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Applicable Criteria

- Methodology | Fund Stability Rating (Jun 17)

Related Research

- Sector Study | Mutual Funds (May 18)

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PACRA Maintains Stability Rating of Faysal Money Market Fund

Rating Type	Stability Rating	
	Current (20-Jun-2018)	Previous (12-Jul-2017)
Action	Maintain	Maintain
Long Term	AA(f)	AA(f)
Short Term		-
Outlook	Stable	Stable
Rating Watch	-	-

The objective of the fund is to generate consistent and competitive returns with minimal risk by investing in liquid, low risk short-term investments, yielding competitive returns. The rating reflects the fund's sound credit risk profile emanating from the fund's investment policy to invest in high credit quality investment avenues with sound liquidity. At end Dec-17, fund's assets were 99% invested with banks rated 'AAA' and 'AA+'. The unit holding pattern of the fund is concentrated with top10 investors representing 63 % of the total fund size of which around ~13% are owned investments, which reflects a moderate level of redemption risk.

Going forward, the fund intends to maintain its allocation towards government securities and bank placements rated 'AAA' and 'AA+'. Meanwhile, the assets of the fund must be placed with the minimum credit ratings of 'AA' and above.

About the Entity

Faysal Asset Management Limited (FAML) was incorporated in 2003 as an unlisted public limited company under company's ordinance, 1984. The major shareholder of FAML is Islamic Investment Company of the Gulf (Bahamas) Ltd (50% stake), followed by Faysal Bank Limited (30% stake). Mr. Razi Ur Rahman Khan, a director of FAML, holds the remaining 20% stake in FAML. Presently, the company is managing a diversified portfolio of nine open-end funds, with combined AUMs of PKR 8.2 billion at end-Dec'17

The CEO, Mr. Razi-ur-Rahman Khan has extensive experience in banking, mutual funds management, equity brokerage and private equity investment.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.