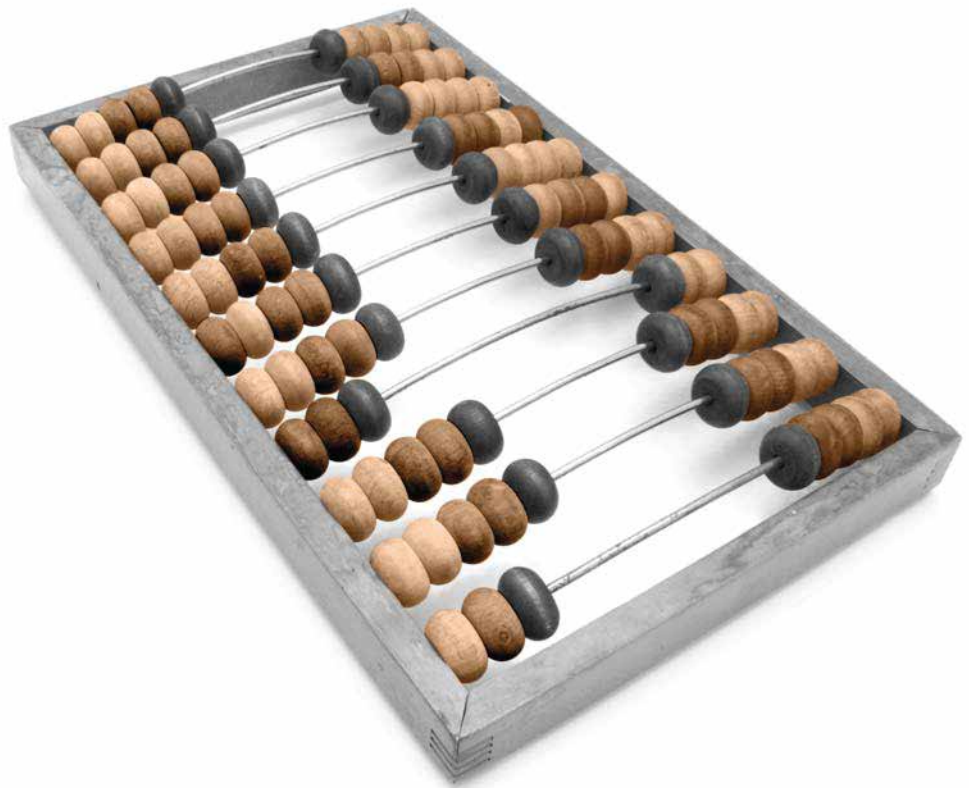


Faysal Asset Management

Savings Growth Fund

Financial Statements for the year ended June 30, 2018



Faysal Savings Growth Fund

Faysal Savings Growth Fund (FSGF) an open-ended mutual fund, seeks maximum preservation of capital and a reasonable rate of return via investing primarily in money market and debt securities having good credit rating and liquidity.

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FUND INFORMATION

Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman
Mr. Osman Khan, Director
Syed Ibad-Ur-Rehman Chishti, Director
Mr. Tahir Yaqoob Bhatti, Director
Mr. Farooq Hassan, Director
Mr. Razi-ur-Rahman Khan, Director/CEO

Chief Executive Officer

Mr. Razi-ur-Rahman Khan

Chief Financial Officer and Company Secretary of the Management Company

Mr. Naved Hanif

Audit Committee

Mr. Osman Khan, Chairman
Syed Ibad-ur-Rehman Chishti, Member
Mr. Farooq Hassan, Member

HR Committee

Mr. Osman Khan, Chairman
Syed Ibad-Ur-Rehman Chishti, Member
Mr. Razi-ur-Rahman Khan, Member

Trustee to the Fund

Central Depository Company of Pakistan Limited,
CDC House, 99B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
Soneri Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
UBL Ameen-Islamic Banking
Habib Metropolitan Bank Limited
Allied Bank Limited
Habib Bank Limited
JS Bank Limited
Zarai Taraqtiati Bank Limited
Sindh Bank Limited

Auditors

Deloitte Yousuf Adil, Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.
2nd Floor, Dime Centre,
BC-4 Block-9, KDA-5,
Clifton, Karachi.

Registrar

JWAFFS Registrar Service (Pvt) Limited
407-408, Al-Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.

MISSION STATEMENT

Faysal Savings Growth Fund seeks to provide investors a consistent income stream with maximum preservation of capital.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Directors of Faysal Asset Management Limited, the Management Company of **Faysal Savings Growth Fund (FSGF)**, are pleased to present the Annual Report on the operations of FSGF along with the audited accounts, Reports of the Trustee and Auditors to the unit holders for the year ended June 30, 2018.

SALE AND REDEMPTION OF UNITS

During the year, units worth Rs.2,061.138 million were issued and units with a value of Rs.3,149.316 million were redeemed.

