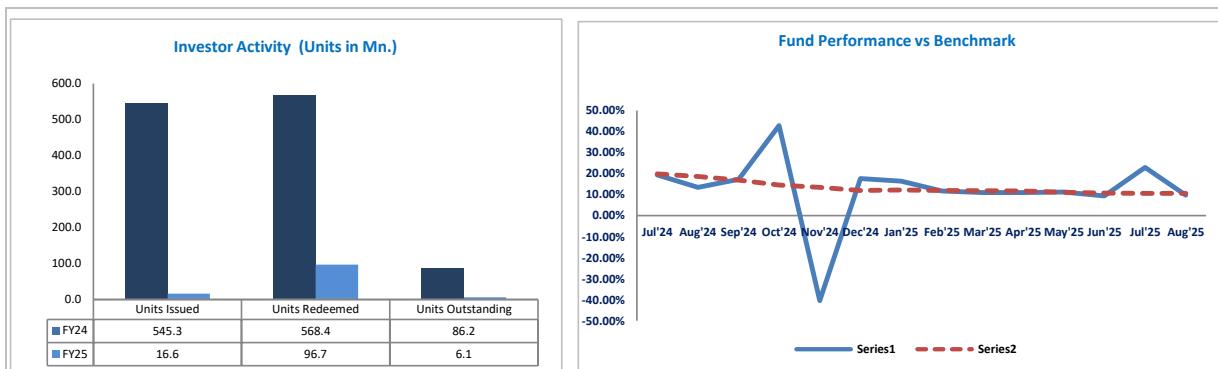


Alfalalah Financial Sector Opportunity Fund (Formerly : Faysal Financial Sector Opportunity Fund) (AFSOF) <i>Managed By: Alfalalah Asset Management Limited</i>																																						
Fund Stability Rating																																						
Latest Rating A(f) 31-Dec-25																																						
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 Fund Type Category Risk Profile Auditor Trustee Front-end Load Back-end Load Benchmark MQR Rating Mgt. Fee	05-Jul-13 Open Ended Income Scheme Medium A. F. Ferguson & Co CDC Pakistan Limited 0 0 75% six (6) months KIBOR +25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP 0 Upto 1.5% of average net assets of the Scheme	The Alfalalah Financial Sector Opportunity Fund (Formerly : Faysal Financial Sector Opportunity Fund) (ASRF) (the Fund/the Scheme/the Trust/the Unit Trust) has been established through a Trust Deed (the Deed), entered into and between Alfalalah GHP Investment Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee under Sindh Trust Act 2020																																				
Offering Document (Extract)		Investment Objective																																				
<table border="1"> <thead> <tr> <th>Description</th><th>Minimum rating</th><th>Min- Max Limits</th></tr> </thead> <tbody> <tr> <td>Cash and near Cash instruments which include cash in bank accounts with banks including Microfinance banks (excluding TDR's), Treasury Bills not exceeding 90 days maturity. 8</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (25%) / Maximum (100%)</td></tr> <tr> <td>Government Securities</td><td>Entity/ Instrument Rating (Not Applicable)</td><td>Minimum (0%) / Maximum (30%)</td></tr> <tr> <td>Term deposits Certificate, Certificate of Deposits, Certificate of Investments, Certificate of Musharakah</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (25%)</td></tr> <tr> <td>** Letter of Placement, Certificate of Deposit/ Investments& Certificate of Musharaka with banks/DFIs.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (75%)</td></tr> <tr> <td>Term deposits receipt with banks</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (75%)</td></tr> <tr> <td>Commercial Papers issued by Financial Sector.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (75%)</td></tr> <tr> <td>Commercial Papers issued other than Financial Sector.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (20%)</td></tr> <tr> <td>**Reverse repo transactions against government securities</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (75%)</td></tr> <tr> <td>Term Finance Certificates/ Sukus issued by financial sector.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (75%)</td></tr> <tr> <td>Term Finance Certificates/ Sukus issued other than financial sector.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (20%)</td></tr> <tr> <td>Margin Trading System and spread transaction/ Murabahah Share Financing or any similar kind of Shariah compliant product and any other Shariah Compliant Instruments/securities that may be permitted or approved by the SEC.</td><td>Entity/ Instrument Rating (Investment Grade)</td><td>Minimum (0%) / Maximum (20%)</td></tr> </tbody> </table>		Description	Minimum rating	Min- Max Limits	Cash and near Cash instruments which include cash in bank accounts with banks including Microfinance banks (excluding TDR's), Treasury Bills not exceeding 90 days maturity. 8	Entity/ Instrument Rating (Investment Grade)	Minimum (25%) / Maximum (100%)	Government Securities	Entity/ Instrument Rating (Not Applicable)	Minimum (0%) / Maximum (30%)	Term deposits Certificate, Certificate of Deposits, Certificate of Investments, Certificate of Musharakah	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (25%)	** Letter of Placement, Certificate of Deposit/ Investments& Certificate of Musharaka with banks/DFIs.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (75%)	Term deposits receipt with banks	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (75%)	Commercial Papers issued by Financial Sector.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (75%)	Commercial Papers issued other than Financial Sector.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (20%)	**Reverse repo transactions against government securities	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (75%)	Term Finance Certificates/ Sukus issued by financial sector.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (75%)	Term Finance Certificates/ Sukus issued other than financial sector.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (20%)	Margin Trading System and spread transaction/ Murabahah Share Financing or any similar kind of Shariah compliant product and any other Shariah Compliant Instruments/securities that may be permitted or approved by the SEC.	Entity/ Instrument Rating (Investment Grade)	Minimum (0%) / Maximum (20%)	Alfalalah Financial Sector Opportunity Fund seeks to provide a competitive rate of returns to its investors by investing in money market and debt instruments with major exposure in financial sector instruments
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Net Assets																																						
	Jun'24	Jun'25	Aug'25																																			
Net Assets (In PKR' Millions)	8,952	174	167																																			
Asset Allocation - Aug'25		Credit Quality - Aug'25																																				



