



The Pakistan Credit Rating Agency Limited

STABILITY RATING REPORT

JS ISLAMIC INCOME FUND

[CATEGORY: SHARIAH COMPLAINT INCOME FUNDS]

Date	Rating Type	Action	Rating	Outlook	Rating Watch
21-Oct-24	Stability Rating	Maintain	AA-(f)	Stable	-
05-Apr-24	Stability Rating	Maintain	AA-(f)	Stable	-
05-Oct-23	Stability Rating	Maintain	AA-(f)	Stable	-
29-Mar-23	Stability Rating	Maintain	AA-(f)	Stable	-
01-Oct-22	Stability Rating	Maintain	AA-(f)	Stable	-
01-Apr-22	Stability Rating	Maintain	AA-(f)	Stable	-
01-Oct-21	Stability Rating	Maintain	AA-(f)	Stable	-
01-Apr-21	Stability Rating	Maintain	AA-(f)	Stable	-
19-Oct-20	Stability Rating	Maintain	AA-(f)	Stable	-

20-Apr-20	Stability Rating	Maintain	AA-(f)	Stable	-
30-Oct-19	Stability Rating	Maintain	AA-(f)	Stable	-
30-Apr-19	Stability Rating	Maintain	AA-(f)	Stable	-



FUND STABILITY REPORT

Sep-24

JS Islamic Income Fund

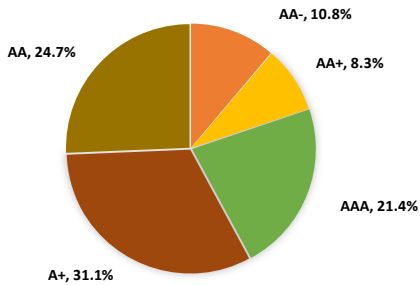
Fund Facts (Jun'24)

Fund	JS Islamic Income Fund
Fund Category	Shariah Compliant Income
Launch Date	5-Jun-13
Fund Size	PKR 897mln
AMC	JS Investments Limited
AMC Rating	AM2+
Fund Manager	Mr. Safdar Raza
Peer Universe	Shariah Compliant Income Funds

Asset Allocation Summary

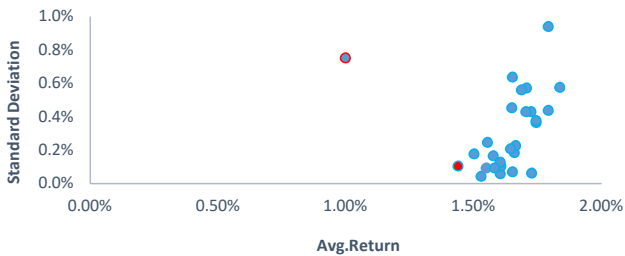
	Jun'24	Mar'24	Dec'23	Jun-23
Cash	43.3%	33.7%	48.4%	12.3%
GoP Ijara/Sukuks	21.4%	23.4%	22.5%	26.7%
Sukuks	31.6%	37.4%	25.8%	56.6%
Others	3.7%	5.5%	3.3%	4.5%
Placement with Banks/DFIs	-	-	-	-
Commercial Papers	-	-	-	-

Credit Quality (Jun'24)



Risk

Return | Standard Deviation Analysis | 01 Year



History	Jun'24	Mar'24	Dec'23	Jun-23
Fund Size (PKR mln)	897	836	868	725
Category Size (PKR mln)	406,218	389,863	385,572	183,419
Fund NAV (PKR/Unit)	106.37	122.18	116.82	106.07
Fund Dividend (PKR/Unit)	-	-	-	-
WAM (Days)	628	731	737	1,208
Duration (Days)	58	29	51	91

Fund's Objective

To generate stable returns and ensure capital preservation over medium to long term, by investing primarily in quality Sukuks, Shariah-compliant Government Securities, Shariah-compliant Bank Deposits and other Shariah-compliant debt instruments.

Asset Manager (Jun'24)

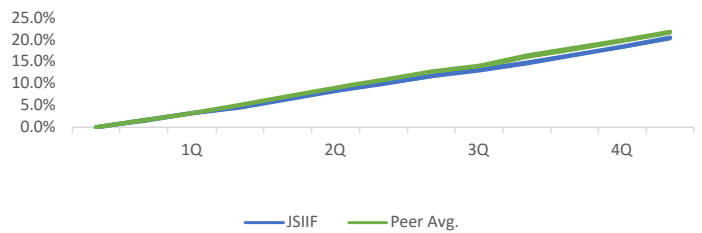
Year of Incorporation	1995
Conventional Funds	10
Shariah-Compliant Funds	6
Pension Schemes	2
CEO	Ms. Iffat Zehra Mankani
CIO	Mr. Syed Hussain Haider
AUMs	PKR 36,183mln

Return Summary

Period	JSIIF	Peer Avg.	Fund SD.	Peer SD.
1Q	4.7%	4.9%	0.2%	0.5%
2Q	5.2%	5.1%	0.1%	0.4%
3Q	4.6%	5.3%	0.1%	0.5%
4Q	4.5%	4.7%	0.0%	0.3%
FY24	20.3%	21.6%	0.1%	0.4%

Performance

JSIIF | Peer Avg. | Jul'23- Jun'24 (Quarterly Returns)



Commentary

JS Islamic Income Fund ("JS IIF" or the "Fund") is a medium risk profile fund. The investment objective of the Fund is to generate stable returns and ensure capital preservation over medium to long term, by investing primarily in quality Sukuks, Shariah-compliant Government Securities, Shariah-compliant Bank Deposits and other Shariah-compliant debt instruments. At the end of Jun'24, the total cash balances consisted of ~43.3% of the fund's net assets in banks. Moreover, the Sukuk portfolio includes ~31.6% in corporate sukuk and ~21.4% allocation in GoP Ijara Sukuks whereas remaining ~3.7% was invested in other avenues at the end of Jun'24. As of Jun'24, the WAM stood at 628 days; exposing that the Fund has very high level of credit risk whereas duration stood at 58 days; limiting the exposure to interest rate risk. The top 10 investors concentration of the Fund, at Jun'24 was ~70.26%, exposing that the Fund has high level of redemption pressure.

Going forward, the Fund may also want to decrease the concentration in its unit holding pattern. Material changes in the Fund's asset allocation strategy, impacting its credit quality and/or exposure to interest rate risk, would affect the rating.

Disclosure

Name of Fund	JS Islamic Income Fund
Sector	Mutual Fund
Type of Relationship	Solicited
Purpose of the Rating	Stability Rating
Applicable Criteria	Stability Rating Methodology – Jul-24
Related Research	Sector Study Mutual Funds Stability Rating – Feb-24
Rating Analysts	Hassan Ahmad hassan.ahmad@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

- (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 |
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (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)

Independence & Conflict of interest

- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (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)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (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)

Proprietary Information

- (20) All information contained herein is considered proprietary by PACRA. Hence, none of the information in this document can be copied or, otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA's prior written consent