

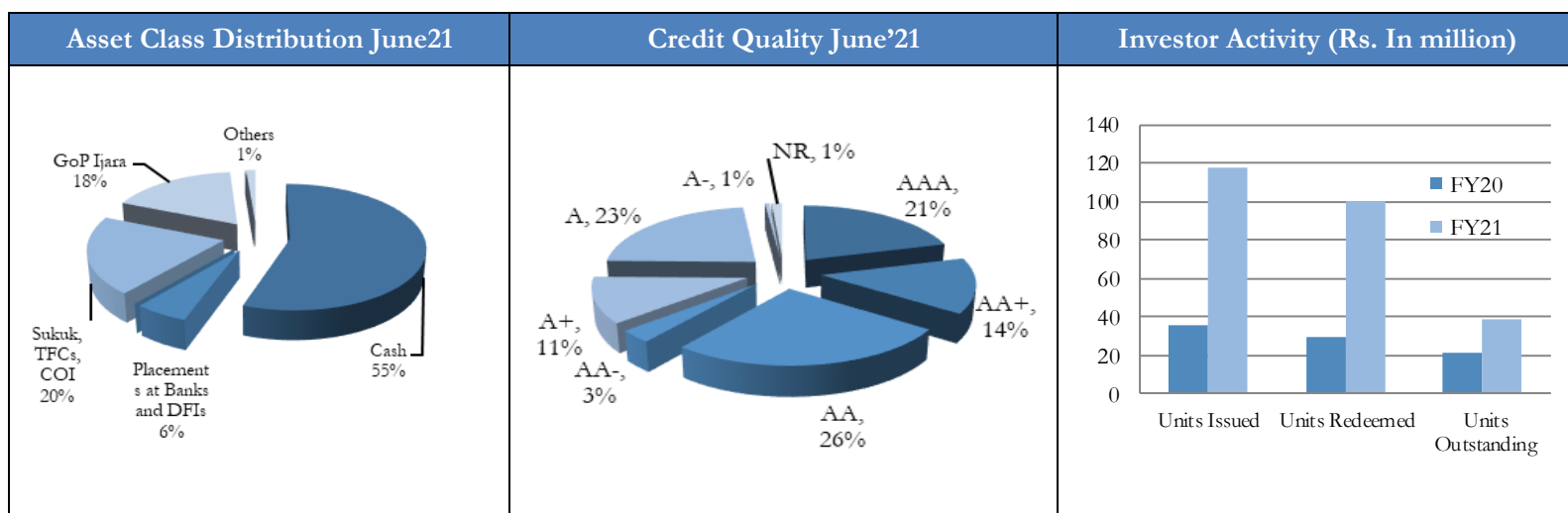
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Analysts: Aarsal Ayub
Musaddeq Ahmed Khan

Investment Objective

FISGF seeks to provide maximum possible preservation of capital and a reasonable rate of return by investing in Shari'ah compliant money market and debt securities having good credit quality and liquidity.

Faysal Islamic Savings Growth Fund		
Rating Category	Latest	Previous
Fund Stability Rating	A+(f) 07-Jan, '22	A+(f) Oct 5, '20
Asset Management Company	Faysal Asset Management Limited (FAML)	
External Auditors	A.F. Ferguson & Co. Chartered Accountants	
Trustee	Central Depository Company	
Management Fee	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.02%)	
Front-end Load	up to 2% of NAV	
Back-end Load	Nil	
Benchmark	Average 6M deposit rate of 3 A rated scheduled Islamic Banks or Islamic windows of conventional banks	



Faysal Islamic Savings Growth Fund (FISGF) aims to provide a consistent income stream to investors by investing in Shari'ah compliant instruments. The fund is managed by Faysal Asset Management Limited (FAML), which has a Management Quality Rating of AM2+ from VIS. During FY21, AUMs of the fund doubled from Rs. 2.2b to Rs. 4.0b. Subsequently, growth in Q1'FY22 was relatively flat, as illustrated in the table below.

Table 1: Net Asset (In PKR' Millions)

	Jun-20	Jun-21	Oct-21
Net Assets	2,241.25	4,013.61	3,953.85

Table 2: Operational Investment Policy

Description	Entity/Issuer Rating	Min-Max Exposure
Shari'ah Compliant Government Securities/ with maturity equal to and greater than 90 days & WAM 4 years	N/A	0%-75%

Shari'ah Compliant non-traded securities with maturity of less than and equal to six (6) months including but not limited to Bank Deposits with licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and Placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with banks, NBFCs, Mudarabahs and DFIs.	A-	0%-75%
Shari'ah Compliant Commercial Paper	A-	0%-75%
Cash and/ or near cash instruments with licensed Islamic Banks and licensed Islamic Banking windows of Conventional Banks	A-	25%-100%
Certificate of Musharka (COM) with Licensed Islamic Banking windows of Microfinance Bank.	A-	0%-25%

Any other Shariah Compliant instrument / securities that may be allowed by the SECP from time to time and is in accordance with the guidelines of Shariah Advisor of the Scheme.	A-	Ass allowed by the Commission
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Based on the applicable Investment Policy Statement (IPS), the fund must maintain a minimum balance of 25% of net assets in cash and cash equivalents on month end average basis for ensuring adequate liquidity, in case of redemptions. In terms of credit quality, the fund cannot take exposure in issue/issuer rated below 'A-'

The fund's Investment Committee (IC) comprises Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Fund Manager, Head of Research, Head of Compliance & Audit and Head of Risk. Barring, Head of Compliance & Audit, all members are voting members.

