

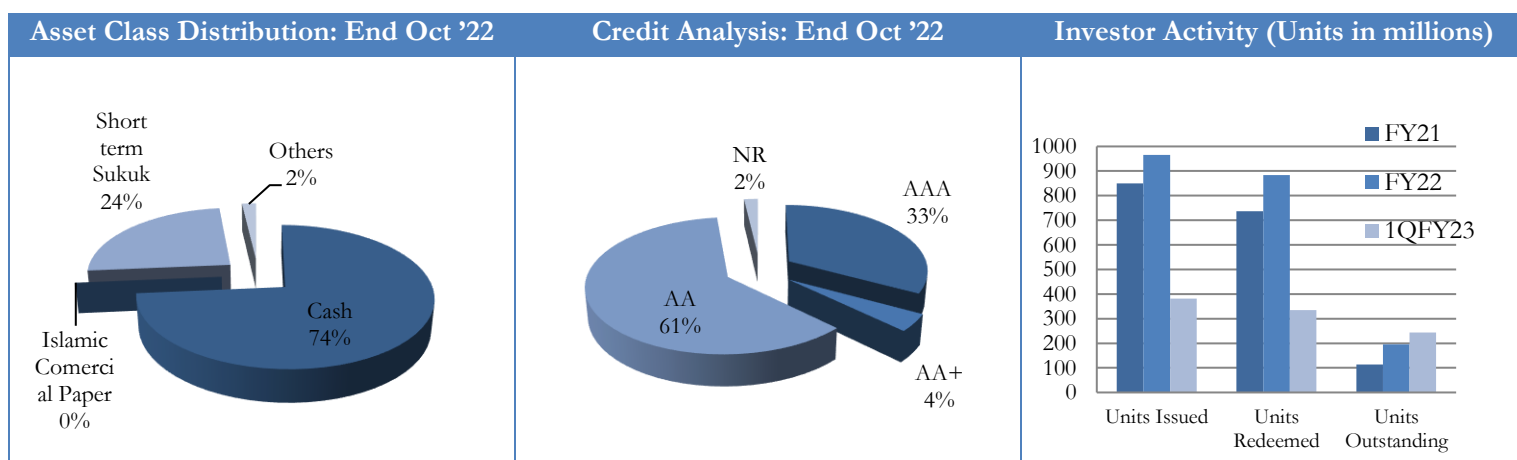
13 December, 2022

Analyst: Batool Zaidi
Shaheryar Khan Mangan

Investment Objective

The Objective of the Fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market securities.

Faysal Islamic Cash Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f)	AA(f)
	13 December, 2022	4 November, 2021
Management Company	Faysal Asset Management Company Limited	
Chief Executive	Mr. Khaldoon Bin Latif	
Fund Manager	Mr. Mustajab Alam	
Trustee	Central Depository Company of Pakistan Limited	
Front-end Load	Up to 2% of NAV	
Back-end Load (as Deferred Sales Load)	Up to 1% of NAV	
Management Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.45%)	
Benchmark	Three (3) months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.	



Launched in August 2020, Faysal Islamic Cash Fund (FICF) is an open ended Shariah Compliant Money Market Scheme fund, managed by Faysal Asset Management. The fund's objective is to preserve capital and obtain a reasonable rate of return through deploying investments in Shariah Compliant instruments

The stipulated limited for each investment avenue have been stated in the fund's operational Investment Policy Statement (IPS) stating that none of the investment shall be deployed below AA issue/issuer. Investment Committee (IC) comprises Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Head of Fixed Income, Fund Manager, Head of Research, Head of Compliance and Internal Audit, and Head of Risk. All investment decisions are consensus based.

Asset base (excluding fund of fund) increased during the year to PKR 14b at end-June'22 from Rs 11b at end June'21.

