

Faysal Islamic Sovereign Fund Plan-II (FISP-II) (under Faysal Islamic Sovereign Fund)

Managed By: Faysal Asset Management Limited

Fund Stability Rating

Latest Rating

AA(f)

29-Sep-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		Fund Overview
Launch Date	January 08, 2024	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.
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 1.50% per annum basis of the average daily net assets (Actual Rate of Management Fee Charged is 1.50%)	

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.

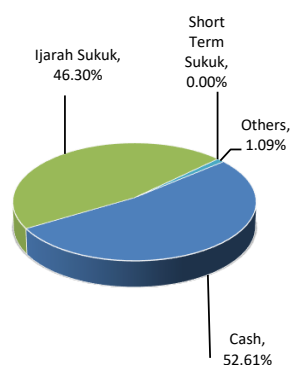
Offering Document (Extract)

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 (Current / Saving / PLS accounts, term 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 Mudarabas	(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%

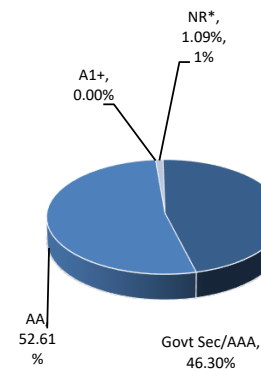
Net Assets

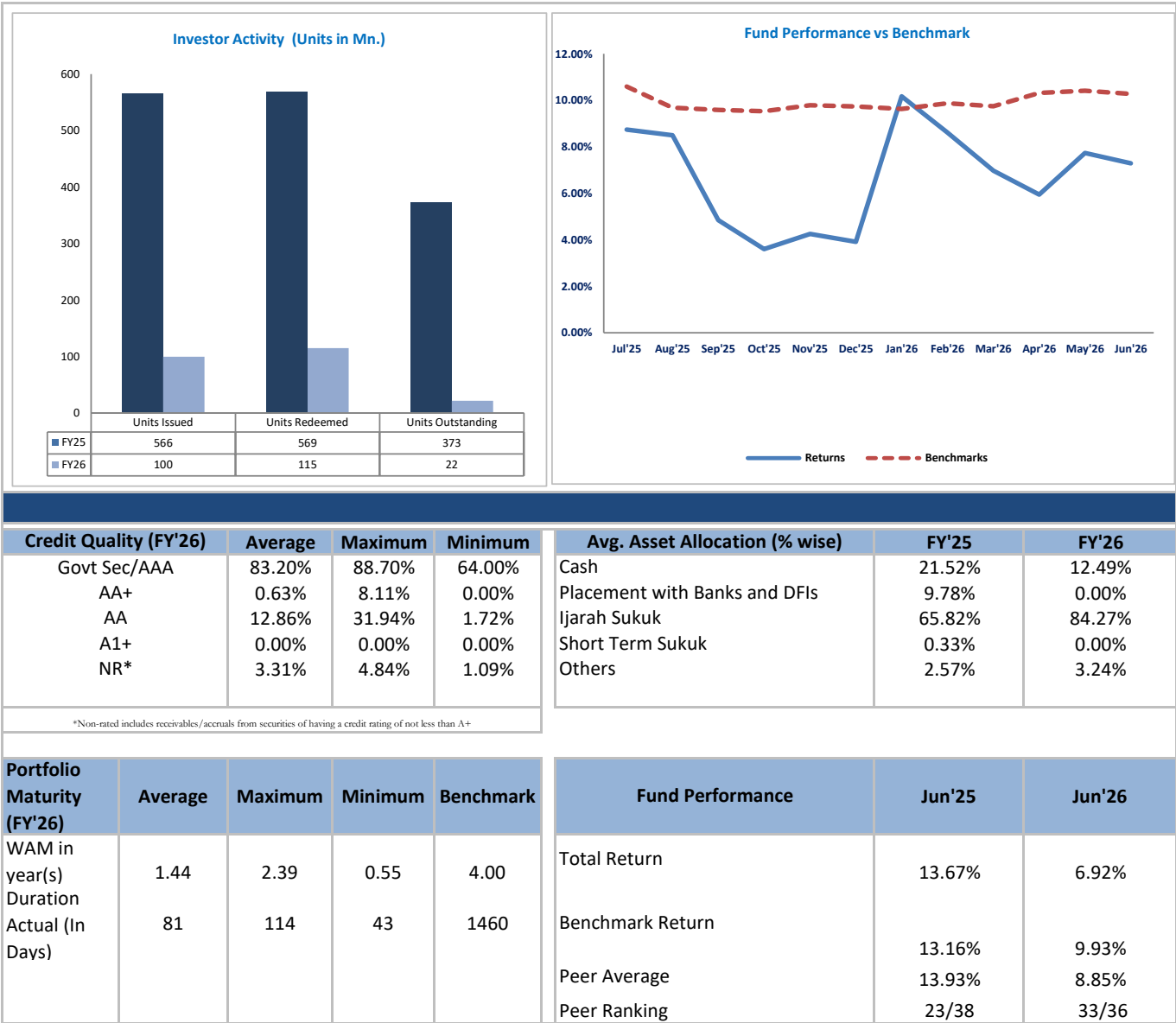
	Jun'24	Jun'25	Jun'26
Net Assets (In PKR' Millions)	4,054	3,747	874