Asset Allocation:

Table 3: Average Asset allocation

	Avg. FY20	Avg. FY21	June'21
Cash	54%	45%	55%
Placements at Banks and DFIs	-	6%	6%
COM	11%	1%	-
Sukuk/TFCs/ Commercial Paper/COI	29%	26%	20%
GoP Ijara	2%	20%	17%
Others	5%	3%	1%

The fund's assets were primarily held in Sukuks, Term Finance Certificates (TFCs), and short-term Sukuk/Islamic commercial paper. To maintain adequate liquidity, the fund on average has held half of its assets in cash equivalents. The fund's asset allocation plan complies with the pre-defined Investment Policy Statement (IPS), wherein thresholds are in aligned with the assigned rating.

Credit Quality:

Table 4: Credit quality summary for FY21

Credit Quality	Average	Maximum	Minimum
AAA	26%	33%	16%
AA+	13%	18%	4%
AA	38%	71%	14%
AA-	2%	7%	0%
A+	10%	34%	2%
A	7%	31%	0%

A-	1%	1%	0%
NR	4%	13%	1%

The fund's IPS restricts exposure below 'A-' rated issue/issuer. During FY21, the fund's AAA rated exposure increased to 26% on an average basis (FY20 6%) while exposure in AA rated issue/issuer declined to 38% (FY20 59%) the fund remained compliant with its IPS for the assigned rating. As exposure in Sukuks and TFCs are largely rated in the AA band.

Liquidity Profile:

Top-10 client concentration of the fund reduced to 51% during FY21 (FY20 64%) depicting lower liquidity risk. Moreover, the fund's ability to meet redemption is considered sound based on its liquid asset allocation plan.

Market Risk:

Weighted Average Maturity (WAM) of net assets, excluding government securities, is capped at four years under the IPS. Throughout the period ending June 2021, the actual WAM of net assets remained below 2 year. The fund's duration was likewise kept within the set parameters of 180 days.

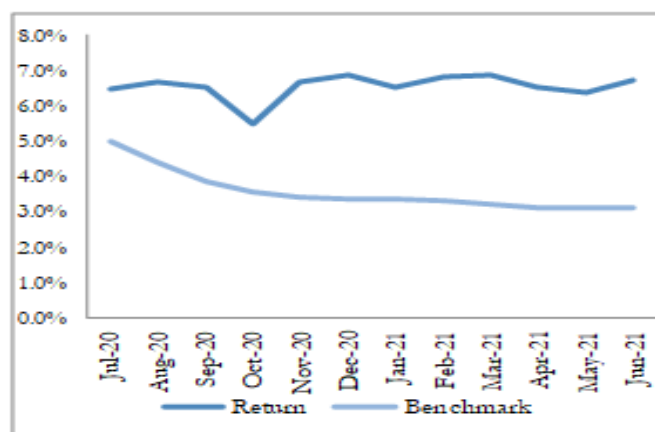
Fund Performance:

During FY21, the fund outperformed the benchmark return. Along with the improvement in absolute return, relative ranking of the fund has strengthened in comparison to the peers as the fund ranked 4 out of total 21 income funds, at end-June 2021.

Table 5: Fund Performance

	FY20	FY21
Total Return	10.67%	6.75%
Benchmark Return	6.33%	3.56%
Peer Ranking	14/21	4/21
Peer Average	10.75%	5.99%

Figure 1: Fund return vs. benchmark return



Rating History

Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	07-Jan-22	A+(f)	Reaffirmed
Fund Stability	5-Oct-20	A+(f)	Reaffirmed
Fund Stability	13-May-19	A+(f)	Reaffirmed
Fund Stability	21-Nov-17	A+(f)	Upgrade
Fund Stability	28-Apr-16	A(f)	Reaffirmed
Fund Stability	29-Jun-15	A(f)	Downgrade
Fund Stability	2-Aug-13	AA-(f)	Reaffirmed
Fund Stability	20-Nov-12	AA-(f)	Upgrade
Fund Stability	20-May-12	A+(f)	Initial

FINACIAL SUMMARY		<i>(Amounts in PKR millions)</i>	
<u>INCOME STATEMENT</u>	FY21	1QFY22	
Total Income	276.7	78.9	
Profit Before Tax	230.6	78.7	
Profit After Tax	230.6	78.7	
<u>RATIO ANALYSIS</u>			
Debt Leverage	NA	NA	
Gearing	NA	NA	