UNIT HOLDERS

As of June 30, 2018, total units outstanding were 20,439,958 units with a value of Rs.2,187.333 million (June 30, 2017: 30,865,621 units with a value of Rs.3,148.493 million).

UNIT PRICES

Unit prices are being announced on a daily basis based on the NAV of the underlying portfolio. The highest and lowest offer / redemption prices during the period as well as the prices prevailing as of June 30, 2018 were as below:

	Offer Price	Redemption Price
Highest	109.16	107.01
Lowest	102.05	102.05
As of June 30, 2018	109.16	107.01

ECONOMIC OUTLOOK

Economy of Pakistan managed to post thirteen year highest growth rate of 5.79% during the period Fiscal Year 2018 (FY18). All the three main sectors namely Service, Industrial and Agriculture contributed to economic growth. Better energy supply relative to last year coupled with capacity expansions helped the Large Scale Manufacturing (LSM) units to post growth of 5.38% during FY18 which also provided support to higher economic growth. However, balance of payment crisis persisted as financing failed to cover higher current and fiscal account deficits which also kept the foreign exchange reserves under enormous pressure throughout the year. During the period FY18, currency witnessed multiple rounds of depreciation whereas Central Bank also opted to go for monetary tightening.

In order to support higher economic activity, imports remained on the higher side during the period FY18 and stood at USD 55.85bn as compared to USD 48.68bn in the same period last year, witnessing a growth of 14.71% on Year-on-Year (YoY) basis. Exports also picked up pace by the year end on account of multiple developments to encourage exports and stood at USD 24.77bn during FY18 vis-à-vis USD 22.00bn during FY17, depicting a upsurge of 12.58% on YoY basis. Ever increasing import resulted in widening trade deficit by 16.47% on YoY basis and stood at USD 31.07bn during the period under review.

During the period FY18, remittances remained muted with USD 19.63bn vis-à-vis USD 19.35bn with meager increase of 1.42% on YoY basis. Higher trade deficit with no support from remittances kept the current account deficit elevated which recorded at USD 18.13bn during FY18 versus USD 12.62bn during FY17, augmented by 43.65% on YoY basis. Foreign Direct Investment (FDI) stood at USD 2.77bn during the period FY18 compared to USD 2.75bn in the same period last year, posting a marginal growth of 0.76%. Fiscal Deficit for the period FY18 also remained on the higher side and recorded highest deficit of PKR 2.26trn (6.60% of GDP) due to expansionary fiscal policies in an election year.

Massive twin deficits coupled with lack of major foreign inflows dragged foreign exchange reserves to precariously low levels of USD 16.41bn at the end of June 2018 from USD 21.40bn at the end of June 2017, showing a decline of 23.34% on YoY basis. Due to pressure on foreign exchange reserves, currency witnessed multiple rounds of depreciation and stood at PKR 121.49 against greenback with cumulatively devaluation of 15.87% during the period under review. Whereas, Consumer Price Index (CPI) inflation remained under control with average inflation clocked-in at 3.92% for FY18 as compared to 4.16% for FY17. In order to avoid overheating of the economy, Central Bank increased the policy rates by 75 basis points (bps) during the period FY18.

Moving forward, government's stance to implement economic & structural reforms and to improve ties with regional & major global countries is expected to bode well for the economic wellbeing of the country and may be helpful in obtaining foreign inflows. Further, positive development related to engaging with IMF for another bailout package will be needed to provide support to diminishing reserves in recent balance of payment crisis and will provide economic stability in the future.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

MONEY MARKET REVIEW

Market remained short of liquidity during the FY18 and to accomplish this liquidity shortage SBP conducted 76 OMO – Injections where the total participation stood at PKR 65.59trn and total accepted amount was PKR 61.80trn and the weighted average rate of all OMO – Injections was 5.89%. State bank also conducted 10 OMO Mop-Ups during FY'18 where total accepted amount stood at PKR 1.66trn.

Central bank conducted 27 T-bill auctions during FY18, where in cut offs were maintained at 3M – 5.9910% and 6M – 6.0109% till monetary policy was revised at the end of January; the new Cut offs were 3M – 6.2144%. During calendar year 2018 monetary policy has been revised and rates have been hiked by 175bps. This led T-bills to settle at 3M – 6.7596% and 6M – 6.8545%. The total amount realized was PKR 18,324bn against the target of PKR 17,825bn.

During FY18 SBP conducted 12 auctions. The state bank rejected all bids for 08 auctions except for July'17, April'18, May'18 and June'18, however participation and accepted amount remained at lower end.

