

Faysal Islamic Sovereign Plan-I (FISP-I)**Managed By: Faysal Asset Management Limited****Fund Stability Rating****Latest Rating****AA(f)****5-Sep-25****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	February 01, 2023
Fund Type	Open Ended
Category	Shariah Compliant Sovereign Income Scheme (non-equity)
Risk Profile	Low
Auditor	A.F. Ferguson & Co.
Trustee	Central Depository Company Pakistan Limited
Front-end Load	Upto 2.0%
Back-end Load	Nil
Benchmark	90% six (6) months PKISRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
MQR Rating	AM1 (VIS)
Mgt. Fee	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.90%)

The Faysal Islamic Sovereign Fund (the Fund/the Scheme/the Trust/the Unit Trust/FISF) has been established through a Trust Deed (the Deed) dated May 26, 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

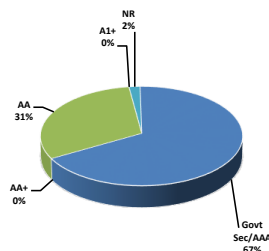
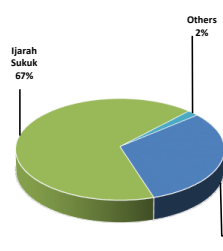
The Investment Objective of the plan is to generate a competitive return with low risk, by investing primarily in Shariah Compliant Government Securities and Islamic Banks and licensed Islamic Banking Windows of Conventional Banks.

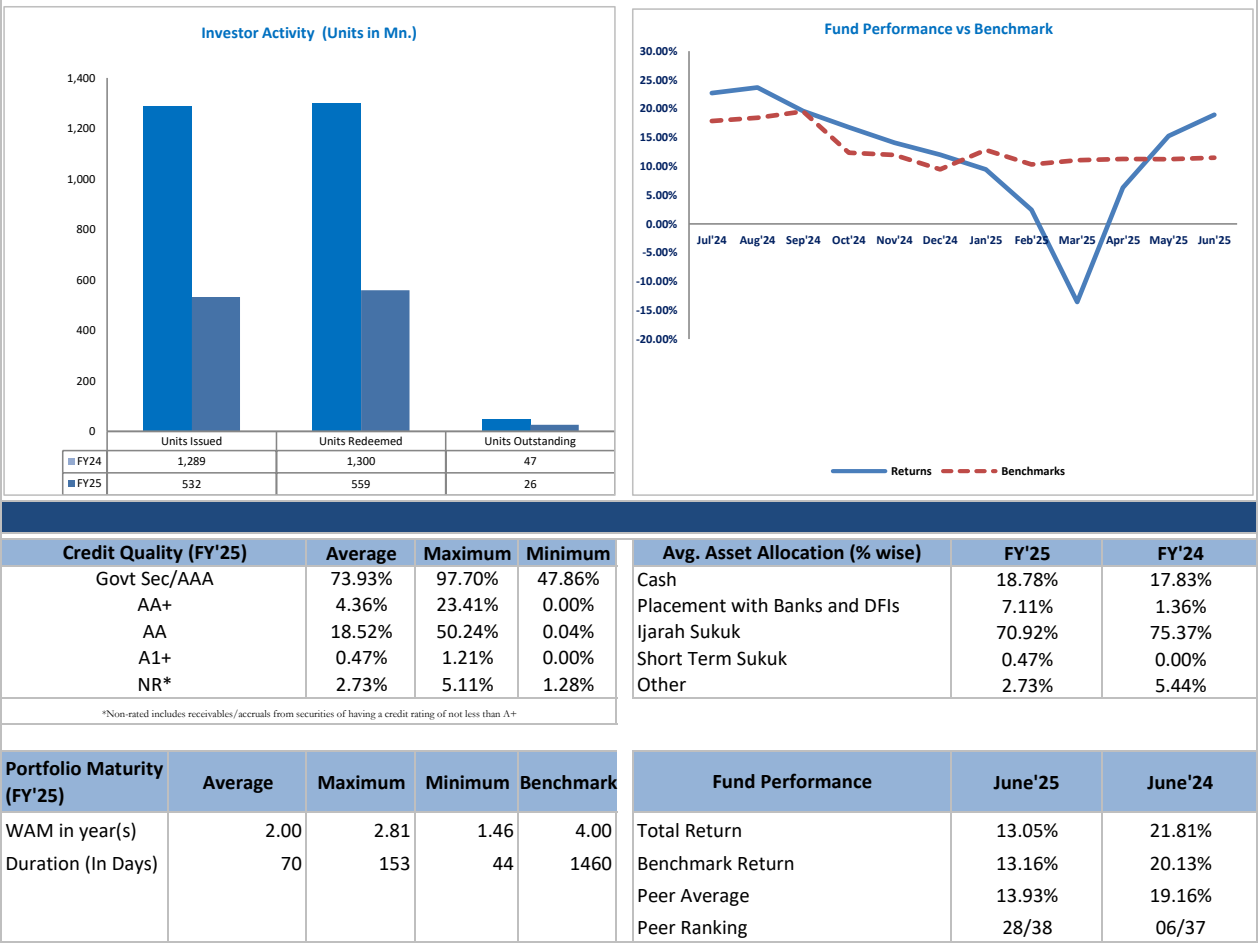
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Shariah compliant fixed income Government Securities (including Sukuks) issued or guaranteed by GoP	N/A	70%-100%
Cash in Bank Accounts (excluding TDR) with Islamic Banks or Islamic windows of Conventional Banks, plus Cash & Near Cash instruments which include short term shariah compliant Government securities having maturity not exceeding 90 days.	(AA-)	10% -30%
Deposits,), Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharka (COMs) with Microfinance Banks	(AA-)	0% to 20%
Certificate of Deposits (CODs), Certificate of Investments (COIs), Certificate of Musharka (COMs) with NBFCs and Modarabas	(AA-)	0% to 20%
Islamic Commercial paper and ,any other Shariah compliant non-traded security with maturity of up to 6 months including but not limited to (i) deposits in Islamic Banks and Islamic banking windows of conventional Banks; (ii) Placement of fund under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna Arrangements with banks and DFIs.	(AA-)	0%-30%
Islamic Commercial paper and any other Shariah compliant non-traded security with maturity exceeding 6 months, including but not limited to (i) deposits in Islamic Banks and Islamic banking windows of conventional Banks; (ii) Placement of funds under, Musharaka, Mudarabah, Murabaha, Ijarah and Istisna arrangements with banks and DFIs	(AA-)	0%-15%

