



Rating Action

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PACRA WITHDRAWS ASSET MANAGER RATING OF KASB FUNDS LIMITED

Subsequent to KASB Funds Limited's (KFL) decision to discontinue its rating relationship, PACRA has withdrawn the asset manager rating of the company, with immediate effect. The latest rating of the company was 'AM3-' (AM Three Minus).

The rating reflects deterioration in the company's market standing vis-à-vis peers in the current crises, attributable to the weak performance and constrained liquidity position of the company's open-end fixed income funds. The company registered a substantial decline in AUM, though the trend was arrested due to temporary suspension of redemption in income funds. However, the squeeze in AUM has put significant pressure upon management fee.

In view of the current pressures upon the company, the management is faced with a daunting task of regaining the market confidence. Meanwhile, the quality of infrastructure and systems and processes would also come under pressure amidst cost cutting pressure. However, the quality of management, backed by a strong group and association with BlackRock MLIM, is expected to play a pivotal role in an expeditious recovery for KFL, though the related timeframe for such recuperation remains to be seen.

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