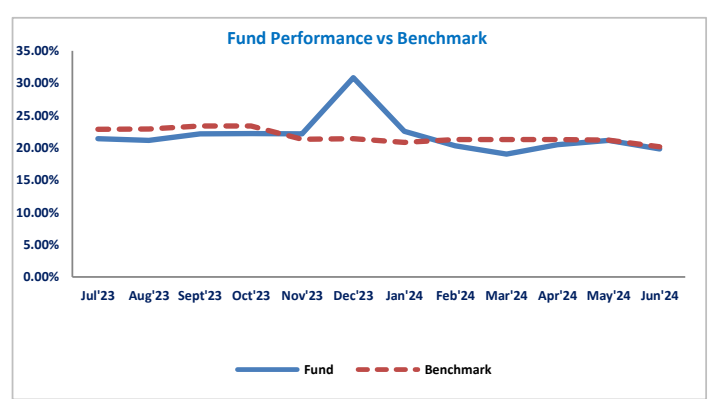
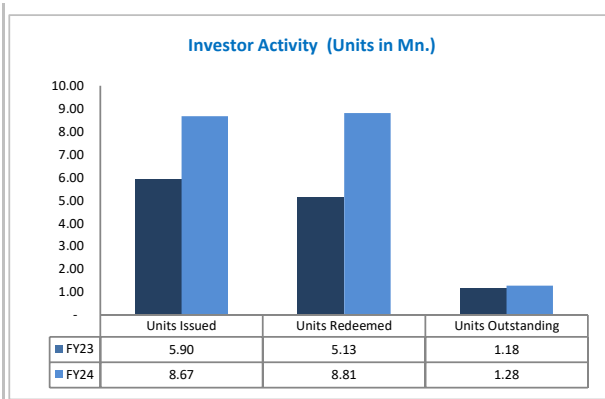
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	25	122	138

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Gov Sec / AAA	81.21%	92.04%	62.91%	Cash	36.02%	14.55%
AA+	2.32%	11.11%	0.10%	T-Bills	43.96%	74.43%
AA	0.08%	0.55%	0.00%	PIB	15.10%	4.12%
AA-	0.00%	0.00%	0.00%	Ijara Sukuk	0.00%	0.00%
A+	8.02%	24.00%	0.00%	Others	4.92%	6.89%
A	0.77%	9.12%	0.00%			
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	7.34%	12.83%	1.83%			

*Non-rated includes receivables/accreals from securities having a credit rating of not less than A

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.36	2.49	0.02	0.25	Total Return	17.15%	24.29%
Duration (In Days)	130	908	6	90	Benchmark Return	18.14%	21.67%
					Peer Average	16.72%	22.26%
					Peer Ranking	9/24	2/26

Fund Stability Analysis

The Askari Sovereign Yield Enhancer fund has been assigned a rating of AA-(f). This indicates a high degree of stability in the net asset value of the fund. The fund's risk is considered modest, although it may vary slightly due to changing economic conditions.

Asset Allocation:

Assets Under Management (AUM) of the Fund remained fairly stagnant throughout FY24, only peaking at Rs. 550m in Jan'24 before declining to Rs. 138m by Jun'24, slightly exceeding the minimum fund size threshold. On average, investments of the Fund were primarily held in government securities, with T-Bills accounting for ~74% of the investments, while PIBs accounted for ~4% of the fund placements. Cash placements accounted for the remaining 14%.

Credit Quality:

During FY24, the proportion of assets allocated to AAA/Government Securities increased to 81%, up from approximately 66% in the previous year. However, the Fund's credit quality faced pressure as placements shifted to the A band, which were previously limited to A+. Cash holdings were generally maintained with A+ and above-rated banks, but placements in lower-rated institutions were observed for brief periods. Going forward, maintenance of credit quality in line with the VIS benchmarks for the assigned rating will remain important, which limits the exposures at A+ for a max 15%.

Market and Liquidity Risk:

During FY24, the weighted average time to maturity (WAM) of the Fund remained comfortably within the prescribed limit outlined in the offering document, averaging 130 days against the cap of 1,825 days. Similarly, the Fund's duration also stayed within the threshold, capped at 1,095 days.

Retail investors accounted for nearly 100% of the Fund's AUM as at Jun'24, with a negligible portion held by corporate investors. Additionally, the Fund's client concentration risk remains elevated, as the top ten investors represent ~99% of the portfolio.

Fund Performance:

During FY24, the Fund's YTD return reached 24.29%, exceeding both its benchmark and peer average, advancing to the first quartile from the second quartile in the previous year.

Financial Snapshot

BALANCE SHEET	FY23	FY24
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24
Total Income	44.0	44.2
Profit Before Tax	40.9	40.8
Profit After Tax	40.9	40.8
RATIO ANALYSIS	FY23	FY24
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
Name of Rated Fund	Askari Sovereign Yield Enhancer	Sector	Mutual Funds
Type of Relationship	Solicited	Purpose of Rating	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	2-Jan-25	AA-(f)	Reaffirmation
Fund Stability	27-Dec-23	AA-(f)	Reaffirmation
Fund Stability	4-Jan-23	AA-(f)	Upgrade
Fund Stability	3-Mar-22	A+(f)	Downgrade
Fund Stability	31-Dec-20	AA-(f)	Upgrade
Fund Stability	26-Nov-19	A+(f)	Reaffirmation
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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