The Pakistan Credit Rating Agency Limited

STAR RANKING REPORT

FAYSAL ISLAMIC ASSET ALLOCATION FUND
[ISLAMIC ASSET ALLOCATION]

	1-YEAR	3-YEAR	5-YEAR
FUND RANKINGS	★★	-	-
	2-Star	-	-
REVIEW PERIOD – JUN'18	12 Months	36 Months	60 Months

Ranking Scale	★★★★★ ★★★★ ★★★ ★★ ★	Superior Good Average Below Average Weak

OCTOBER 2018

STAR RANKING REPORT

Oct-18

Faysal Islamic Asset Allocation Fund

Fund Facts

Fund	Faysal Islamic Asset Allocation Fund
Fund Category	Islamic Asset Allocation
Launch Date	9-Sep-15
Trustee	CDC
Fund Size	PKR 429mln
AMC	Faysal Asset Management Limited
AMC Rating	AM3 (JCR)
Fund Manager	Mr. Saif Hasan
Peer Universe	All Islamic Eligible Asset Allocation Funds

History

History	Jun-18	Dec-17	Jun-17	Dec-16
Fund Ranking 1Yr	2-Star	3-Star	4-Star	2-Star
Fund Ranking 3Yrs	-	-	-	-
Fund Ranking 5Yrs	-	-	-	-
Fund Size (PKR mln)	429	391	374	136
Category Size (PKR mln)	29,088	29,727	31,193	17,947
Fund NAV (PKR)	80.2	81.7	99.9	109.8
Fund Dividend (PKR)	-	-	18.5	-

Asset Allocation

	Jun-18	Jun-17
Equities	50.7%	52.2%
Banks	47.8%	34.8%
Others	1.5%	13.0%

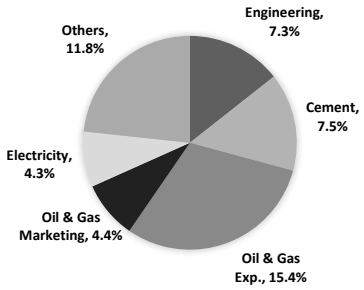
Fund's Objective

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

Asset Manager (Jun'18)

Year of Incorporation	2003
Conventional Funds	7
Shariah-Compliant Funds	2
CEO	Mr. Razi-ur-Rahman
CIO	Mr. Ayub Khuhro
AUMs	PKR 7,941mln

Sector-wise Portfolio (Jun'18)



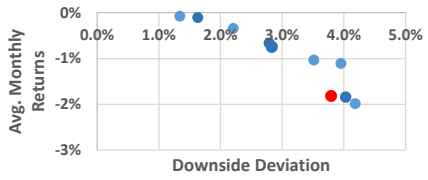
Return Summary

FY18	FIAAF	Peer Avg.	Fund SD.*	Peer SD.*
1Q	-10.6%	-7.6%	2.6%	3.7%
2Q	-9.0%	-4.5%	3.3%	2.3%
3Q	6.9%	5.9%	4.3%	3.1%
4Q	-8.3%	-5.0%	2.6%	1.6%

** based on monthly returns*

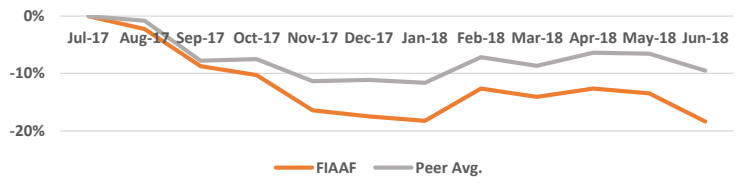
Risk

Return - Downside Deviation Analysis - 1 Year



Performance

FIAAF|Peer Avg. | 1Yr| Jun-18 (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** = $\frac{PE - PB +/- A}{PB}$
- 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.

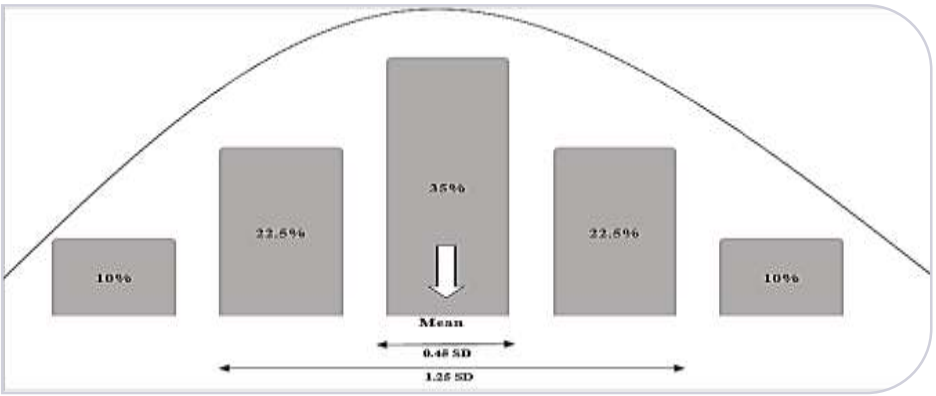
Measure Risk adjusted Return (RAR)

- **RAR** = $\frac{Rn}{DD(Rf)}$
- Rn = 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
- Rf = 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

Weak	Below Average	Average	Good	Superior
★	★★	★★★	★★★★	★★★★★

- 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 - June'18
Related Research	Sector Study | Mutual Funds | Performance Ranking - Oct'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)

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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)]
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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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(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 Star Ranking 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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