

Faysal Islamic Cash Fund (FICF)

Managed By: Faysal Asset Management Limited

Fund Stability Rating

Latest Rating

AA(f)

27-Dec-24

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

Launch Date	August 11, 2020
Fund Type	Open-End
Category	Shariah Compliant Money Market Fund
Risk Profile	Low
Auditor	A. F. Ferguson & Co., Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Up to 2% of NAV
Back-end Load	Up to 1% of NAV
Benchmark	Three (3) months average deposit rates of three (3) –AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.
MQR Rating	AM1 (VIS)
Mgt. Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.17%)

Fund Overview

Faysal Islamic Cash Fund (the Fund) is an open-end money market fund constituted under a Trust Deed entered into on Aug 11, 2020, between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

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

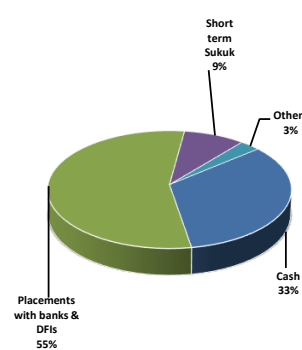
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Shariah Compliant money market securities including Sukuk issued by Federal Govt., Provincial Govt., Local Govt., Govt. Agencies, Autonomous Bodies, public sector entities and private sector entities.	AA	0%-90%
Shariah compliant Money market instruments such as Islamic TDR, Certificate of Islamic Investments (COI), Certificates of Musharaka (COM), Islamic Certificates of Deposit (COD), etc. with Islamic Commercial Banks and Islamic DFIs or Islamic windows of Commercial banks and DFIs.	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%
Shariah Compliant Placements of funds (including TDR, PLS Saving deposit, COD, COM, COI, Money Market Placements and other clean placements of the funds) with nonbanking finance companies and Modarabas	AAA	0%-25%
Shariah Compliant Placements of funds (including TDR, PLS Saving deposit, COD, COM, COI, Money Market Placements and other clean placements of the funds) with microfinance banks	AA	0%-25%
Any other Shariah compliant investment which may be authorized by the Fund's Shariah Advisors and SECP.	AA/A1	0%-AS Specified by SECP in the Approval
Islamic Commercial Paper	A1	0%-20%

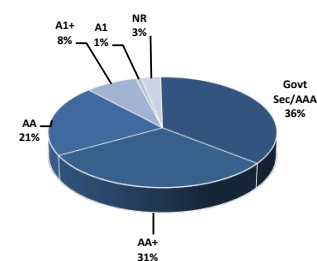
Net Assets

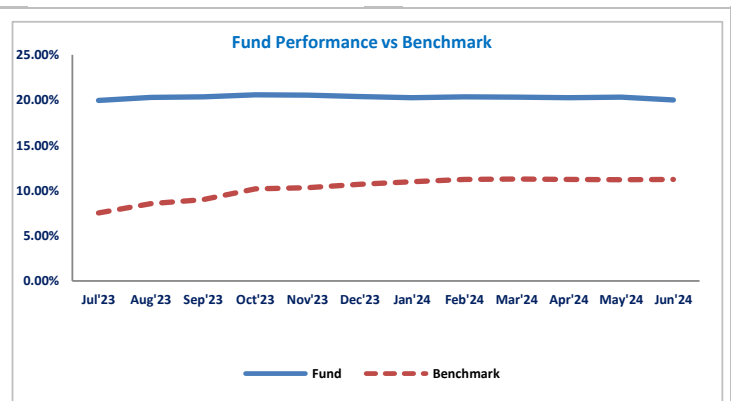
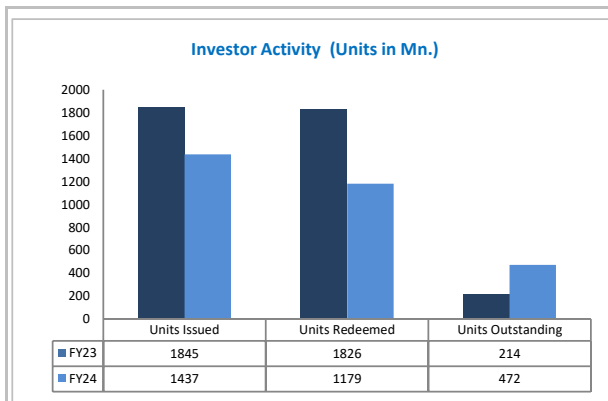
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	14,410	21,454	47,237

