



Rating Action

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Analyst

Rai Umar Zafar
(+92-42-35869504)
rai.umar@pacra.com
www.pacra.com

PACRA Maintains Stability Rating of Faysal Money Market Fund

The Pakistan Credit Rating Agency (PACRA) has maintained the stability rating of Faysal Money Market Fund (FMMF), an open-end money market fund, at 'AA(f)' (Double A; fund rating). The fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

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. At end Sept-16, fund's assets were invested as cash (85%) and banking deposits (14%) with banks rated 'AA+'. Interest rate risk is low for the fund as duration of the fund is 6 days. On monthly average basis, the duration of the fund was 3 days in Sep-16. The unit holding pattern of the fund is highly concentrated with top10 investors representing 75% of the fund's assets, which exposes fund towards redemption pressure.

The rating remains dependent on maintaining portfolio duration not exceeding 90 days. Meanwhile, the assets of the fund must be placed with minimum credit ratings 'AA' and above. PACRA would monitor compliance against agreed parameters on monthly average basis.

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 COO, Mr. Najam ul Hassan, is serving FAML since 2012. The fund manager of FMMF, Mr. Syed Shahid Iqbal, carries 20 years of experience in the financial market

Applicable Criteria and Related Research

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

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