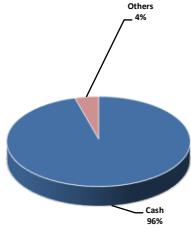
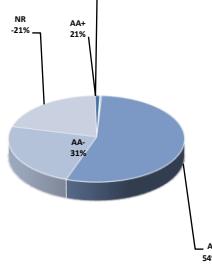
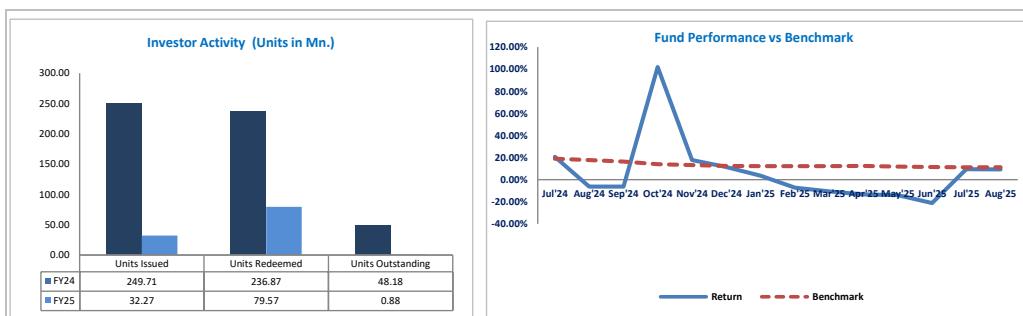


Alfalalh Income & Growth Fund (Formerly : Faysal Income & Growth Fund) (AIGF) <i>Managed By: Alfalalh Asset Management Limited</i>					
Fund Stability Rating					
Latest Rating					
A(f)					
20-Jan-26					
What is Fund Stability Rating					
Fund Stability Rating (FSR) is a measure used to assess the 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		Fund Overview			
Launch Date Fund Type Category Risk Profile Auditor Trustee Front-end Load Back-end Load Benchmark MQR Rating Mgt. Fee	10-Oct-05 Open Ended Aggressive Income Scheme Medium A. F. Ferguson & Co CDC Pakistan Limited 0 0 90% twelve (12) months KIBOR + 10% twelve (12) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP. AM1 Upto 1.50% of average net assets of the Scheme	The Alfalalh Income & Growth Fund (Formerly : Faysal Income & Growth Fund) (ASRF) (the Fund/the Scheme/the Trust/the Unit Trust) has been established through a Trust Deed (the Deed), entered into and between Alfalalh GHP Investment Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee under Sindh Trust Act 2020			
Investment Objective					
The prime objective of Alfalalh Income & Growth Fund is to provide superior long term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments. In particular, the aim is to minimize interest rate risk through duration management and default risk portfolio diversification. The Fund will employ prudent and disciplined investment management, and maximize the total investment return through systematic and informed security selection.					
Offering Document (Extract)					
Description Cash & near Cash instrument Equivalent (excluding TDRs) Treasury Bills & GOP Ijara Sukuk not exceeding 90 days maturity. Bank Deposits Current / Saving /PLS Account with bank and DFI. Term Deposit Receipt (TDR), Certificate of Deposits (COD) & Certificate of Musharakah (COM) with bank and DFI. Bonds, Term Finance Certificates (TFCs), Treasury Bills, Sukuks and PIBs Money Market Placements with Financial Institution Commercial Paper Reverse Repo against Government Securities and debt securities with financial institution Margin Trading System (or any other replacement) / spreads transaction. Foreign Investments in debt securities/ Bonds / Sukuks /Commercial Papers and Mutual Funds & ETFs based on Debt securities and offshore foreign currency accounts.	Minimum rating Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment Below investment grade rated securities shall also be eligible for investment	Min- Max Limits 100% (min 10% exposure at all times) 100%(Max) 90%(Max) 90%(Max) 90%(Max) 90%(Max) 90%(Max) 90%(Max) 90%(Max) 90%(Max) 40%(Max) 30% of Funds size or USD 15 Million whichever is Lower (with SECP investment & SBP approval)			
Net Assets					
	Jun'24	Jun'25	Aug'25		
Net Assets (In PKR¹ Millions)	5,269	102	104		
Asset Allocation - Aug'25		Credit Quality - Aug'25			
					