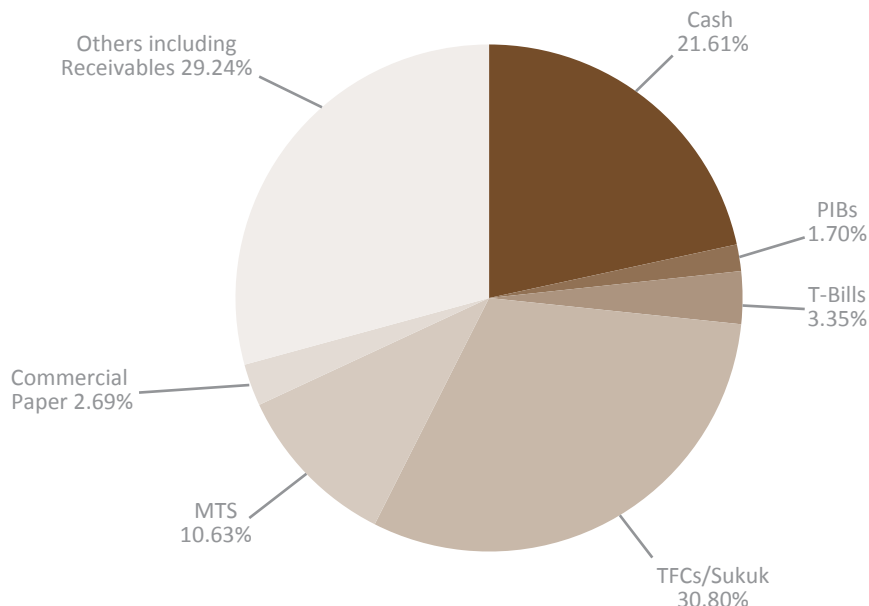
GoP also issued two floating rate bonds where total participation stood at 296bn, against a total target of 100bn; however total accepted amount closed at 34.62bn at a spread of 50bps.

SBP issued 6 monetary policies in which it maintained its policy rate at 5.75% in first 3 auctions on the back of broad-based pick-up in the industrial output, gains in factors supporting the production of major crops, growth in private-sector credit alongside strong up-rise in Tax collection in first half of this fiscal year. However SBP decided to change the rate by 25bps in January auction and 50bps in May auction, thereby raising the yields on all available debt instruments. SBP's this move was strongly supported by ~15% to 20% rupee depreciation during same period.

PERFORMANCE REVIEW

FSGF yielded return of 4.90% during the FY18. By the end of FY18, your fund's investment in Commercial Paper was 2.69%; TFCs / Sukuks were 30.80%; T-bills were 3.35%; and Cash at Banks were 21.61%. Going forward, your fund would continue to explore lucrative yet low risk and less volatile investment avenues to generate superior returns.

ASSET ALLOCATION AS AT JUNE 30, 2018



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

INCOME DISTRIBUTION

The Board of Directors has approved final distribution / payout (for full year) at the rate of 4.66% (i.e. Rs.4.75 per unit) for the year ended June 30, 2018.

MUTUAL FUND RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA-(f)" stability rating to FSGF as of June 20, 2018.

PATTERN OF UNIT HOLDING

The pattern of unit holding as at June 30, 2018 of FSGF is given as part of this Annual Report.

AUDITORS

The present auditors Messers Deloitte Yousuf Adil, Chartered Accountants retire and, being eligible, offer themselves for re-appointment. The Board endorses the recommendation of the Audit Committee for re-appointment of Messers Deloitte Yousuf Adil, Chartered Accountants as the auditors for the year ending June 30, 2019.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company is thankful to unit holders for their confidence on the Management, the Securities and Exchange Commission of Pakistan and the management of Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work.

For and on behalf of the Board

Karachi: September 19, 2018

Razi-ur-Rahman Khan
Chief Executive Officer

FUND MANAGER'S REPORT

ECONOMIC REVIEW

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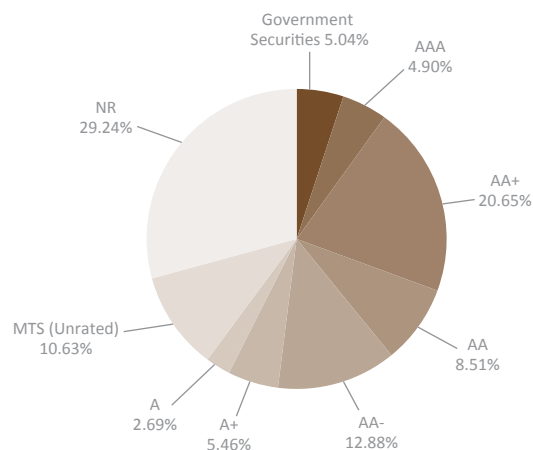
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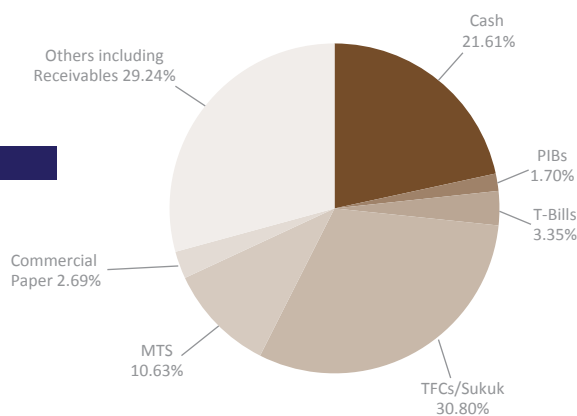
Fund Information

