

Faysal Cash Fund (FCF)

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

Fund Overview

Launch Date	January 07, 2021
Fund Type	Open End
Category	Money Market Scheme
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	70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled 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 0.50%)

Faysal Cash Fund (the Fund) is an open-end money market fund constituted under a Trust Deed entered into on Jan 07, 2021, 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 competitive rate of return via investing primarily in money market securities.

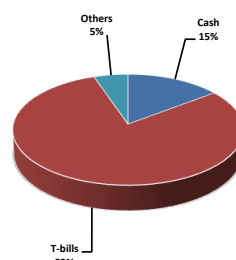
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash in bank accounts (excluding TDRs), Treasury Bills and [GoP Ijara Sukuks not exceeding 90 days]	AA	10%-100%
Government Securities (PIB, TBills, GOP Ijara Sukuk etc.)	GOP	0%-90%
Term Deposits Receipt (TDR) and Clean Placements with scheduled banks.	AA	0%-75%
Deposits in Current, PLS Saving Deposit, Term Deposits Receipt (TDR), Certificate of Deposits (COD), Certificate of Investments (COI), Certificate of Musharka (COM), Money Market Placement and Clean Placement with Microfinance Banks.	AA	0%-25%
Certificate of Deposits (COD), Certificate of Investments (COI), Certificate of Musharka (COM), Money Market Placement and Clean Placement with NBFCs and Modarabas.	AAA	0%-25%
Clean Placements and Certificate of Investment (COI) with DFIs.	AA	0%-75%
Reverse Repo against Government Securities or such other allowable securities, in accordance with the Regulations.	AA in case of Bank/DFI and AAA in case of NBFC and Modaraba	0%-75%
Commercial papers up to six (6) month Maturity	AA in case of Bank/DFI and AAA	0%-90%
Foreign Investments (in authorized money market instruments and other money market funds) subject to prior approval of SECP and SBP.	AA	0-30% of Net Assets or subject to cap of USD 15 million whichever is lower.
Any Other investment as authorized by the commission from time to time.	AA	0%-70%
Secured, unsecured, Listed, Unlisted and privately placed 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%

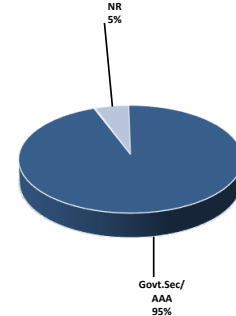
Net Assets

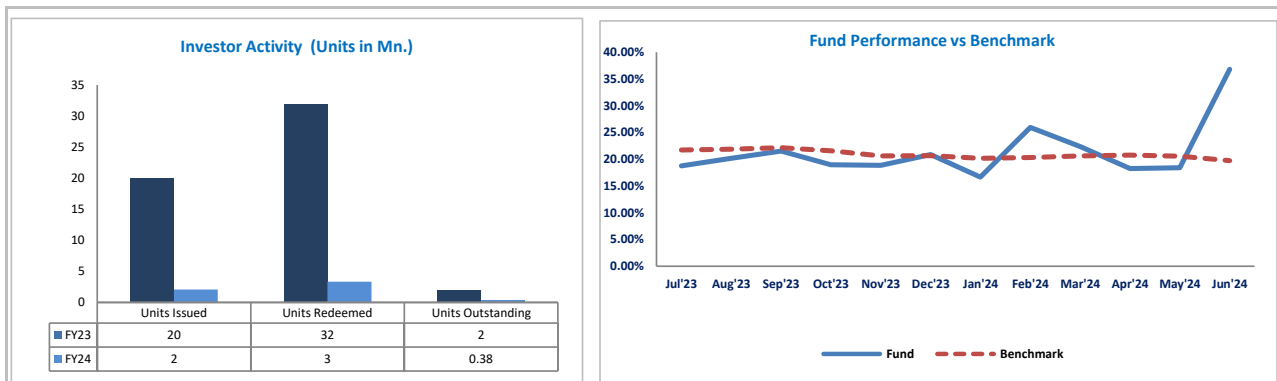
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	1,383	168	39

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	68.00%	95.85%	0.00%	Cash	32.91%	35.99%
AA+	18.83%	75.88%	0.04%	T-bills	43.72%	60.27%
AA	9.26%	92.35%	0.18%	Short-term Sukuk	13.76%	0.00%
AA-	0.17%	2.04%	0.00%	Commercial Paper	8.16%	0.00%
A+	0.00%	0.00%	0.00%	Others	1.45%	3.74%
A	0.00%	0.00%	0.00%			
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	3.74%	8.22%	1.16%			

* Non-rated includes receivables/accreals 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)	0.08	0.17	0.00	0.25	Total Return	16.38%	23.82%
Duration (In Days)	28	63	1	90	Benchmark Return	17.01%	20.90%
					Peer Average	17.41%	22.28%
					Peer Ranking	22/24	1/27

Fund Stability Analysis

The Faysal Cash Fund has been assigned Fund Stability Rating of AA+(f). 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 size has witnessed a substantial contraction, with Assets Under Management (AUM) coming down to Rs.39m (June’23: 168m) at end June’24. During the year, some exceptions in maintenance of cash and Government Securities exposures were noted in particular months which were rectified subsequently. Overall, the fund asset allocation has remained in line with the offering document, with investments mainly comprising cash and T-bills, representing ~36% and ~60% of the investments respectively.

Credit Quality:

Credit quality of the fund reflects improvement with ~68% of the funds allocated to AAA/Government Securities portfolio. While the fund offering document limits exposures at AA, the fund allocated 2% of the total AUMs to AA- rated instruments in the month of Dec '23, breaching the threshold.

Market and Liquidity Risk:

In FY24 the maximum weighted average maturity (WAM) was reported at 28 days, well below the defined threshold of 90 days as stipulated in the offering document.

As of Jun’24, the Fund’s investment portfolio was predominantly held by retail investors, comprising ~99% of the portfolio. Furthermore, the top 10 investors accounted for 98% of the total investments, highlighting a high concentration risk. However, considering the liquid nature of investments, redemption risk is considered manageable ensuring stability and flexibility.

Fund Performance:

During FY24, the Fund yielded an annualized return of 23.82%, outperforming both its benchmark and peer average. Additionally, the Fund advanced from the fourth quartile to the first quartile, demonstrating a notable improvement in its ranking compared to the previous year.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	68.2	16.7
Profit Before Tax	63.7	15.1
Profit After Tax	63.7	15.1
RATIO ANALYSIS		
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 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-Dec-24	AA+(f)	Reaffirmed
Fund Stability	15-Dec-23	AA+(f)	Reaffirmed
Fund Stability	26-Dec-22	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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