Credit Quality (FY'25)				Avg.	Max.	Min.	Avg. Asset Allocation (% wise)	FY'25 Avg.	Aug'25
Govt.Sec/AAA		4.22%	28.37%	0.04%			Cash	55.30%	64.10%
AA+		2.51%	24.98%	0.00%			T-bills	2.35%	0.00%
AA		1.06%	9.92%	0.00%			TFCs/Sukuks	0.00%	29.30%
AA-		46.44%	90.30%	0.13%			PIBs	0.06%	0.00%
A+		8.28%	59.02%	0.00%			Short-term Sukuk	35.53%	0.00%
A		28.26%	87.85%	0.00%			Others	6.76%	6.60%
A1		1.50%	18.00%	0.00%					
NR		7.73%	15.51%	0.03%					

* 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	FY'25	YTD Aug'25
WAM in year(s)	0.85	3.12	0.00	4.00	Total Return	12.36%	16.43%
WAM (In Days)	311	1139	0	N/A	Benchmark Return	13.77%	10.58%

Fund Stability Analysis		
Alfalalah Financial Sector Opportunity Fund (formerly: Faysal Financial Sector Opportunity Fund) ('AFSOF' or 'the Fund) has been assigned Fund Stability Rating of A(f). The fund has demonstrated moderate degree of stability in Net Asset Value; risk factors may vary with possible changes in the economy.		
Asset Allocation: The Fund's size witnessed a substantial contraction, with Assets Under Management (AUM) declining to PKR 167m at end-Aug'25 (Jun'24: PKR 8,952m). During the period, the Fund's asset allocation largely remained aligned with the parameters defined in the offering document, though certain exposures in cash, T-Bills, and short-term Sukuks deviated from prescribed limits. Investments were primarily concentrated in cash balances, followed by allocations in short-term Sukuks.		
Credit Quality: The Fund's credit quality is aligned with the parameters outlined in the offering document, with allocations made in instruments and bank placements carrying investment-grade ratings. During FY25, exposures were largely concentrated in AA- rated avenues, accounting for ~46% of the portfolio, followed by ~28% in A rated exposures, with the remaining allocation held in other rated and unrated avenues. As of Aug'25, investments in AA- rated assets represented ~31% of the portfolio, while A rated exposures accounted for ~40% of total allocations. Overall, the Fund's credit quality is considered consistent with the assigned rating.		
Market and Liquidity Risk: On average, the average weighted average maturity (WAM) in FY25 was recorded at 311 days, while as of Aug'25 it stood at 201 days, in line with the offering document.		
The liquidity profile of the Fund is considered adequate, with liquid assets accounting for ~58% of the portfolio. Retail investors dominate the Fund's AUM, contributing ~98% of total assets. Client concentration of the Fund is elevated, with top ten investors accounting for ~82% of total investments.		
Fund Performance: While the Fund's YTD returns in FY25 were below its benchmark and peer average, performance improved as of Aug'25, placing it in the first quartile.		

Financial Snapshot		
	FY24	FY25
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY24	FY25
Total Income	2,019.0	3,424.7
Profit Before Tax	1,891.5	3,129.0
Profit After Tax	1,891.5	3,129.0
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	Alfalalah Financial Sector Opportunity Fund (Formerly : Faysal Financial Sector Opportunity 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	31-Dec-25	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.		
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.		
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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 shahervar@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.