Fund Type	Open Ended
Category	Income scheme
Stability Rating	AA- (f) (PACRA)
Risk Profile	Low
Launch Date	May 12, 2007
Custodian/Trustee	CDC
Auditor	Deloitte Yousuf Adil, Chartered Accountants
Management Fee	1.50%
Front/Back end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark	Six months KIBOR rates
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM3 (JCRVIS)
NAV per Unit (PKR)	107.01
Net Assets(PKR mn)	2,187.33
Leverage	Nil

Asset Quality



Asset Allocation



Fund Return (% p.a.)

	June 18	June 17
YTD	4.90%	5.99%
Benchmark (YTD)	6.35%	6.10%

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.
 • Performance data does not include cost incurred by investor in the form of sales load.

PERFORMANCE

Faysal Savings Growth Fund yielded return of 4.90% during the FY18. By the end of FY18, your fund's investment in Commercial papers was 2.69%; TFC / Sukuk were 30.80%; Treasury bills were 3.35%; and Cash at Banks were 21.61%. Going forward, your fund would continue to explore lucrative yet low risk and less volatile investment avenues to generate superior returns.

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL SAVINGS GROWTH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of **Faysal Savings Growth Fund** (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan

Chief Executive Officer

Karachi, September 24, 2018
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF FAYSAL SAVINGS GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Faysal Savings Growth Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018 and the income statement, statement of comprehensive income, statement of movements in unit holder's fund, cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the Fund's financial position as at June 30, 2018 and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Management Company (Faysal Asset Management Limited) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
a) Valuation and existence of investments at fair value	
<p>As disclosed in note 8 to the financial statements, the total value of investments amounted to Rs. 1,137.73 million as at June 30, 2018. Out of which Rs. 1,058.42 million is subject to revaluation at market rate being 'held for trading' which comprises of debt and government securities.</p> <p>These investments represent a significant item on the Statement of Assets and Liabilities. This is a main driver of the Fund's performance. The Fund invests principally in debt securities and government securities and there is a risk that appropriate prices may not be used to determine fair value.</p> <p>Further, the Fund may have included investments in its financial statements which were not owned by Fund.</p>	<p>We performed the following steps during our audit of investments:</p> <ul style="list-style-type: none"> • independent testing of valuations by using the market price from independent source, where applicable; • we performed existence testing of sample of investments held as at June 30, 2018 by independently matching the securities held by the Fund as per internal records with the securities appearing in the Investor Portfolio Securities account (for Government Securities) and Central Depository Company account (for Debt Securities) and investigated any reconciling items; • we performed purchases and sales testing on a sample of trades made during the year to obtain evidence regarding movement of securities during the year; and • any differences identified during our testing that were over our acceptable threshold were investigated further.
b) Change in accounting policy as a result of amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008	
<p>As disclosed in note 4.1, to the financial statements, on August 03, 2017, Securities and Exchange Commission of Pakistan (SECP) issued SRO no. 756(1)/2017 whereby certain amendments were made in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). Such amendments introduced definition of Element of Income, and required certain additional disclosures in income statement and statement of movement in unit holders' fund together with removal of requirement to present distribution statement separately.</p> <p>The abovementioned amendments require significant changes in the calculation, accounting,</p>	<p>In order to address the matter we:</p> <ul style="list-style-type: none"> • Held discussions with management regarding the amendments made in the NBFC Regulations, the resulting changes required in the financial statements and how the systems were updated to cater for the amendments; • Obtained account holder wise movement of all unit holders of the Fund and for a sample of unit holders, verified the movement in terms of units and value (including net asset value per unit) by checking supporting documents to ensure that element of income and income already paid on units redeemed is accurate. Also prepared quantitative reconciliation of units reported; and • Checked adequacy of presentation and disclosure

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>presentation and disclosure of the 'Element of Income' in the financial statements, which have been applied prospectively as a change in accounting policy in accordance with the clarification issued by the SECP. Considering the significance of the above factors, we have treated these changes as a Key Audit Matter.</p>	<p>requirements including element of income in in the financial statements as per the requirements of Schedule V of the NBFC Regulations.</p>

