



Date
20-Jun-2018

Analysts

Shahzaib Khalid
shahzaib.khalid@pacra.com

Muhammad Usman
muhammad.usman@pacra.com

+92-42-35869504
www.pacra.com

Applicable Criteria

- Methodology | Fund Stability Rating (Jun 17)

Related Research

- Sector Study | Mutual Funds (May 18)

Disclaimer

This press release is being transmitted for the sole dissemination through print media. The press release is in full or in part without meaning or context then due credit to PACRA

PACRA Maintains Stability Rating of Faysal Financial Sector Opportunity 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 fund's investment objective is to generate a competitive rate of return to its investors by investing in money market and debt instruments with major exposure in the financial sector.

The rating reflects sound credit quality and liquidity profile of the fund owing to sizeable investments in high rated avenues. At end-Dec17, the fund is primarily invested 80% in daily cash with high credit quality banks [majority with 'AAA' (60%)], while remaining assets are invested in TFCs rated AA-. The unit holding pattern of the fund is adequately diversified with top10 investors representing 51% of the fund's assets.

Going forward, the fund intends to allocate its assets towards high-quality TFCs and cash balances (rated 'AA-' and above). Material changes in the fund's asset allocation strategy, which could negatively impact the fund's credit quality and exposure to interest rate risk, remains critical for the rating.

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.