

*Date: November 26, 2019*

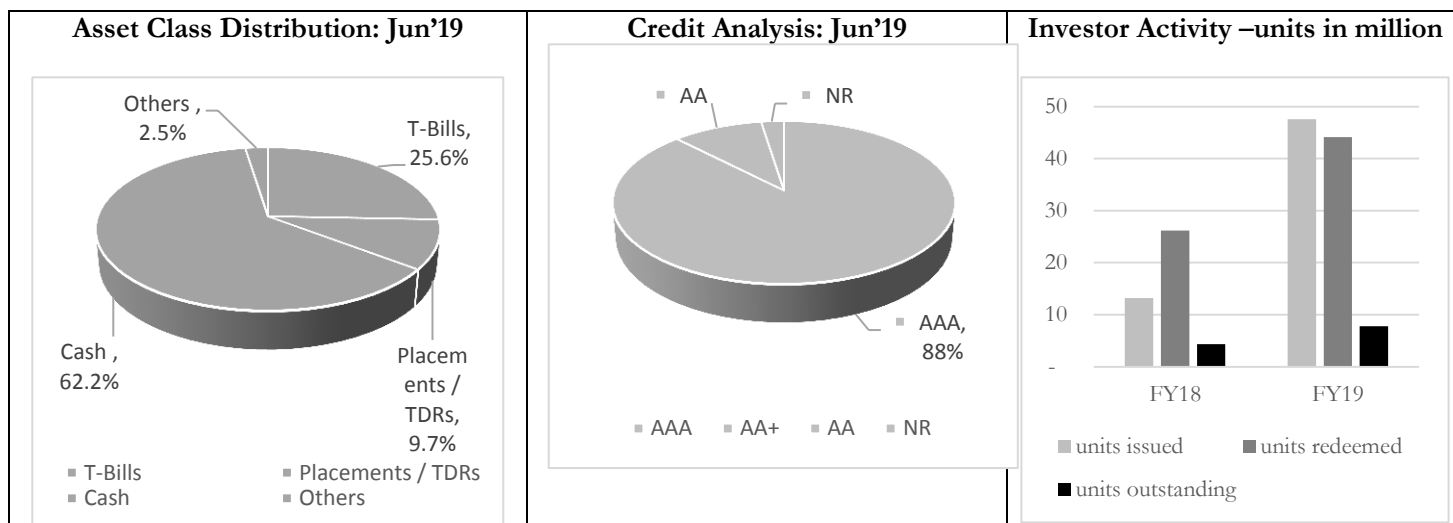
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### Investment Objective

To provide investors high liquidity levels along with the low credit risk and price fluctuations.

Askari Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA+ (f)	AA+(f)
Asset Management Company	Pak Oman Asset Management Limited	
External Auditor - Fund	KPMG Taseer Hadi & Co.	
Chief Executive	Ms Sadaf Kazmi	
Fund Manager	Mr Jamshed Aziz	
Trustee	Central Depository Company	
Front-end Load	Nil	
Back-end Load	Nil	
Management Fee	0.35%	
Benchmark	70% average 3 month PKRV + 30% Average 3-month deposit rate as selected by MUFAP	

Askari Cash Fund			
Rs. m	FY19	FY18	FY17
Type of Scheme	Money Market		
Return (%) ( <i>Gross returns</i> )	8.5%	5.2%	8.5%
Benchmark (%)	8.7%	5.4%	5.3%
Relative Ranking	7/20	17/22	3/22
Fund Size (in Rs. m)	786.0	468.7	1,742.4
Retail (%)	44%	33%	19.3%
Associates (%)	44%	40%	6.7%
Number of Investors	242	220	263
WATM ( <i>Weighted Average Time to Maturity</i> ) (days)	18	1	20
Duration (years)	0.04	0.00	0.05
<b>Asset Allocation</b>			
<i>T-Bills</i>	25.6%	0.0%	24.8%
<i>Placements / TDRs</i>	9.7%	0.0%	-
<i>Cash</i>	62.2%	98.6%	33.2%
<i>Others</i>	2.5%	1.4%	42.0%



The fund was launched in 2009 with an objective to provide investors with exposure in money market instruments along with high levels of liquidity. The fund was renamed as Askari Cash Fund (ACF - formerly Askari Sovereign Cash Fund), post-acquisition of Askari Investment Limited (AIML) by Pak Oman Asset Management Limited (POAML). POAML has a management quality rating of AM3+, signifying good management quality.

The Investment Committee (IC) comprises Chief Executive Officer (CEO), Chief Financial Officer (CFO) and respective fund management team. Decision making is done on consensus basis.

Fund size of ACF has increased by 80% with net assets amounting to Rs. 786m (FY18: Rs. 437.4m).

In line with its mandate, the fund’s exposure to various sources of investment avenues has been determined in order to increase the investment return given the change in interest rates.