OTHER MATTER

The financial statements of the Fund for the year ended June 30, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on September 22, 2017.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the management company determines is necessary to

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

CHARTERED ACCOUNTANTS

DATE: SEPTEMBER 19, 2018

PLACE: KARACHI

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Assets			
Bank balances	7	638,123,844	1,899,005,223
Investments	8	1,137,731,197	798,355,514
Receivable against Margin Trading System (MTS)		313,808,330	490,962,884
Deposits and other receivables	9	26,438,942	23,754,738
Receivable against issuance of units		143,784,758	21,793,283
Total assets		2,259,887,071	3,233,871,642
Liabilities			
Payable to the Management Company	10	5,773,373	6,097,747
Remuneration payable to the Trustee	11	253,479	286,038
Accrued and other liabilities	12	32,938,734	30,436,216
Dividend payable		11,246	48,558,754
Payable against redemption of units		33,577,289	-
Total liabilities		72,554,121	85,378,755
Net assets		2,187,332,950	3,148,492,887
Unit holders' fund (as per statement attached)		2,187,332,950	3,148,492,887
Contingencies and commitments	13		
		----- (Number of units) -----	
Number of units in issue		20,439,958	30,865,621
		----- (Rupees) -----	
Net assets value per unit		107.01	102.01

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Income			
Profit earned on debt and government securities classified as 'at fair value through profit or loss' - held-for-trading		77,746,585	100,801,629
Mark-up earned on letter of placements, commercial papers and clean placements - classified as 'held to maturity'		5,618,107	7,120,047
Income from Margin Trading System (MTS)		16,394,659	75,406,464
Return on bank balances and term deposit receipts		87,262,694	67,888,592
Net loss on investments classified as 'at fair value through profit or loss' - held-for-trading:			
- Net capital loss on sale of investments		(3,379,407)	(33,011,616)
- Net unrealized gain on revaluation of investments	8.4	2,465,082	4,568,470
		(914,325)	(28,443,146)
Other income		1,600,000	375,000
Total income		187,707,720	223,148,586
Expenses			
Remuneration of the Management Company	10.1	40,416,188	54,027,192
Sales tax on Management fee	10.2	5,254,104	7,023,535
Reimbursement of expense to the Management Company	10.3	2,694,130	2,194,486
Remuneration of the Trustee	11.1	3,153,208	3,911,682
Sales tax on Trustee fee	11.2	409,917	508,519
Brokerage charges		307,449	804,493
Bank charges		105,192	174,778
Auditors' remuneration	14	698,390	686,343
SECP annual fee	12.1	2,020,685	2,701,361
Fees and subscription		210,674	331,459
Settlement charges and federal excise duty		2,517,449	9,418,249
Printing charges and other expenses		309,400	307,032
Reversal of Provision for Federal Workers' Welfare Fund	12.2	-	(52,554,556)
Provision for Sindh Workers' Welfare Fund (SWWF)	12.2	2,592,218	5,660,992
Total expenses		60,689,004	35,195,565
Net income from operating activities		127,018,716	187,953,021
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		-	(63,901,447)
Net income for the year before taxation		127,018,716	124,051,574
Taxation	15	-	-
Net income for the year after taxation		127,018,716	124,051,574
Allocation of net income for the year			
Net income for the year		127,018,716	
Income already paid on units redeemed		(68,996,456)	
		58,022,260	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		58,022,260	
		58,022,260	
Earnings per unit	16		

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Net income for the year after taxation	127,018,716	124,051,574
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>127,018,716</u>	<u>124,051,574</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	127,018,716	124,051,574
Adjustments for non-cash and other items:		
Profit earned on debt and government securities classified as 'at fair value through profit or loss' - held-for-trading	(77,746,585)	(100,801,629)
Mark-up earned on letter of placements, commercial papers and clean placements - classified as 'held to maturity'	(5,618,107)	(7,120,047)
Income from Margin Trading System (MTS)	(16,394,659)	(75,406,464)
Return on bank balances and term deposit receipts	(87,262,694)	(67,888,592)
Net capital loss on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	3,379,407	33,011,616
Net unrealized gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading	(2,465,082)	(4,568,470)
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	63,901,447
Provision of SWWF / reversal of provision for Worker's Welfare Fund	2,592,218	(46,893,564)
	(56,496,786)	(81,714,129)
(Increase) / decrease in assets		
Deposits and other receivables	(2,480,210)	100,766
(Decrease) / increase in liabilities		
Payable to the Management Company	(324,374)	2,606,613
Remuneration payable to the Trustee	(32,559)	(124,774)
Accrued and other liabilities	(89,700)	(742,492)
	(446,633)	1,739,347
Proceeds from sale / redemption / maturity of investments	4,231,423,013	10,875,460,857
Payments made against purchase of investment	(4,566,094,914)	(10,971,710,217)
Proceeds from / payments made against Margin Trading System (MTS) - net	177,154,554	114,052,684
Profit received on debt and government securities	75,011,448	97,500,196
Income received against Margin Trading System (MTS)	17,910,693	75,041,442
Return received on bank balances and term deposit receipts	88,277,803	68,621,073
Net cash (used in) / generated from operating activities	(35,741,032)	179,092,019
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	1,939,146,106	4,477,777,512
Payments made against redemption of units	(3,115,738,945)	(5,291,804,029)
Dividend paid	(48,547,508)	(65,419,170)
Net cash used in financing activities	(1,225,140,347)	(879,445,687)
Net decrease in cash and cash equivalents during the year	(1,260,881,379)	(700,353,668)
Cash and cash equivalents at beginning of the year	1,899,005,223	2,599,358,891
Cash and cash equivalents at end of the year	7 638,123,844	1,899,005,223

