

**Askari Cash Fund (ACF)****Managed By: Pak Oman Asset Management Company Limited****Fund Stability Rating****Latest Rating****AA+(f)****27-Dec-23****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****Fund Overview****Auditor** RSM Avais Hyder Liaquat Nauma**Trustee** Central Depository Company of Pakistan Limited**Front-end Load** Nil**Back-end Load** Nil**Benchmark** 70% average 3 month PKRV + 30% Average 3-month deposit rate of 3 AA rated schedule Banks as selected by MUFAP**MQR Rating** AM3++ (PACRA)**Mgt. Fee** Up to 12% of Gross Earnings subject to a maximum of 1.00% on the average annual net assets. Currently, 0.90% p.a. fee is being charged.

Askari Cash Fund (the Fund) is an open-ended money market fund constituted under a Trust Deed entered into on June 11, 2009, between Pak Oman Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

**Investment Objective**

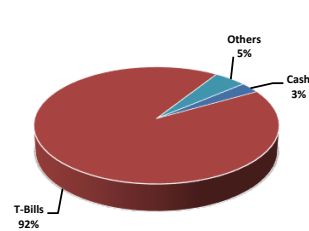
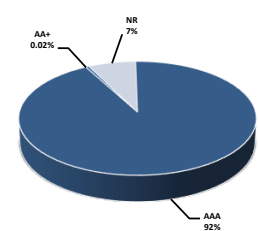
The objective of the Fund is to provide the investors with a high level of liquidity along with extremely low credit and price volatility. The Fund shall provide the facility to invest in an underlying portfolio primarily comprising of government securities (Treasury Bills) and other Authorized Investments which shall enable the investor to manage their liquidity efficiently.

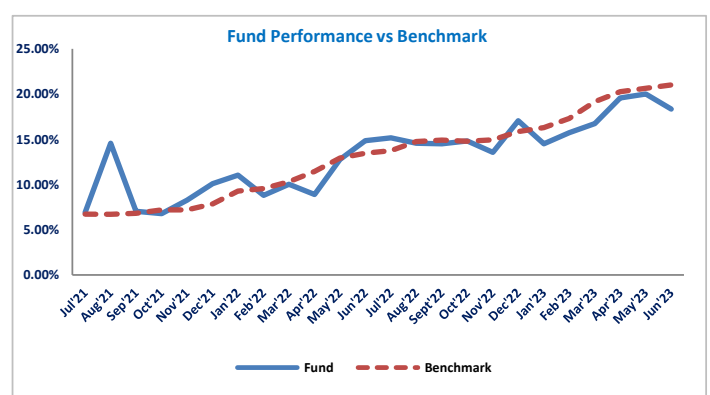
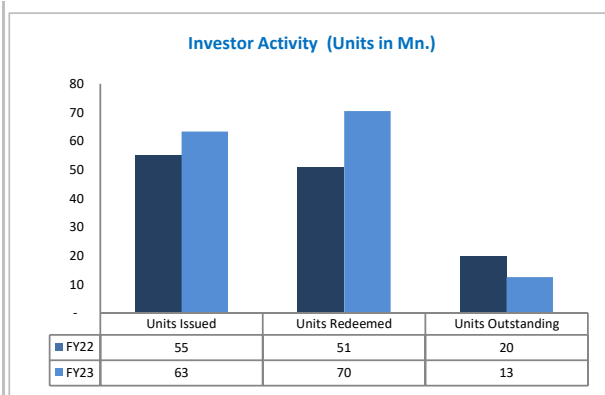
**Offering Document (Extract)**

Description	Minimum rating	Min- Max Limits
Treasury Bills, PIBs and other Government Securities	AAA	0% - 100%
Cash in Bank Account (excluding TDRs), GOP Ijara Sukuk and Treasury Bills not exceeding 90 days maturity both.	AA	10% - 100%
Term Deposit Receipt (TDRs)	AA	0% - 75%
Reverse REPO against Authorized Investments	AA	0% - 50%
Clean placement of funds with scheduled commercial Banks and DFIs under Letter of Placement (LoPs) and other similar arrangements	AA	0% - 50%
Money Market Placements including COD/COM/COI stc.	AAA for NBFC and Modraba and AA for Other Financial Institutions	0% - 50%
Commercial Papers	AA	0% - 30%
Any financial instrument that may be allowed by the Commission from time to time, which is accordance with the Rules, Regulations and the Constitutive Documents and within the parameters mentioned in the risk management policies of the Management Company.	AA	0% - 50%
Foreign Authorized Investments depeneding upon exposure limits as approved by the Commission and SBP	AA	0% - 30% (subject to a cap of US\$ 15mn or as per limits specified by SBP and/or the Commission)