As per the outlined investment policy determined in the offering document (OD), fund’s investment structure constitute of the following criteria:

- No minimum exposure required in T-Bills, PIBs and other government securities.
- Minimum 10% of net assets must be placed in cash in bank account (excluding TDRs), GOP Ijara Sukuk and Treasury Bills not exceeding 90 days’ maturity with a minimum entity rating of AA.
- Maximum 75% exposure in deposits in scheduled banks with a minimum AA rating.
- Reverse repo transactions against authorized investments

**Table 1: Asset Allocation criteria**

	Minimum Rating	Minimum exposure	Maximum exposure
Debt securities (issued by government or controlled subsidiaries of government)	AAA	0%	100%
Cash in bank	AA	10%	100%**
Term Deposits	AA	0%	75%**
Reverse Repo against authorized investments	AA	0%	50%
Clean placement of funds with commercial banks and DFIs	AA	0%	50%
Money market placements	AAA*	0%	50%**
Commercial papers	AA	0%	30%
Financial Instrument	AA	0%	50%
Foreign authorized investments	AA	0%	30%***

\*If counterparty is an NBFC or modaraba; minimum entity rating would be AAA.

\*\* 25% if counter party is a microfinance bank, non-banking financial company or a Modaraba.

\*\*\*it is subject to a cap of US\$ 15m as per limits specified by the SBP and the commission.

**Asset Allocation**

The asset allocation is determined to maximize the return and on quarterly basis, the assets are allocated to the bank placements capitalizing on the highest rates available. Rest of the funds are allocated to T-bills and money market placements with Banks & DFIs. The asset allocation keeps the liquidity profile strong in tandem to the redemptions.

**Table 2: Asset Allocation**

Assets	Jun'19	Mar'19	Dec'18	Sep '18	Jun'18
Cash	62.0%	74.0%	91.0%	77.0%	99.0%
T Bills	25.0%	0.0%	0.0%	22.0%	0.0%
Money Market	10.0%	15.0%	8.0%	0.0%	0.0%
TDR	0.0%	10.0%	0.0%	0.0%	0.0%
Others	3.0%	1.0%	1.0%	0.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

As per the governing documents, ACF can only invest in securities with a minimum credit quality rating of AA. This depicts a sound investing strategy for the fund.

**Table 3: Credit Quality for the period July 2018-July 2019**

	Average	Maximum	Minimum

AAA	76%	99%	0%
AA+	12%	77%	0%
AA	17%	98%	0%
NR	1%	2%	0%

**Liquidity Profile**

During the period under review, total number of investors increased to 242 (FY18: 220) with proportion of retail clients increasing to 44% (FY18: 33%) by end-June 2019.

Moreover, contribution from corporates increased from 40% in June 2018 to 44% in June 2019. The fund must ensure granularity since top ten contributors remained on the higher side at 72% as at end-June 2019.

Therefore, Unit holding pattern depicts room for improvement, concentration.

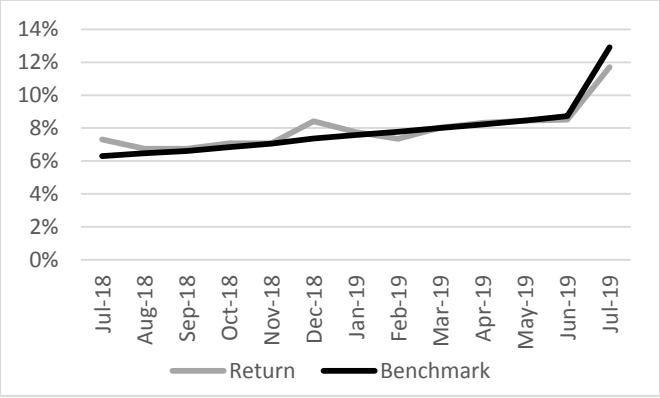
Liquidity profile of the fund is nevertheless considered strong with more than 50% assets deployed in cash placements and with a weighted average maturity of 18 days as at end-June 2019.

**Fund Performance**

The fund is benchmarked against a combination of return posted by average 3-month PKRV (70%) and 3-month average deposit rate. The fund has consistently performed in line with the benchmark during FY19, delivering a return of 8.5% vis-à-vis the benchmark return of 8.7%.

The monthly fund return has remained consistently in line with benchmark during FY19.

**Figure 3: Fund Return vs benchmark returns**



Relative to peers, the fund’s ranking improved to the 7<sup>th</sup> from 17<sup>th</sup> position of 22 funds during FY19 as compared to FY18 owing to its asset allocation.

<b>FINANCIAL SUMMARY</b>		
	<i>(amounts in PKR millions)</i>	
<b><u>BALANCE SHEET</u></b>	<b>FY19</b>	<b>FY18</b>
Paid Up Capital	NA	NA
Total Equity	NA	NA
<b><u>INCOME STATEMENT</u></b>		
Total income	141.0	58.4
Profit Before Tax	124.9	45.9
Profit After Tax	124.9	45.9
<b><u>RATIO ANALYSIS</u></b>		
Net Cash Generated from Operating Activities	(131.5)	1,280
Current Ratio (x)	NA	NA
Gearing (x)	NA	NA

## Rating History

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