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018		June 30, 2017	
	Capital value	Undistributed income (Rupees)	Total	Total (Rupees)
Net assets at the beginning of the year	3,097,088,105	51,404,782	3,148,492,887	4,111,374,426
Issuance of 19,707,441 units (June 30, 2017: 39,788,979 units)				
- Capital value (at net asset value per unit at the beginning of the year)	2,010,356,056	-	2,010,356,056	-
- Element of income	50,781,525	-	50,781,525	-
Total proceeds on issuance of units	2,061,137,581	-	2,061,137,581	4,088,551,216
Redemption of 30,133,104 units (June 30, 2017: 49,357,775 units)				
- Capital value (at net asset value per unit at the beginning of the year)	(3,073,877,939)	-	(3,073,877,939)	-
- Amount paid out of element of income				
- Relating to net income for the year after taxation	-	(68,996,456)	(68,996,456)	-
- Refund / adjustment on units as element of income	(6,441,839)	-	(6,441,839)	-
Total payments on redemption of units	(3,080,319,778)	(68,996,456)	(3,149,316,234)	(5,125,407,852)
Element of loss and capital losses included in prices of in prices of units sold less those in units redeemed - net	-	-	-	63,901,447
Total comprehensive income for the year	-	127,018,716	127,018,716	124,051,574
Distribution during the year	-	-	-	(113,977,924)
Net income for the year less distribution	-	127,018,716	127,018,716	10,073,650
Net assets at the end of the year	2,077,905,908	109,427,042	2,187,332,950	3,148,492,887
Distribution for the year				
Undistributed loss brought forward				
- Realized	-	46,836,312	46,836,312	34,007,601
- Unrealized	-	4,568,470	4,568,470	7,323,531
	-	51,404,782	51,404,782	41,331,132
Interim cash distribution for the period ended June 19, 2017 @ Rs. 5.75 per unit declared for distribution on June 20, 2017	-	-	-	(113,977,924)
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	58,022,260	58,022,260	124,051,574
	-	58,022,260	58,022,260	124,051,574
Undistributed income carried forward	-	109,427,042	109,427,042	51,404,782
- Realized	-	104,247,524	104,247,524	46,836,312
- Unrealized	-	5,179,518	5,179,518	4,568,470
	-	109,427,042	109,427,042	51,404,782
		(Rupees)	(Rupees)	
Net asset value per unit at the beginning of the year		102.01	101.68	
Net asset value per unit at the end of the year		107.01	102.01	

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal Savings Growth Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorized as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on February 27, 2007. It has been constituted under a Trust Deed, dated December 28, 2006 between Faysal Asset Management Limited (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also a company incorporated under the repealed Companies Ordinance, 1984 (now

The Fund is an open-ended income fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis and the units are transferable and can be redeemed by surrendering them to the Fund. Title to the assets of the fund are held in the name of CDC as a Trustee of the Fund. The Fund was launched on May 07, 2007.

The objective of the Fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market and debt securities having good credit rating and liquidity.

The Fund is categorized as an "Income Scheme" as per the Circular No. 7 of 2009 issued by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA-(f)" stability rating to Faysal Savings Growth Fund as of June 20, 2018.

JCR - VIS has awarded an "AM3" asset manager rating to the Management Company as of March 19, 2018.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3. BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention, except for certain investments and derivatives which are accounted for as stated in notes 4.2 and 4.4 below.
- 3.2** These financial statements are presented in Pak rupees, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, except as described in note 4.1.

NOTES TO THE FINANCIAL STATEMENTS

4.1 Changes in accounting policy

4.1.1 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The SECP through its SRO 756(l)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the Regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised Regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised Regulations.

Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 01, 2017 as required by SECP via email dated February 07, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP. Had the retrospective application for the change in accounting policy been applied as per IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', the profit for the year ended June 30, 2017, would have been increased Rs. 63.9 million.