Net Assets

	Jun'23	Jun'24	Jun'25
Net Assets (In PKR' Millions)	3,215	5,344	2,639

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



Fund Stability Analysis		
<p>The Faysal Islamic Sovereign Plan-I ('FISP-I' or 'the Plan') has been assigned a fund stability rating of AA(f). This rating indicates a high degree of stability in Net Asset Value; Risk is modest but may vary slightly from time to time because of changing economic conditions.</p> <p>Asset Allocation:</p> <p>Asset Allocation:</p> <p>The Assets Under Management (AUM) of the Plan peaked at PKR 41b in Nov'24 before witnessing a substantial decline to PKR 3b by Jun'25. During FY25, the Plan's investment allocations deviated from the prescribed parameters. Investments in Ijarah Sukuks fell below the minimum requirement of 70% of AUM from Jul'24 to Dec'24, and again in Jun'25. Similarly, cash allocations breached the minimum threshold of 10% in Nov'24, Dec'24, and from Feb'25 to Apr'25. Breaches of the maximum threshold for cash allocations (30%) were also observed from Jul'24 to Sept'24 and again in Jun'25. On average, the Plan's portfolio was primarily concentrated in Ijarah Sukuks (~71%), with the remaining allocation in cash, bank and DFI placements, and other instruments.</p> <p>Credit Quality:</p> <p>During the review period, the credit quality of the Plan remained in line with VIS methodology and the mandate set forth in the offering document, which permits investments in avenues rated not below 'AA-'. The portfolio primarily comprised exposures in instruments rated 'AA' and above, largely consisting of Government Securities. Cash balances were maintained in banks rated 'AA' and above.</p> <p>Market and Liquidity Risk:</p> <p>As per the investment policy statement (IPS), the weighted average time to maturity (WAM) is capped at 4 years, which the Plan has complied with, as average WAM stood at 2 years for FY25. Additionally, the average modified duration was reported at 70 days during the period.</p> <p>Liquidity profile of the Plan is considered sound, as liquid assets comprise ~97% of the total investments. The Plan's corporate investors dominate the AUM mix, accounting for ~76% of the AUM followed by retail investors. In addition, concentration risk is considered higher, with top ten investors making up ~68% of the AUM.</p> <p>Fund Performance:</p> <p>The Plan's annualized return marginally underperformed its benchmark, recording 13.05% against the benchmark of 13.16%. Returns also lagged the peer average, placing the Plan in the third quartile. Additionally, the Plan reported a negative return in Mar'25.</p>		
Financial Snapshot		
BALANCE SHEET	FY24	FY25
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY24	FY25
Total Income	2,873.0	3,191.6
Profit Before Tax	2,567.9	2,684.5
Profit After Tax	2,567.9	2,684.5
RATIO ANALYSIS	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	Faysal Islamic Sovereign 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	5-Sep-25	AA(f)	Reaffirmed
Fund Stability	10-Jul-24	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.		
Probability of Default	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.		
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2025 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.		
Rating Methodology	https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf		
Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

Lead Analyst	Analyst
Shaheryar Khan Mangan	
shaheryar@vis.com.pk	

Note: VIS' mutual fund rating is not a recommendation to buy, sell, or hold any fund, in as much as it does not comment as to suitability for a particular investor.