

Faysal Islamic Financial Growth Plan-I (FIFGFP-I)

Managed By: *Faysal Asset Management Limited*

Fund Stability Rating

Latest Rating

A+(f)

23-Aug-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	July 25, 2023
Fund Type	Open Ended
Category	Open-End Shariah Compliant Aggressive Fixed Income Scheme (non-equity)
Risk Profile	Medium
Auditor	A. F. Ferguson & Co., Chartered
Trustee	Central Depository Company of Pakistan
Front-end Load	Up to 2% of NAV
Back-end Load	0
Benchmark	Weighted average of 12 (twelve) month Deposit Rates of 03 different Islamic Banks/Islamic Windows of Scheduled Commercial Banks
MQR Rating	AM2++ (VIS)
Mgt. Fee	Upto 2% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.52%)

The Faysal Islamic Financial Growth Fund (the Fund/the Scheme/the Trust/the Unit Trust/FIFGF) has been established through a Trust Deed (the Deed) dated July 20, 2022 under the Trust Act, 2020 entered into and between Faysal Asset Management Limited, the Asset Management Company, and Central Depository Company of Pakistan Limited, the Trustee.

Investment Objective

The primary objective of FIFGFP-I is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short-term Shariah Compliant instruments while taking into account liquidity considerations.

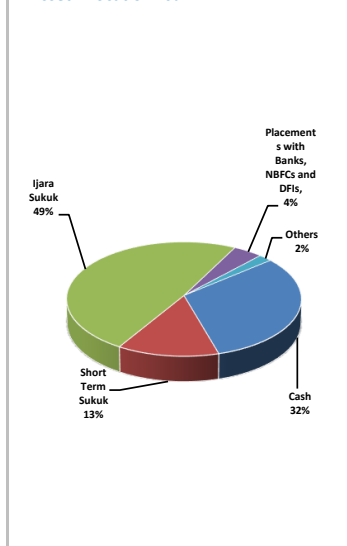
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash/Near Cash instruments in Islamic Banks and licensed Islamic Banking Windows of Conventional Banks and Shariah Compliant profit bearing accounts/Shariah Compliant Treasury securities with maturity of up to 90 days.	N/A	10%-100%
Shariah compliant securities/ including Sukuks and commercial paper issued by federal government, local governments, government agencies, statutory bodies, private and or public sector entities and / or Financial Institutions.	N/A	0%-90%
Bank Deposits in Licensed Islamic Banks and licensed windows of conventional bank, Islamic Microfinance bank, Certificate of Investments, Certificate of Deposits, Placement of funds under Mudarabah, Murabaha, Musharikh arrangements and other Shariah Compliant Structured and/or related tenor-based investments with financial institutions and DFI.	N/A	0%-90%
Shariah Compliant Spread Transactions or any similar kind of Shariah compliant product and any other Shariah Compliant instruments/ securities, other than Murabaha Share Financing, that may be permitted or approved by the SECP.	N/A	0%-90%
Any Shariah compliant Securities in overseas markets. Overseas investments would be subject to prior approvals /guidelines of SECP and SBP.	N/A	0-30% of Net Assets or subject to cap of USD 15 million whichever is lower.
Any other Shariah Compliant Securities that may be allowed by the Commission from time to time and is as per the guidelines of the Fund's Shariah Advisor and under such parameters as mentioned in the Risk Management Policies of the Management Company.	N/A	0%-90%

