

Askari Cash Fund (ACF)

Managed By: Pak Oman Asset Management Company 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

Fund Overview

Launch Date	July 09, 2009
Fund Type	Open-End
Category	Money Market Fund
Risk Profile	Very Low
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.

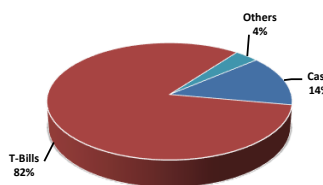
Offering Document (Extract)

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)

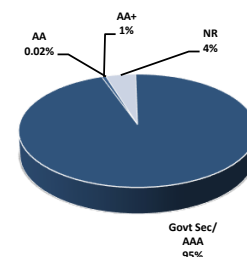
Net Assets

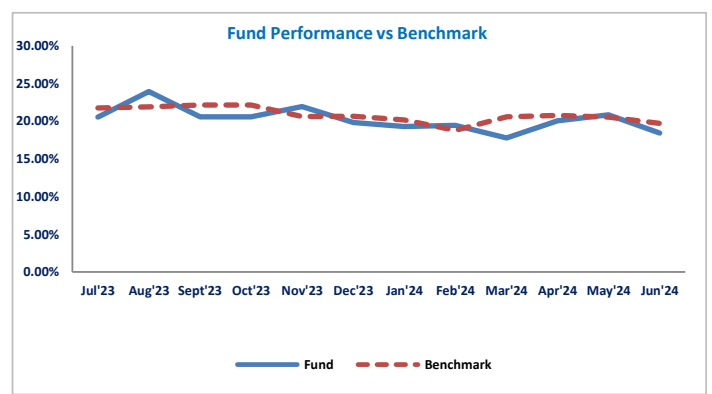
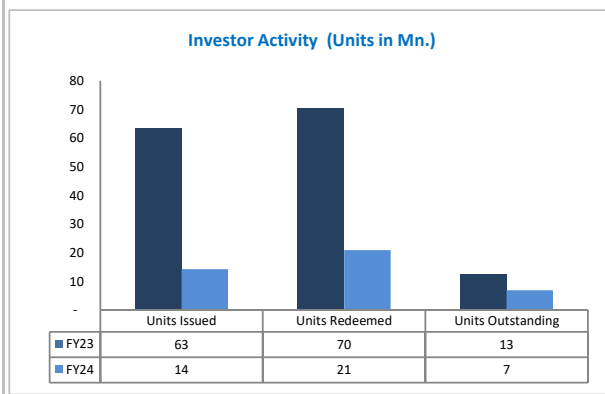
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	2,025	1,293	712

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.
Govt Sec/ AAA	91.41%	96.19%	80.48%	Cash	15.18%	12.96%
AA+	2.53%	11.85%	0.03%	T-Bills	71.17%	83.12%
AA	0.59%	4.26%	0.00%	PIB	4.45%	0.00%
AA-	0.00%	0.00%	0.00%	Commercial Papers	4.80%	0.00%
A+	0.00%	0.00%	0.00%	Others	4.40%	3.92%
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	5.37%	13.50%	2.00%			

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

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.10	0.21	0.01	0.25	Total Return	17.48%	22,29%
Duration (In Days)	36	77	3	90	Benchmark Return	17.00%	20.90%
					Peer Average	17.41%	22.28%
					Peer Ranking	13/24	12/27

Fund Stability Analysis

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:

As at Jun'24, the size of the Fund contracted to Rs. 712m (Jun'23: Rs. 1,353b). During this period, the Fund breached the minimum cash requirement of 10% in Jul'23, Aug'23, Sept'23, Jan'24, and Mar'24. However, the Fund adhered to this benchmark on an average basis and complied with the other asset allocation parameters outlined in the offering document. On average, the Fund's investments were predominantly in T-Bills, accounting for ~83% of the portfolio, followed by cash, which made up ~13% of the investments.

Credit Quality:

During FY24, the Fund's credit quality exposures remained aligned with the parameters specified in the offering document, with investments predominantly in AA and higher-rated securities. The Fund's allocation to Gov Sec/AAA rated securities increased to approximately 91% of the portfolio, while investments in AA-rated securities were reduced to ~1% of the portfolio, down from 15% in the previous year. Furthermore, cash balances were largely held in AAA rated banks. The credit quality of the Fund is in line with the VIS benchmark for the assigned rating.

Market and Liquidity Risk:

During the review period, the average weighted average time to maturity (WAM) of the Fund stood at 36 days, below the maximum threshold of 90 days as outlined in the offering document.

The liquidity profile of the Fund is considered sound, with investments primarily deployed in liquid assets. As of June 2024, corporate investors dominate the Fund's AUM mix, constituting ~72% of the Fund's size, while the remaining investments are represented by associates (~20%) and retail investors (~8%). Additionally, client concentration risk is considered high, with the top ten investors accounting for ~72% of the Fund's portfolio.

Fund Performance:

During FY24, the Fund's YTD return clocked in at 22.29%, outperforming its benchmark and slightly above the peer average, positioning it in the second quartile.

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	424.0	233.5
Profit Before Tax	401.6	218.2
Profit After Tax	401.6	218.2
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 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	2-Jan-25	AA+(f)	Reaffirmation
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.		
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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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