Credit Quality (Aug'25)				Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'25 Avg	Aug'25
Govt.Sec/AAA	3.34%	38.09%	0.00%				Cash	69.14%	95.60%
AA+	0.25%	2.08%	0.00%				T-bills	3.16%	0.00%
AA	1.33%	4.60%	0.01%				Short-term Sukuk	44.95%	0.00%
AA-	33.25%	76.28%	1.11%				Commercial Paper	0.00%	0.00%
A+	7.65%	84.90%	0.01%				Others	-17.23%	4.40%
A	38.81%	91.83%	0.00%						
A-	0.01%	0.01%	0.00%						
B	32.64%	70.88%	0.00%						
NR	-16.95%	9.50%	-44.26%						

* Non-rated includes receivables/accruals from securities having a credit rating of not less than B. Negative represents provisioning against T1C.

Portfolio Maturity (FY'25)	Average	Maximum	Minimum	Benchmark	Fund Performance	YTD Jun'25	YTD Aug'25
WAM in year(s)	1.22	5.11	0.00	5.00	Total Return	6.41%	9.47%
WAM (In Days)	383	1865	0	1825	Benchmark Return	13.79%	11.21%

Peer Average
Peer Ranking

15.29%
6/7

20.68%
5/7

Fund Stability Analysis		
<p>The Al Falah Income & Growth Fund (Formerly Faysal Income & Growth Fund) ('AIGF' or 'the Fund) has been assigned Fund Stability Rating of A(f). The fund has demonstrated a moderate degree of stability in Net Asset Value; Risk factors may vary with possible changes in the economy.</p>		
<p>Asset Allocation: The Fund's size stood at PKR 104m as of Aug'25, reflecting a sharp contraction from PKR 5,317m as of Jul'24. Notwithstanding this decline, the Fund's size improved relative to earlier months, particularly during Aug'24 to Dec'24, when AUM remained compressed in the range of PKR 48m–55m amid redemption pressures. The Fund's asset allocation remained broadly aligned with the parameters prescribed in the offering document, with the portfolio, on average, skewed towards cash balances and short-term Sukuk (STS). Negative allocations observed between Aug'24 and Feb'25 were primarily attributable to provisioning recognized against the Khushhali Microfinance Bank TFC, which reduced the net carrying value of the affected exposure. In the context of a significantly contracted asset base, this provisioning had a disproportionate impact on the Fund's reported portfolio composition, resulting in negative and inflated percentage allocations. Subsequently, following the acquisition from Faysal AMC, support from associate investors enabled the Fund's size to increase to above PKR 100m, thereby meeting the minimum regulatory requirement. Going forward, management intends to further enhance the Fund's size through targeted marketing initiatives and increased outreach to both retail and corporate investors.</p>		
<p>Credit Quality: The Fund's credit exposures are largely skewed towards assets rated below AA, with, on average, ~38% of exposures in A-rated avenues, while ~33% of the portfolio is invested in AA-rated assets and a further ~33% in B-rated securities. The Fund's credit quality was impacted by a non-performing exposure within the TFC portfolio, against which provisioning has already been recognized. While the offering document allows for investments below investment grade, management has communicated its intention to maintain credit exposures in A rated and above instruments going forward. Adherence to the stated operational plan will remain important for the rating, going forward.</p>		
<p>Market and Liquidity Risk: During FY25, the average weighted average maturity (WAM) was reported at 446 days, in line with the offering document.</p>		
<p>The liquidity profile of the Fund is considered sound, supported by the quantum of its liquid assets. However, associates dominate the Fund's AUM mix, accounting for ~80% of the portfolio, which contributes to elevated client concentration risk.</p>		
<p>Fund Performance: Based on Year-to-Date (YTD) performance, the Fund is placed in the third quartile.</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	1,338.1	125.5
Profit Before Tax	1,249.8	106.1
Profit After Tax	1,249.8	106.1
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 Income & Growth Fund (Formerly : Faysal Income & Growth 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	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

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.