

Research Update:

# Cathay Taiwan Money Market Fund Rating Affirmed At 'twAAf'

September 12, 2024

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAAf' fixed-income fund credit quality rating on **Cathay Taiwan Money Market Fund**. The rating reflects our view of the very strong credit quality of the fund's portfolio exposure relative to that of funds in the Taiwan market. This very strong credit quality is supported by the track record of the fund credit score whereby we base our quantitative assessment of the fund's portfolio quality on the tenor and the rating of the invested entities according to our criteria. The very strong assessment of credit quality also reflects our view of the fund duration management and investment strategy and guidelines, among other factors that can consistently support the rating level of 'twAAf'. That's despite the latest portfolio credit quality may indicate a higher rating level.

Other supporting factors include strong management and organization, risk management and compliance, as well as credit research of the fund house, adequate credit culture, no indicators gauging potential rating volatility, and stringent regulations bolstering the fund's credit quality and aforementioned management strength. These factors all remain unchanged compared with last year. The industry risk of market-sensitive fund size fluctuation tempers these factors.

## Related Criteria & Research

### Related Criteria

- Criteria - Financial Institutions - Fixed-Income Funds: Fund Credit Quality Ratings Methodology – July 26, 2024
- General Criteria: Methodology For Determining Ratings-Based Inputs – July 26, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 8, 2023

### Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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## Ratings List

### Ratings Affirmed

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#### Cathay Taiwan Money Market Fund

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Fixed-income Fund Credit Quality Rating	twAAf
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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.taiwanratings.com](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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