Table 1: Offering Document (extract)

Asset Class	Minimum Rating (Issuer/Instrument)	Minimum – Maximum Limit
Shariah Compliant money market securities including Sukuk	AA or above	0%-90%
Shariah compliant Money market instruments such as Islamic TDR, Islamic Commercial Paper, Certificate of Islamic Investment	AA	0% -90*%
Cash and Cash equivalents: Shariah compliant Government Securities with 90 days maturity and cash with Islamic banks/Windows of Islamic Banks	AA and above (Bank Deposits)	10%-100%
Any other Shariah compliant investment which may be authorized by the Fund's Shariah Advisors and SECP	AA	0%-30% As allowed by SECP

Asset Allocation:

Table 2: Asset allocation Summary

	Average End Jun'21	Average End Jun '22	Oct' 22
Cash	80%	80%	74%
Islamic Commercial Paper	13%	8%	0%
Placements with Banks & DFIs	4%	3%	0%
Short term Sukuk	2%	8%	25%
Others	1%	2%	2%

The fund's IPS constrains exposure below AA rated issue/issuer. The fund invested 77% of its asset on average in cash holdings. Remainder of the investment allocation is directed towards Islamic Commercial Paper, short term Sukuk and bank placements. Overall, the fund complied with the stipulated requisites of the offering document.

Credit Quality:

Table3: Credit quality Summary

	Average	Maximum	Minimum
AAA	30%	63%	9%
AA+	3%	9%	2%
AA	65%	87%	33%
Others	2%	4%	1%

Credit quality exposures remained in tandem with VIS criteria during the period under evaluation. The fund, as per its mandate, cannot take exposure in avenues rated below AA. On a monthly average basis, AA rated issue/issuers continued to make up the majority of the fund's investment, with 63% invested, while AAA rated exposure was estimated to be approximately 32%, indicative of an improved credit quality vis-à-vis previous year.

Market Risk:

In tandem with FICF's Investment Policy Statement (IPS), Weighted Average Maturity (WAM) of the fund is capped at 90 days whereby maturity of any single asset shall not exceed six months. Market risk remained low as majority of investments were held in cash deposits. Highest WAM was reported at end-Apr'22 at 33 days.

Liquidity Profile:

The fund is dominated by corporates with top-10 client concentration of the fund at 75% in FY22 (FY21: 85%), albeit reflecting improvement vis-à-vis last year. Liquidity risk is however mitigated through asset allocation which remains concentrated in liquid investments, although vulnerability to corporate liquidity remains high.

Fund's Performance:

Table 4: Monthly Returns

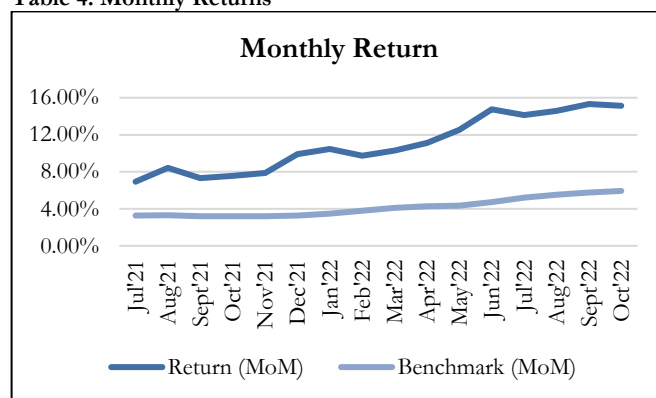


Table 5: Performance Summary

Performance	FY22
Return	10.18%
Benchmark Return	3.67%
Relative Ranking *(based on 365 days)	1/14

Benchmark return of the fund is determined from three (3) months average deposit rates of Conventional Banks as selected by MUFAP. Net Asset Value (NAV) of the fund witnessed an increase on monthly basis. Similarly, monthly return was stable during this fiscal period and depicted an upward trend. Relative to its peers, the fund topped the ranking out of a total of 14 funds based on a 365 day return, end-June'22. While on YTD basis, the funds was ranked 5/17, outperforming its peer average of 8.49%.

BALANCE SHEET	FY21	FY22	*1QFY23
Paid Up Capital	N/A	N/A	N/A
Total Equity	N/A	N/A	N/A
INCOME STATEMENT			
Total Income	353	1,542	700
Profit Before Tax	310	1,456	666
Profit After Tax	310	1,456	666
RATIO ANALYSIS			
Current Ratio (x)	N/A	N/A	N/A
Gearing (x)	N/A	N/A	N/A

*Un-audited Accounts

REGULATORY DISCLOSURES		Appendix	
Name of Rated Entity	Faysal Funds (Formerly Faysal Asset Management Company)		
Sector	Mutual Funds		
Type of Relationship	Solicited		
Purpose of Rating	Fund Stability Rating (FSR)		
Rating History	Rating Date	Medium to Long Term	Outlook
	13-Dec-22	AA(f)	Reaffirmed
	04-Nov-21	AA(f)	Initial
Instrument Structure	N/A		
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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