Had the element of income been recognized as per the previous accounting policy, the profit of the Fund would have been lower by Rs. 24.656 million. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4.1.2 Separate performance statements

International Accounting Standard (IAS) 1- 'Presentation of Financial Statements' allows an entity to prepare either two performance statements i.e. income statement and statement of comprehensive income, or one performance statement only i.e. income statement and statement of comprehensive income (showing both items of income or loss for the period and items of other comprehensive income). The Fund, with effect from July 01, 2017, has changed its policy with regard to preparation of income statement and other comprehensive income and opted to prepare two separate performance statements i.e. "income statement" and "statement of comprehensive income" showing separately both income or loss for the period and items of other comprehensive income in separate statements.

4.2 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss, available-for-sale or held to maturity investments as appropriate.

- All investments, are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.

NOTES TO THE FINANCIAL STATEMENTS

- All regular way purchases / sales of investments that require delivery within the time frame established by the regulation of market convention are recognized on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within the period generally established by the regulation or market convention.

4.2.1 At fair value through profit or loss

Investments which are acquired principally for the purposes of generating profit from short-term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short-term profit taking are classified as held-for-trading.

Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

These investments are initially recognized at fair value, being the cost of the consideration given.

After initial measurement, investment at fair value through profit or loss are carried at fair value and the gains or losses on revaluation are recognized in the income statement.

Fair value of investments is determined as follows:

Debt securities

The Fund's investment in debt securities is revalued at the rates quoted by Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP's Circular No.33 of 2012 dated October 24, 2012, read with Regulation 66(b) of the NBFC Regulations.

Government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Market Association of Pakistan.

4.2.2 Held to maturity investments

Investment securities with fixed maturities and fixed or determinable payments are classified as 'held-to-maturity investments' when management has both the intention and ability to hold till maturity. After initial measurement, such investments are carried at amortized cost less any provision for impairment except for in case of debt securities and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations.

4.2.3 Available-for-sale investments

Investments which are not classified in any of the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealized gain or loss recognized directly in the unit holders' fund until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recognized in unit holders' fund is taken to the income statement.

4.3 Receivable against Margin Trading System (MTS)

Transactions for purchase of marketable securities under Margin Trading System (MTS) are entered into at contracted rates for specified period of time. Securities purchased under the MTS are not recognized in the statement of assets and liabilities. The amount paid under such agreement is recognized as "receivable against Margin Trading System (MTS)". Profit is recognized on accrual basis using the effective interest rate method. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of a MTS contract is 60 working days and 25% of the exposure is released automatically at the expiry of every 15th working day.

NOTES TO THE FINANCIAL STATEMENTS

4.4 Derivatives

Derivative instruments held by the Fund generally comprise of futures contracts, options and forward contracts etc. in the capital market. These are initially recognized at cost and are subsequently remeasured at their fair value. The fair value of derivative instruments is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the instrument. Derivative with positive market values (un-realized gains) are included in other assets and derivatives with negative market values (un-realized losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in income currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by International Accounting Standard - 39, Financial Instruments: Recognition and Measurement, consequently hedge accounting is not used by the Fund.

4.5 Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price prevalent on the day the application form is received. The offer price represents the net assets value of units at the end of the day plus the allowable sales load. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price, prevalent on the day the redemption form is accepted. The redemption price represents the net assets value at the end of the day. Redemption of units is recorded on acceptance of application for redemption. Redemption of units is recorded on acceptance of application for redemption.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.8 Revenue recognition

Gain or loss on sale of marketable and government securities is accounted for in the period in which it arises.

Unrealized gains or losses arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

Mark-up on government securities, debt securities, return on certificates of investment, profit on clean placements, return on bank balances and term deposit receipts, and income from Margin Trading System (MTS) are recognized on a time proportion basis using effective interest rate method.

4.9 Expenses

All expenses, including management fee and trustee fee, are recognized in the income statement on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

4.10 Taxation

The Fund is exempt from taxation under clause 99 of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realized and unrealized capital gains for the year is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 4B of Income Tax Ordinance, 2001).

4.11 Net Assets Value (NAV) per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.12 Distribution to unit holders

Distribution to unit holders made subsequent to the statement of assets and liabilities date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared and approved by the Board of Directors of the Management Company.

4.13 Financial assets and financial liabilities

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement currently.

Financial assets carried in the statement of assets and liabilities include bank balances and term deposit receipts, investments, receivable against Margin Trading System (MTS), receivable against issue of units and deposits and other receivables.

Financial liabilities carried in the statement of assets and liabilities include payable to the Management Company, remuneration payable to the Trustee, payable on redemption of units, dividend payable and accrued and other liabilities.

Impairment of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss, is recognized in the income statement.

