

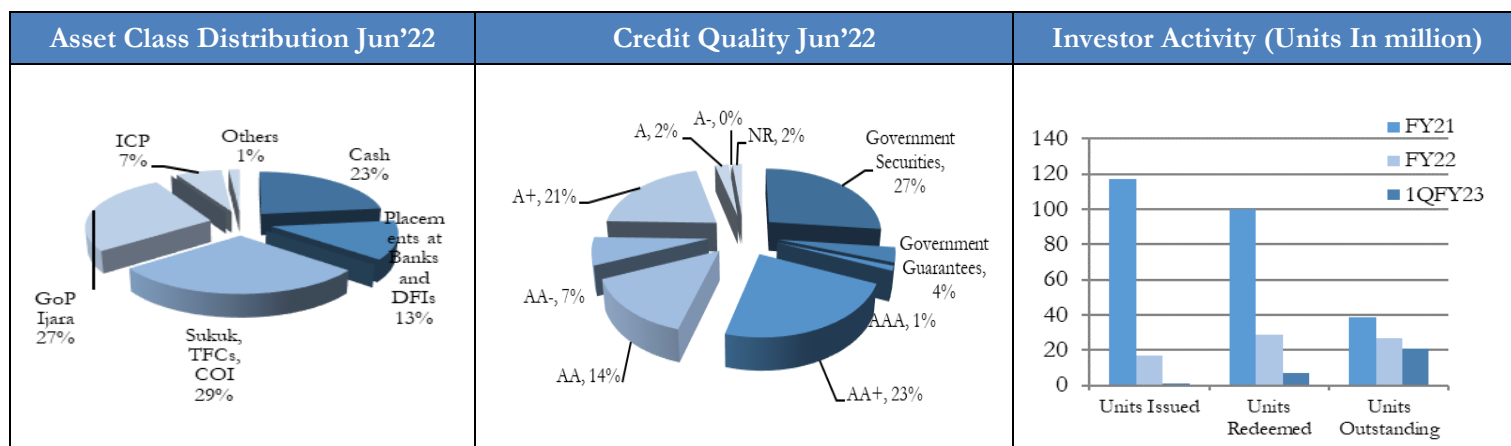
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Investment Objective

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) 13-Dec, '22	A+(f) 07-Jan, '22
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 1.0%)	
Front-end Load	up to 2% of NAV	
Back-end Load	Nil	
Benchmark	Six months average deposit rates of three 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 Shariah compliant instruments. The fund is managed by Faysal Asset Management Limited (FAML), which has a Management Quality Rating of AM2+ from VIS. During FY22, AUMs of the fund dropped from Rs. 4.01b to Rs. 2.8b and to Rs. 2.25b at the end of Oct 2022.

Table 1: Net Asset (In PKR' Millions)

	Jun-21	Jun-22	Oct-22
Net Assets	4,013.61	2,759.61	2,255.23

Table 2: Operational Investment Policy

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

Shariah 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%
Shariah 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 Musharaka (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	A-	As allowed by the

time to time and is in accordance with the guidelines of Shariah Advisor of the Scheme.	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 the event of redemptions. In relation to the credit quality, the fund cannot take exposure in issue/issuer rated below 'A-'.

The fund's Investment Committee (IC) constitutes Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Head of Equity, 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. FY21	Avg. FY22	Oct'22
Cash	45%	32%	14%
Placements at Banks and DFIs	6%	9%	16%
COM	1%	2%	0%
Sukuk/TFCs/Commercial Paper/COI	26%	24%	33%
GoP Ijara	20%	23%	33%
Spread Transaction	1%	1%	0%
ICP	0%	9%	0%
Others	3%	2%	1%

The fund's assets are primarily held in Cash, Term Finance Certificates (TFCs), short-term Sukuk and Ijara. During FY22, the fund on average has diluted its investments in cash equivalents. The fund's asset allocation plan was not compliant in March, April, June, July and Oct, wherein investment in cash equivalents was below 25%. Apart from that, the fund's asset allocation plan complies with the pre-defined Investment Policy Statement (IPS), wherein thresholds are aligned with the assigned rating.

Credit Quality:

Table 4: Credit quality summary for FY22

Credit Quality	Average	Maximum	Minimum
Government Guarantees & Securities	18%	39%	0%
AAA	8%	23%	0%
AA+	18%	26%	15%
AA	17%	28%	11%
AA-	13%	22%	0%

A+	16%	26%	4%
A	8%	30%	2%
A-	0%	1%	0%
NR	3%	4%	2%

The fund's IPS restricts exposure below 'A-' rated issue/issuer. During FY22, funds credit quality depict some movement from 'AAA' exposures to 'AA' and 'A' rated exposures, however overall credit quality remains assigned with the assigned ratings.

Liquidity Profile:

Top-10 client concentration has depicted a slight increase to 62% in FY22 followed by a decline in FY21 (51%), posing a higher liquidity risk. Nonetheless, owing to the asset allocation plan, ability to meet redemption remains sound.

Market Risk:

Weighted Average Maturity (WAM) of net assets, excluding government securities, is pegged at four years under the IPS. During the period ending June 2022, barring the months from June to Oct, the actual WAM of net assets remained below 2 year. Likewise, the fund's duration was kept within the set parameters of 180 days.

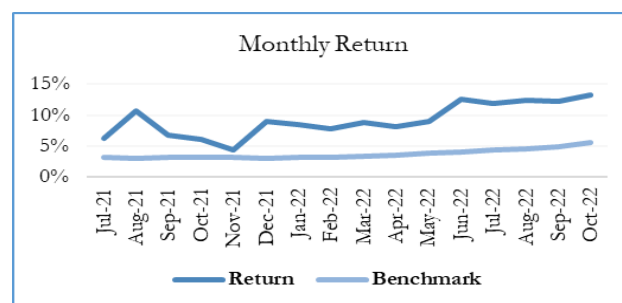
Fund Performance:

Performance of the fund is benchmarked against six months average deposit rates of three 'A' rated scheduled Islamic Banks of Islamic windows of conventional banks as selected by MUFAP. Overall, total returns of the fund has depicted a volatile trend. While it has outperformed the benchmark rate it remained below the peer average. Relative ranking also slipped to 18 out of 21 at end June 2022.

Table 5: Fund Performance

	FY21	FY22
Total Return	6.75%	8.50%
Benchmark Return	3.56%	3.34%
Peer Ranking	4/21	18/21
Peer Average	5.99%	8.91%

Figure 1: Fund return vs. benchmark return



FINANCIAL SUMMARY		
<i>(Amounts in PKR millions)</i>		
INCOME STATEMENT	FY22	*1QFY23
Total Income	324	86
Profit Before Tax	287	77
Profit After Tax	287	77
RATIO ANALYSIS		
Debt Leverage	N/A	N/A
Gearing	N/A	N/A

*Unaudited Accounts

REGULATORY DISCLOSURES				
Appendix				
Name of Rated Entity	Faysal Funds (Formerly Faysal Asset Management Company)			
Sector	Mutual Funds			
Type of Relationship	Solicited			
Purpose of Rating	Fund Stability Rating (FSR)			
Rating History	Rating Type	Rating Date	Medium to Long Term	Rating Action
	Fund Stability	13-Dec-22	A+(f)	Reaffirmed
	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	
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.			
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