



THE PAKISTAN CREDIT RATING AGENCY LIMITED

# Performance Ranking Report

## Faysal Islamic Asset Allocation Fund

### [Category: Islamic Asset Allocation]

Review Period: Jun'23

| Sr. No. | Period | Ranking |        |
|---------|--------|---------|--------|
|         |        | Dec'22  | Jun'23 |
| 1       | 1-Year | 4-Star  | 4-Star |
| 2       | 3-Year | 5-Star  | 5-Star |
| 3       | 5-Year | 4-Star  | 4-Star |



Faysal Islamic Asset Allocation Fund

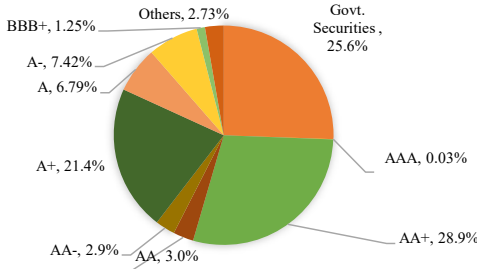
Fund Facts

|                      |  |
|----------------------|--|
| <b>Fund</b>          | Faysal Islamic Asset Allocation Fund     |
| <b>Fund Category</b> | Shariah compliant Asset Allocation       |
| <b>Launch Date</b>   | 9-Sep-15                                 |
| <b>Trustee</b>       | CDC                                      |
| <b>Fund Size</b>     | PKR 1,997mln                             |
| <b>AMC</b>           | Faysal Asset Management Limited          |
| <b>AMC Rating</b>    | AM2++ (VIS)                              |
| <b>Fund Manager</b>  | Mr. Mustajab Alam                        |
| <b>Peer Universe</b> | Shariah compliant Asset Allocation funds |

Asset Allocation

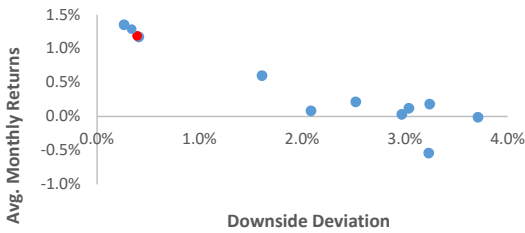
|                    | Jun'23 | Dec'22 |
|--------------------|--------|--------|
| <b>Equities</b>    | -      | -      |
| <b>Cash</b>        | 14.1%  | 22.3%  |
| <b>ICP</b>         | -      | -      |
| <b>Others</b>      | 2.7%   | 2.5%   |
| <b>Sukuk</b>       | 57.6%  | 63.7%  |
| <b>Ijara Sukuk</b> | 25.6%  | 11.5%  |

Sector-wise Portfolio (Jun'23)

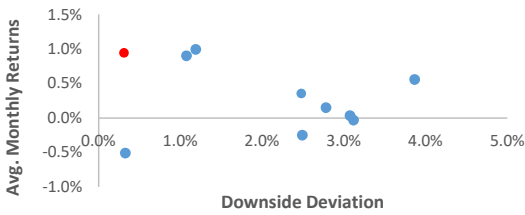


Risk

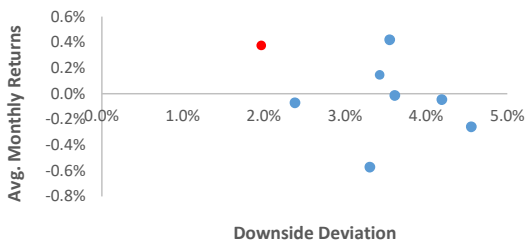
Return - Downside Deviation Analysis - 1 Year



Return - Downside Deviation Analysis - 3 Years



Return - Downside Deviation Analysis - 5 Years



History

|                                 | Jun'23 | Dec'22 | Jun'22 | Dec'21 |
|---------------------------------|--------|--------|--------|--------|
| <b>Fund Ranking 1Yr</b>         | 5-Star | 5-Star | 5-Star | 4-Star |
| <b>Fund Ranking 3Yrs</b>        | 5-Star | 5-Star | 5-Star | 3-Star |
| <b>Fund Ranking 5Yrs</b>        | 4-Star | 4-Star | 3-Star | 2-Star |
| <b>Fund Size (PKR 'mln)</b>     | 1,997  | 2,117  | 2,436  | 2,686  |
| <b>Category Size (PKR 'mln)</b> | 13,743 | 15,321 | 17,664 | 22,488 |
| <b>Fund NAV (PKR/Unit)</b>      | 89.6   | 82.6   | 77.8   | 73.8   |
| <b>Fund Dividend (PKR/Unit)</b> | -      | -      | -      | -      |

Fund's Objective

The objective of Faysal Islamic Asset Allocation Fund (FIAAF) is to earn competitive riba free return by investing in various Shariah compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and

Asset Manager (Jun'23)

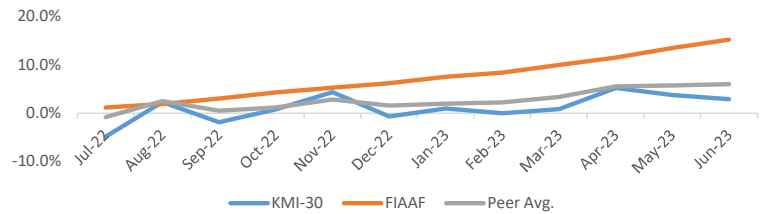
|                                  |                   |
|----------------------------------|-------------------|
| <b>Year of Incorporation</b>     | 2003              |
| <b>Conventional Funds</b>        | 13                |
| <b>Shariah-Compliant Funds</b>   | 13                |
| <b>Voluntary Pension Schemes</b> | 2                 |
| <b>CEO</b>                       | Mr. Nadir Rahman  |
| <b>CIO (Acting)</b>              | Syed Shahid Iqbal |
| <b>AUM's</b>                     | PKR 98,284mln     |

