



Rating Action

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PACRA Maintains Stability Rating of Faysal Income & Growth Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of 'A (f)' (Single A; fund rating) to Faysal Income & Growth Fund (FIGF), an open-end income fund. The fund's rating denotes a strong capacity to manage relative stability in returns and low exposure to risks.

The fund's investment objective is to generate optimal returns by investing in a diversified mix of short term and long term government securities and other debt instruments.

The rating reflects sound credit quality and liquidity profile of the fund owing to sizeable investments in government securities. At end-Sep'16, the fund is primarily invested in government securities (50%), while remaining assets are invested in daily cash balances with good quality banks (42%), rated 'A+' & above. The remainder of the fund's assets are invested with good quality ('A+' and above) TFCs/Sukuks (5.5%). The fund currently has low exposure to MTS. The unit holding pattern of the fund is moderately concentrated with top10 investors representing 44% of the fund's assets.

Going forward, the fund intends to maintain relatively high exposure towards government securities. Exposure in margin trading system would be kept upto 20% maximum. Meanwhile, cash holdings would be managed with 'AA' rated banks.

About the Management Company:

Faysal Asset Management Limited (FAML), licensed to conduct asset management and investment advisory services, 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 10.2 billion at end-Sep'16

The CEO, Mr. Enamullah Khan, has extensive experience in domestic and international capital markets. The fund manager of FIGF, Mr. Hassan Bin Nasir, carries adequate experience in the fixed income market.

Applicable Criteria and Related Research

- Mutual Funds | Fixed Income
- Category - Viewpoint | Nov-15
- Fund Stability Rating Methodology

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