



The Pakistan Credit Rating Agency Limited

STABILITY RATING REPORT

FAYSAL MTS FUND

[CATEGORY: INCOME FUNDS]

Date	Rating Type	Action	Rating	Outlook	Rating Watch
20-Jun-18	Stability Rating	Maintain	A+(f)	Stable	-
12-Jul-17	Stability Rating	Maintain	A+(f)	Stable	-
27-Dec-16	Stability Rating	Maintain	A+(f)	Stable	-
29-Mar-16	Stability Rating	Initial	A+(f)	Stable	-



FUND STABILITY REPORT

Jun-18

Fund Facts

Fund	Faysal MTS Fund
Fund Category	Income
Launch Date	8-Apr-16
Fund Size	PKR 291mln
AMC	Faysal Asset Management
AMC Rating	AM3+
Fund Manager	Mr. Syed Shahid Iqbal
Peer Universe	Income Funds

Faysal MTS Fund

History	Dec-17	Sep-17	Jun-17	Mar-17
Fund Size (PKR mln)	291	324	173	121
Category Size (PKR mln)	65,595	72,277	69,960	84,525
Fund NAV (PKR)	102.9	101.7	100.3	104.2
Fund Dividend(PKR)	-	-	5.9	-
WAM (Yrs)	0.11	0.13	0.04	0.12

Asset Allocation Summary

	Dec-17	Sep-17	Jun-17	Mar-17
Cash	22.7%	11.5%	73.9%	16.6%
T-bills	10.2%	9.2%	2.9%	8.2%
Others	0.9%	1.5%	2.5%	3.3%
MTS	66.2%	77.9%	20.8%	71.9%

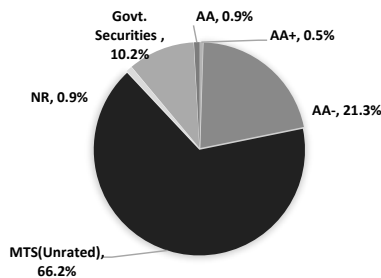
Fund's Objective

The objective of Faysal MTS Fund (FMTSF) is to provide competitive returns primarily through investment to MTS market.

Asset Manager (Dec17)

Year of Incorporation	2003
Conventional Funds	7
Shariah-Compliant Funds	2
CEO	Mr. Razi-ur-Rahman
CIO	Mr. Ayub Khuhro
AUMs	PKR 8,179mln (Dec-17)

Credit Quality (Dec'17)

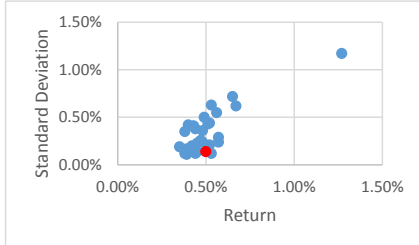


Return Summary

CY17	FMTSF	Peer Avg.	Fund SD.*	Peer SD.*
1Q	1.2%	2.2%	0.1%	0.6%
2Q	1.9%	1.4%	0.2%	0.2%
3Q	1.4%	1.2%	0.1%	0.2%
4Q	1.2%	1.2%	0.0%	0.4%

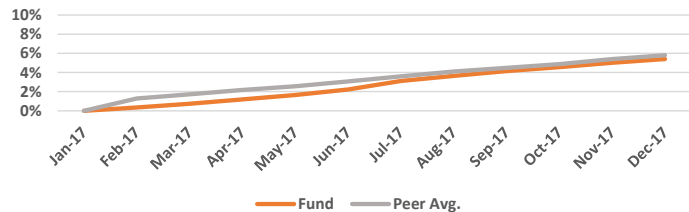
Risk

Return - Standard Deviation Analysis - 1 Year



Performance

FMTSF|Peer Avg. | 1Yr| Dec-17 (Cumulative Monthly Returns)



Commentary

The rating of Faysal MTS Fund reflects comfort drawn on the elaborated and secure system of NCCPL. At end-Dec17, fund's 66% net assets were invested in MTS transactions, which due to its self-liquidating nature possess less risk over the short tenure. The remaining assets of the fund were invested as cash 23% with banks rated 'AA-' and Government securities 10%. The unit holding pattern of the fund is highly concentrated towards top 10 investors representing 53% of the fund's assets.

The fund intends to keep a minimum of 70% in MTS on quarterly average basis. The rest of the amount would be invested in T-Bills and bank placements, of which the rating may not be lower than 'A+'. PACRA would monitor continued compliance with the relevant guidelines.

Disclosure

Name of Fund	Faysal MTS Fund
Sector	Mutual Fund
Type of Relationship	Solicited
Purpose of the Rating	Stability Rating
Applicable Criteria	Stability Rating Methodology - June'17
Related Research	Sector Study Mutual Funds (May-18)
Rating Analysts	Muhammad Usman muhammad.usman@pacra.com Shahzaib Khalid shahzaib.khalid@pacra.com

Regulatory and Supplementary Disclosure

Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

(2) Conflict of Interest

i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)

ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)

iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)]

Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee Restrictions

(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5) (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)

(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

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(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report |

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(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)

(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)

(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)

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(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review

(18) PACRA does not monitor Stability Rating on continuous basis. Any potential change therein due to any event associated with the fund is incorporated in next review; | Chapter III | 18-(a)

(19) PACRA reviews all outstanding ratings on semi-annual basis | Chapter III | 18-(b)

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