**Net Assets**

	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	1,575	2,025	1,293

**Asset Allocation - Jun'23****Credit Quality - Jun'23**



Credit Quality (FY'23)				Avg. Asset Allocation (% wise)		
	Average	Maximum	Minimum		FY'22 Avg.	FY'23 Avg.
Government Securities	0.00%	0.00%	0.00%	Cash	56.33%	15.18%
AAA	75.45%	96.17%	0.03%	T-Bills	37.04%	71.17%
AA+	3.53%	18.05%	0.01%	PIB	0.00%	4.45%
AA	15.86%	75.06%	0.27%	Commercial Papers	5.39%	4.80%
AA-	0.00%	0.00%	0.00%	Others	3.42%	4.40%
A+	0.00%	0.00%	0.00%			
A	0.00%	0.00%	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*	5.16%	7.18%	2.53%			
*Non-rated includes receivables/accruals from securities having a credit rating of not less than AA						
Portfolio Maturity (FY'23)				Fund Performance		
	Average	Maximum	Minimum		FY'22	FY'23
WAM in year(s)	0.10	0.19	0.04	Total Return	10.54%	17.48%
Duration (In Days)	35	69	16	Benchmark Return	9.28%	17.00%
				Peer Average	10.61%	17.41%
				Peer Ranking	12/21	13/24

## Fund Stability Analysis

## Fund Rating:

The Askari Cash Fund has been assigned a rating of AA+(f) by VIS Credit Rating Company. This rating signifies a high degree of stability in the Net Asset Value (NAV) of the fund, with modest risk that may vary slightly due to changing economic conditions.

## Asset Allocation:

While the fund's size has decreased to Rs. 1.3b at end-June'23, down from Rs. 2.0b at end-June'22. The fund has, on multiple occasions, breached the minimum cash requirement of 10% as stipulated by the Investment Policy Statement (IPS). However, this aforementioned requirement has been adhered to when assessed on a monthly average basis.

## Credit Quality:

The Credit Risk Criteria of the fund falls within the guidelines stipulated in our methodology while also complying with minimum rating specified in the IPS. The majority of the fund's investments are in AAA and AA+ rated government securities, providing a high level of credit quality.

## Market and Liquidity Risk:

Weighted Average Maturity (WAM) of the fund is capped at 90 days while average highest WAM was reported at 69 days as at June'23. The fund's AUMs are dominated by unrelated corporates with 78.5% of the emanating from the same as at June'23. Top 10 investors concentration has also increased to 71% as at June'23 compared to 61% as at June'22, albeit the ability to meet redemption remains strong given sizeable investments in cash and T-Bills.

## Fund Performance:

The fund's return has outperformed both its benchmark and peer average return in FY23. Compared to peers, the fund has placed in the third quartile.

## Financial Snapshot

	FY22	FY23
<b>BALANCE SHEET</b>		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<b>INCOME STATEMENT</b>		
Total Income	209.0	401.6
Profit Before Tax	209.0	401.6
Profit After Tax	-	-
<b>RATIO ANALYSIS</b>		
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 Cash Fund	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	27-Dec-23	AA+(f)	Reaffirmation
Fund Stability	4-Jan-23	AA+(f)	Reaffirmation
Fund Stability	17-Dec-21	AA+(f)	Reaffirmation
Fund Stability	31-Dec-20	AA+(f)	Reaffirmation
Fund Stability	26-Nov-19	AA+(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.		
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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Rating Scale	<a href="https://docs.vis.com.pk/docs/VISRatingScales.pdf">https://docs.vis.com.pk/docs/VISRatingScales.pdf</a>		

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Note: VIS' mutual fund rating is not a recommendation to buy, sell, or hold any fund, in as much as it does not comment as to suitability for a particular investor.