Asset Allocation - Jun'26



Credit Quality - Jun'26





Fund Stability Analysis

The Faysal Islamic Sovereign Plan – II ('FISP - II' or 'the Plan') is a Shariah Compliant Sovereign Income Scheme with a low risk profile. FISP – II has been assigned a Fund Stability rating of AA(f). This rating indicates high degree of stability in net asset value; risk is modest but may vary slightly from time to time because of changing economic conditions.

Asset Allocation:

During FY26, the Plan's Assets Under Management (AUM), excluding fund of funds, declined notably to PKR 0.9 billion from PKR 3.7 billion at end-Jun'25. The portfolio underwent a shift toward Ijarah Sukuk, with average allocation increasing to 84% (FY25: 66%), while cash allocation declined to 12% (FY25: 22%). The portfolio was therefore predominantly invested in Ijarah Sukuk throughout the year. Cash allocation fell below the prescribed minimum of 10% during several months, however, the cash increased to 53% at end-Jun'26.

Credit Quality:

The Plan maintained a strong credit quality profile during FY26, with average exposure to AAA rated instruments increasing to 83% (FY25: 72%). Average AA exposure declined to 13% (FY25: 22%), while AA+ exposure remained limited at 0.6%. The portfolio remained predominantly concentrated in AAA rated instruments, supporting a strong overall credit quality profile.

Market and Liquidity Risk:

The Plan maintained a relatively short maturity profile, with average Weighted Average Maturity (WAM) remaining within the prescribed limit. Liquidity was supported by the portfolio's predominant exposure to AAA rated instruments and Ijarah Sukuks. However, the significant contraction in AUM and periods of cash allocation below the prescribed minimum warrant consideration from a liquidity management perspective. Investor concentration was elevated, with the top 10 investors accounting for ~78% of net assets at end-Jun'26. while associates accounted for ~60% of net assets, indicating a concentrated funding profile.

Fund Performance:

In FY26, the Plan generated a total return of 6.92%. The return underperformed the benchmark of 9.3% and peer average of 8.85%, with the Plan ranking 33rd out of 36 comparable funds and placing in the fourth quartile. The relatively weaker performance, together with net redemptions exceeding unit issuance, contributed to the significant contraction in AUM during the year.

Financial Snapshot

BALANCE SHEET	FY25	9MFY26
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY25	9MFY26
Total Income	2,456.9	145.7
Profit Before Tax	2,008.6	114.4
Profit After Tax	2,008.6	114.4
RATIO ANALYSIS	FY25	9MFY26
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 Fund Plan-II	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	29-Sep-26	AA(f)	Reaffirmed
Fund Stability	3-Sep-25	AA(f)	Reaffirmed
Fund Stability	20-Aug-24	AA(f)	Initial
Statement by the Rating Team			
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Rating Scale	https://vis.com.pk/docs/VISRatingScales.pdf		

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