



Rating Action

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PACRA Maintains Stability Rating to AKD Cash Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating at 'AA+ (f)' (Double A plus ; fund rating) of AKD Cash Fund (AKDCF), an open-end money market fund. The fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

The fund's objective is to provide optimum returns with minimum risk by investing in high quality short term liquid securities / instruments.

The rating reflects the fund's sound credit risk profile emanating from the fund's investment policy to invest in high credit quality investment avenues with sound liquidity. The fund's portfolio, at end-Sept16, comprises GOP securities (97%) and cash balances (1.5%). On monthly average basis, 97% of the fund's assets were invested in Government securities in Sept-16. Fund's portfolio duration of 26 days results in low exposure towards interest rate volatility. On monthly average basis, fund's 97% exposure was in Government securities in Sept16. The fund's unit holding pattern remains highly concentrated with the top10 investors comprising 98% of the fund's net assets, exposing fund to the redemption pressure. The comfort can be drawn from the liquid nature of investments.

Going forward, the rating remains dependent on maintaining at least 50% allocation towards government securities or AAA exposure with portfolio duration not exceeding 60 days. Meanwhile, the remaining assets of the fund must be placed with scheduled banks having credit ratings of 'AA' and above. PACRA would monitor compliance against agreed parameters.

About the Management Company:

AKD Investment Management Limited (AKDIML), after acquisition of rights to manage Golden Arrow Selected Stocks Fund (GASSF), commenced operations in Sep-04. AKDIML is sponsored by Aqeel Karim Dhedhi Securities (Pvt) Limited (AKDSPL). AKDSPL owns 99.97% shares of AKDIML. The remaining stake is held by four directors and an ex-CEO of the company. AKDSPL is majority owned by Mr. Aqeel Karim Dhedhi - Chairman of the AKD Group - a renowned figure in Pakistan's capital market. Presently, the company is managing four open-end funds and one close-end fund with AUM of PKR 5.9bln at end-Sept16.

The CEO of AKDIML Mr. Imran Motiwala has been serving as the Chief Executive Officer since 2009. He is a marketing graduate from Southeastern University and a Certified Director from the Pakistan Institute of Corporate Governance. Fund Manager, Abdul Rehman is currently working as a Fund Manager at AKD Investment Management Limited. He is a graduate from IBA Karachi.

Applicable Criteria and Related Research

- Mutual Funds | Oct-16
- Fund Stability Rating Methodology

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