Return Summary

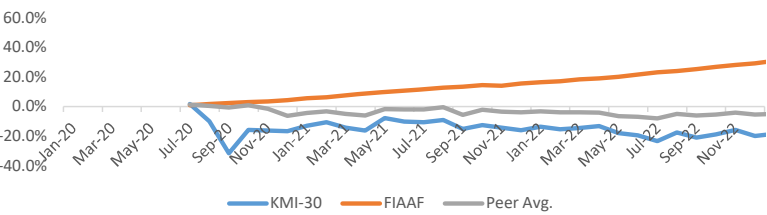
| Period      | FIAAF | Peer Avg | Fund SD | Peer SD |
|-------------|-------|----------|---------|---------|
| <b>1Q</b>   | 3.0%  | 0.5%     | 0.2%    | 3.5%    |
| <b>2Q</b>   | 3.1%  | 1.1%     | 0.2%    | 2.0%    |
| <b>3Q</b>   | 3.5%  | 1.7%     | 0.4%    | 1.0%    |
| <b>4Q</b>   | 4.7%  | 2.6%     | 0.2%    | 2.3%    |
| <b>FY23</b> | 15.2% | 6.0%     | 0.3%    | 2.4%    |

Performance

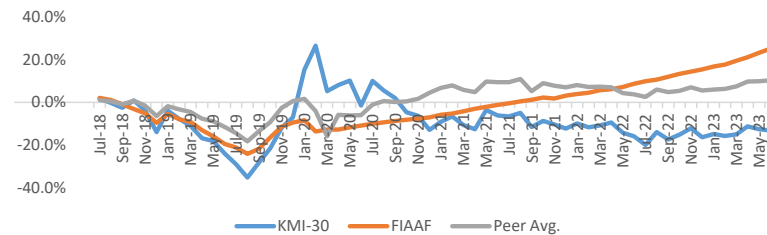
FIAAF | Peer Avg. | 1Yr | Jun'23 (Cumulative Monthly Returns)



FIAAF | Peer Avg. | 3Yr | Jun'23 (Cumulative Monthly Returns)



FIAAF | Peer Avg. | 5Yr | Jun'23 (Cumulative Monthly Returns)





# Rankings Explained

**Categorize Funds**

• Ranking is a purely quantitative measure, avoiding any biases. It is based on historical returns of a fund relative to other funds in similar category. PACRA mainly follows SECP guidelines (Circular No. 7 of 2009) for defining fund categories – each having distinct characteristics – and rankings of funds are comparable only in their respective category.

**Measure Absolute Returns (R)**

$$R = \frac{PE - PB}{PB} \pm A$$

- R = Total return for the month
- PE = End of month NAV (net assets value) per share/certificate
- PB = Beginning of month NAV per share/certificate
- A = Adjustments on account of cash dividend, bonus issue addition to capital.

**Measure Risk adjusted Return (RAR)**

$$RAR = \frac{R_n}{DD(R_f)}$$

- R<sub>n</sub> = Average monthly returns for the relevant period (trailing 12/36/60 monthly periods)
- DD = Downside Deviation of the monthly returns of the fund. DD is computed using the returns for the relevant period
- R<sub>f</sub> = Risk free rate: Monthly average of 6-Month T Bill Yield for the relevant period

**Equal Weigh to R & RAR**

- The fund's performance (measured by assigning 50 % weight each to the fund's return and risk adjusted return)

**Plot along Normal Distribution**



**Final Ranking**

|             |                      |                |             |                 |
|-------------|----------------------|----------------|-------------|-----------------|
| <b>Weak</b> | <b>Below Average</b> | <b>Average</b> | <b>Good</b> | <b>Superior</b> |
| ★           | ★★                   | ★★★            | ★★★★        | ★★★★★           |

- Rankings are calculated on the basis of performance during a particular period (12 months for 1-Year star ranking, 36 months for 3-Year star ranking and 60 months for 5-Year star ranking). For a particular fund the relevant period ranking will be disclosed.
- Only those funds are eligible for ranking that have remained operational throughout the given period.
- A month of a year is used as a reference period to calculate performance.
- Rankings are based on past performance of the fund. PACRA's opinion is not a recommendation to purchase, sell or hold a fund, in as much as it does not comment on the Fund's NAV or suitability for a particular investor.
- PACRA releases rankings twice a year; for the period ending in June and December.

## Disclosure

|                       |   |
|-----------------------|---|
| Name of Fund          | Faysal Islamic Asset Allocation Fund  |
| Sector                | Mutual Fund   |
| Type of Relationship  | Solicited   |
| Purpose of the Rating | Performance Ranking   |
| Applicable Criteria   | Performance Ranking Methodology – Jun'23  |
| Related Research      | Sector Study   Mutual Funds   Performance Ranking – Jun'23                              |
| Rating Analysts       | Wajeeha Asghar   <a href="mailto:Wajeeha.asghar@pacra.com">Wajeeha.asghar@pacra.com</a> |

## 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

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(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)

(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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(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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### 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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