

**Alfalalah Cash Fund - II (Formerly Faysal Cash Fund) (ACF-II)**Managed By: *Alfalalah Asset Management Limited***Fund Stability Rating****Latest Rating****AA+(f)****20-Jan-26****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**

<b>Launch Date</b>	January 08, 2021
<b>Fund Type</b>	Open End
<b>Category</b>	Money Market Scheme
<b>Risk Profile</b>	Low
<b>Auditor</b>	A. F. Ferguson & Co., Chartered Accountants
<b>Trustee</b>	Central Depository Company of Pakistan Limited
<b>Sales Load</b>	up to 2.00%
<b>Benchmark</b>	90% three (3) months PKRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP
<b>MQR Rating</b>	AM1
<b>Mgt. Fee</b>	Upto 1.25% of average net assets of the Scheme

**Fund Overview**

Alfalalah Cash Fund-II (Formerly: Faysal Cash Fund) (the Fund) is an open-end money market fund constituted under a Trust Deed entered into and between Alfalalah Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

**Investment Objective**

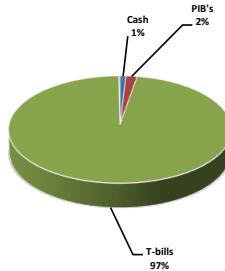
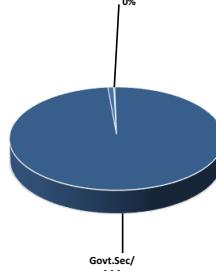
The objective of the scheme is to seek maximum possible preservation of capital and a competitive rate of return via investing primarily in money market securities.

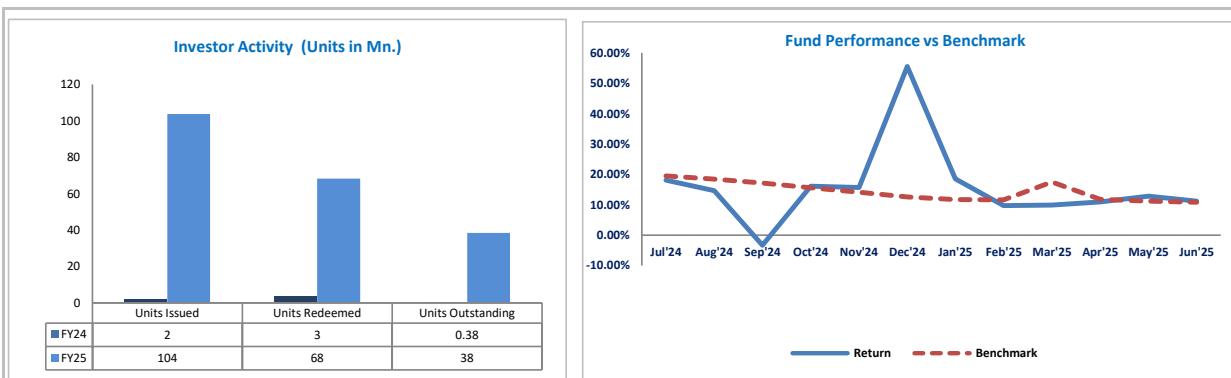
**Offering Document (Extract)**

Description	Minimum rating	Min- Max Limits
Cash in bank accounts (excluding TDRs), Treasury Bills and [GoP Ijara Sukus 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'24	Jun'25	Aug'25
Net Assets (In PKR' Millions)	39	3,946	5,599

**Asset Allocation - Aug'25****Credit Quality - Aug'25**



Credit Quality (FY'25)					Avg. Asset Allocation (% wise)	FY'25	Aug'25
	Average	Maximum	Minimum				
Govt.Sec/AAA	77.79%	99.85%	26.33%				
AA+	3.26%	36.44%	0.00%				
AA	4.87%	25.05%	0.00%				
AA-	0.00%	0.00%	0.00%				
A+	0.00%	0.00%	0.00%				
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	14.08%	47.39%	0.01%				

\* Non-rated includes receivables/accruals from securities having a credit rating of not less than AA

Portfolio Maturity (FY'25)	Average	Maximum	Minimum	Benchmark	Fund Performance	YTD Jun'25	YTD Aug'25
WAM in year(s)	0.08	0.17	0.00	0.25	Total Return	14.47%	9.62%
Duration (In Days)	28	61	1	90	Benchmark Return	13.86%	10.67%

Fund Stability Analysis		
Alfalah Cash Fund-II (ACF-II), previously operating as Faysal Cash Fund, has been assigned a 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. The Fund was acquired from Faysal Asset Management Limited in Jan'25, following which its size increased significantly to PKR 5,599m as of Aug'25, from Assets Under Management (AUM) of PKR 1m as of Dec'24.		
<b>Asset Allocation:</b> The Fund's asset allocation strategy remained in line with the parameters stipulated in the offering document. During FY25, the Fund's investments were primarily concentrated in Treasury Bills and cash placements, accounting for an average of ~45% and ~34%, respectively, while the remaining was held in Pakistan Investment Bonds (PIBs).		
<b>Credit Quality:</b> The credit quality of the Fund remains sound, with exposures largely held in Government Securities and AAA-rated avenues. Investments in AA and AA+ rated assets remain limited. Cash balances were maintained with banks rated AA and above. Going forward, continued maintenance of the Fund's credit quality will remain important for the assigned rating.		
<b>Market and Liquidity Risk:</b> During FY25, the weighted average maturity (WAM) was reported at around 17 days, well below the defined threshold of 90 days as defined in the offering document.		
The liquidity profile of the Fund is considered sound, with investments primarily placed in liquid assets. Corporate investors account for ~97% of the Fund's AUM, resulting in elevated concentration risk. However, given the liquid nature of the Fund's investments, redemption risk is considered low.		
<b>Fund Performance:</b> The Fund's annualized return underperformed its peer average as of Jun'25 and Aug'25, placing it in the fourth quartile.		

Financial Snapshot		
	FY24	FY25
<b>BALANCE SHEET</b>		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<b>INCOME STATEMENT</b>	FY24	FY25
Total Income	16.7	171.2
Profit Before Tax	15.1	165.8
Profit After Tax	15.1	165.8
<b>RATIO ANALYSIS</b>	FY24	FY25
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
Name of Rated Fund	Alfalalah Cash Fund - II (Formerly 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	20-Jan-26	AA+(f)	Reaffirmed
Fund Stability	27-Dec-24	AA+(f)	Reaffirmed
Fund Stability	15-Dec-23	AA+(f)	Reaffirmed
Fund Stability	26-Dec-22	AA+(f)	Initial
<b>Statement by the Rating Team</b>	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.		
<b>Probability of Default</b>	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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<b>Rating Methodology</b>	<a href="https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf">https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf</a>		
<b>Rating Scale</b>	<a href="https://docs.vis.com.pk/docs/VISRatingScales.pdf">https://docs.vis.com.pk/docs/VISRatingScales.pdf</a>		

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