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	24.39%	40.17%	0.04%	Cash	65.81%	49.75%
AA+	15.54%	31.38%	1.54%	Islamic Comercial Paper	0.00%	0.00%
AA	52.47%	76.68%	21.04%	Placements with banks & DFIs	12.76%	34.53%
AA-	0.00%	0.00%	0.00%	Short term Sukuk	19.07%	11.88%
A+	0.00%	0.00%	0.00%	Others	2.36%	3.85%
A	0.00%	0.00%	0.00%			
A-	0.00%	0.00%	0.00%			
A1+	3.54%	10.81%	0.00%			
A1	0.21%	0.87%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	3.85%	9.54%	2.18%			
	100.00%	0.00%	0.00%			

*Non-rated includes recievables/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)	0.07	0.10	0.03	0.25	Total Return	17.43%	22.31%
Duration (In Days)	24	35	11	90	Benchmark Return	6.23%	10.28%
					Peer Average	16.78%	22.31%
					Peer Ranking	1/17	1/24

Fund Stability Analysis

The Faysal Islamic Cash Fund has been assigned a Fund Stability rating of AA(f) based on its asset allocation, credit quality of the investment, and market risk. The fund has demonstrated a high degree of stability in its Net Asset Value, indicating a low level of risk.

Asset Allocation:

During FY24, the Fund’s Assets Under Management (AUM), excluding fund of funds, recorded a robust growth of ~120%, closing at Rs. 47.2b (Jun’23: Rs. 21.5b) as at Jun’24. The Fund, however, breached its permissible exposure limit for fund placements, exceeding the limit both on a month-on-month and average basis during the periods from Aug’23 to Feb’24 and from Apr’24 onwards, with investments in placements accounting for ~35% of the total allocation. The remaining asset allocation of the fund remained in line with the parameters defined in the offering document. On average, cash deposits represented the majority of the Fund’s investments, making up ~50% of the portfolio, while short-term sukuk accounted for ~12% of the investments.

Credit Quality:

The Fund’s credit quality exposures have remained within the defined parameters as outlined in the offering document, which allows for investments in assets rated AA and above. During FY24, the Fund’s investments were largely vested in AA rated issues/issuer, which accounted for an average of ~52% of the investments, followed by investments in AAA rated and AA+ issues/issuer, which made up ~24% and ~16% of the Fund’s credit exposures respectively. Not Rated exposures account for receivables/cash held against AAA/AA exposures.

Market and Liquidity Risk:

According to the Offering document the weighted average time to maturity (WAM) should not exceed 90 days, which the Fund adhered to, with average WAM of the fund during FY24 standing at 23 days

As at June’2024 the fund portfolio continued to be primarily held by the corporates, representing around 97% of the fund’s net assets. Additionally, the client concentration risk is considered low, with the top 10 investors representing ~5% of the fund’s net assets as at Jun’24.

Fund Performance:

During FY24, the fund was top performer among its peers with the Fund year-to-date (YTD) return outperformed its peer average and placed in the first 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	3,767.6	6,838.6
Profit Before Tax	3,577.0	6,565.7
Profit After Tax	3,577.0	6,565.7
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	Faysal Islamic 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	27/12/2024	AA(f)	Reaffirmed
Fund Stability	15-Dec-23	AA(f)	Reaffirmed
Fund Stability	13-Dec-22	AA(f)	Reaffirmed
Fund Stability	4-Nov-21	AA(f)	Initial
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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