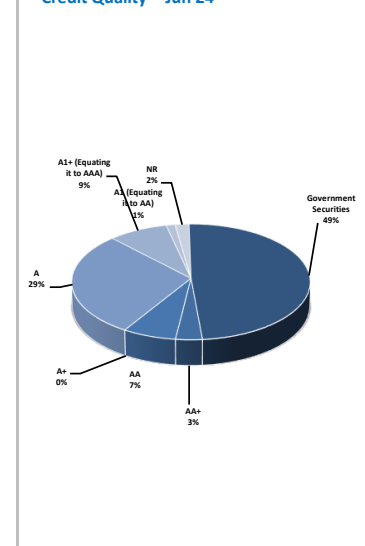
Net Assets

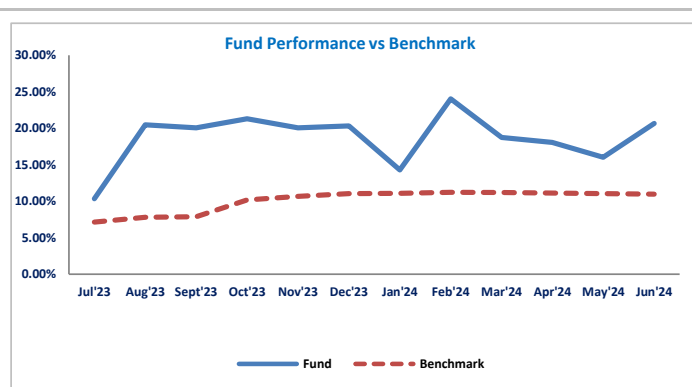
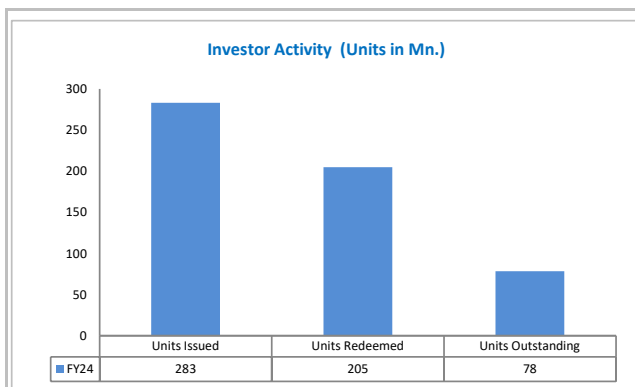
	Jun'21	Jun'22	Jun'24
Net Assets (In PKR' Millions)	-	-	7,846

Asset Allocation - Jun'24



Credit Quality - Jun'24





Investment Strategy and Asset Allocation

Credit Quality (FY'24)	Average	Maximum	Minimum
Government Securities	29.46%	82.40%	0.00%
AAA	0.00%	0.00%	0.00%
AA+	0.28%	3.40%	0.00%
AA	55.10%	99.23%	8.66%
AA-	0.00%	0.00%	0.00%
A+	0.45%	2.72%	0.00%
A	9.28%	82.24%	0.00%
A-	0.00%	0.00%	0.00%
A1+ (Equating it to AAA)	1.19%	8.57%	0.00%
A1 (Equating it to AA)	0.28%	2.11%	0.00%
NR*	3.98%	10.75%	0.64%

Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Cash	0.00%	51.59%
Short Term Sukuk	0.00%	25.85%
Ijara Sukuk	0.00%	17.62%
Placements with Banks, NBFCs and Others	0.00%	0.96%
Others	0.00%	3.98%

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

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark
WAM in year(s)	0.87	2.19	0.00	5.00
Duration (In Days)	35	128	1.00	1825.00

Fund Performance	FY'23	FY'24
Total Return	0.00%	20.92%
Benchmark Return	0.00%	10.10%
Peer Average	0.00%	21.00%
Peer Ranking	0	3/4

Fund Stability Analysis

The Faysal Islamic Financial Growth Fund Plan-1 ('FIGFP-1' or the 'Plan') has been assigned a Fund Stability rating of A+(f) based on its asset allocation, credit quality of the investment, liquidity and market risk. FIGFP-1 was launched by the end of July'23 and till June'24 the AUMs shows an overall upward trend with some fluctuations.

Asset Allocation:

The plan was launched in July 2023. The Assets Under Management (AUMs), excluding fund of funds, exhibited a notable growth starting Jan'24, reaching Rs. 7.8b in June'24. Since inception, the plan remained in line with the permissible exposure limits outlined in the offering document. On average, the plan's portfolio predominantly comprised of cash, accounting for 51.9%, with short term sukuk making up about 25.9%, while Ijara sukuk accounted for 17.6% of the plan's investment.

Credit Quality:

During the 11 months since launch, the Plan's credit quality exposures remained in compliance with the parameters laid out in the offering document, with investments primarily in AA rated exposures. While the investment policy allows for investments in below investment grade and unrated securities, assigned rating remains underpinned on management's operational plan to not invest below A+. Going forward, revision and implementation of the said asset allocation policy will remain imperative.

Market and Liquidity Risk:

In accordance with the Investment Policy Statement (IPS), the Weighted Average Maturity (WAM) of the Plan shall not exceed 05 years and this condition shall not apply to securities issued by the government. Market risk has remained minimal due to the predominance of investments held in cash deposits.

FIGFP-1 is mainly comprised of retail clients (89.8%), with the top 10 clients accounting for ~72% of the plan's portfolio in Jun'24, depicting high concentration. However, this risk is partly mitigated with the plan's asset allocation strategy, which maintained on average about 70% of investments in liquid securities, thereby reducing the redemption risk.

Fund Performance:

The Plan outperformed the benchmark return over the 11 months since launch.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24
Total Income	-	-
Profit Before Tax	-	-
Profit After Tax	-	-
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 Financial Growth Plan-I	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	23-Aug-24	A+(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		

Lead Analyst	Analyst
M. Amin Hamdani	Mahekash Kumar
amin.hamdani@vis.com.pk	mahekash.kumar@vis.com.pk

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