Impairment is determined as follows:

- (a) for assets carried at amortized cost, impairment is difference between present value of estimated cash flows discounted at the original effective interest rate and amortized cost.
- (b) for assets carried at fair value, impairment is the difference between cost and fair value.
- (c) for assets carried at cost, impairment is difference between present value of future cash flows discounted at the current market rate of return for a similar financial asset and cost.

For available-for-sale equity investments, reversal of impairment losses are recorded as increases in cumulative changes in fair value through unit holders' fund.

In addition, a provision is made to cover impairment for specific groups of assets where there is a measurable decrease in estimated future cash flows.

NOTES TO THE FINANCIAL STATEMENTS

4.14 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amount and the Fund intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 4.2, 4.4, 4.5, 4.10 and 4.13 to the financial statements.

6. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS FOR THE YEAR ENDED JUNE 30, 2018

6.1 Effective for the year ended June 30, 2018

The following standards, amendments and interpretations are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Standard or Amendments	Effective from accounting period beginning on or after
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses	January 01, 2017

Certain annual improvements have also been made to a number of IFRSs.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Fund.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

6.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2018

NOTES TO THE FINANCIAL STATEMENTS

	Effective from accounting period beginning on or after:
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date (note 6.3).	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (note 6.3).	January 01, 2019
IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018. Earlier application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

6.3 IFRS 9 Financial Instruments

In July 2014 IASB issued a revised version of IFRS 9 'Financial Instruments' which supersedes all its previous versions and is mandatorily effective for periods beginning on or after January 1, 2018. The SECP has adopted the IFRS 9 effectively from July 1, 2018 and will be applicable for the Fund as well.

Key requirements of IFRS 9:

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Impairment

The SECP / Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

Impact assessment

Based on the analysis of Fund's financial assets and liabilities as at June 30, 2018 and also considering facts and circumstances that exists at that date, the Management Company have assessed the impact of IFRS 9 on the financial statements as follows;

Investments classified as financial assets at fair value through profit or loss - held for trading qualify for designation as measured at fair value through profit or loss upon application of IFRS 9 with value changes continue to recognize in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets classified as loans and receivables are held with a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principle outstanding. These financial assets will qualify for designation as measured at amortized cost and will continue to be subsequently measured at amortized cost upon application of IFRS 9.

Other financial assets and financial liabilities at amortized cost will continue to be subsequently measured at amortized cost upon application of IFRS

			June 30, 2018	June 30, 2017
	Note		----- (Rupees) -----	-----
7.	BANK BALANCES			
		Cash at bank - PLS savings accounts	7.1 <u>638,123,844</u>	<u>1,899,005,223</u>

7.1 These carry mark-up ranging between 4.5% to 7.35% (June 30, 2017: 3.75% to 6.50%) per annum and include balance of Rs. 1.365 million (June 30, 2017: Rs. 1.627 million) held with Faysal Bank Limited (a related party).

			June 30, 2018	June 30, 2017
	Note		----- (Rupees) -----	-----
8.	INVESTMENTS			
		At fair value through profit or loss¹ - held-for-trading		
		Debt securities	8.1 909,461,514	672,144,715
		Government securities	8.2 148,957,800	99,935,665
		Held to maturity		
		Commercial paper	8.3 <u>79,311,883</u>	<u>26,275,134</u>
			<u>1,137,731,197</u>	<u>798,355,514</u>

NOTES TO THE FINANCIAL STATEMENTS

8.1 Debt securities - 'at fair value through profit or loss' - held-for-trading

Name of investee company	Number of certificates				Balance as at June 30, 2018				Market value as percentage of total investments	Market value as percentage of net assets	Market value as percentage of size of issue
	As at July 01, 2017	Purchased during the year	Disposed / matured during the year	As at June 30, 2018	Carrying value	Market value	Unrealized gain on revaluation	Market value as percentage of net assets			
Term Finance Certificates - Listed											
Commercial Banks											
The Bank of Punjab (23-Dec-16)	1,500	-	200	1,300	129,922,000	132,836,623	2,914,623	11.68%	6.07%	3.32%	
Term Finance Certificates - Unlisted											
Commercial Banks											
Habib Bank Limited (19-Feb-16)	1,810	-	1,810	-	-	-	-	-	-	-	
Bank AL-Habib Limited (17-Mar-16)	20,000	-	20,000	-	-	-	-	-	-	-	
JS Bank Limited - PPTFC * (14-Dec-16)	32,000	-	-	32,000	159,936,000	161,117,165	1,181,165	14.16%	7.37%	4.03%	
Askari Bank Limited (30-Mar-17)	15,000	3,100	9,502	8,598	44,471,356	43,066,956	(1,404,400)	3.79%	1.97%	1.08%	
Investment Company											
Jahangir Siddiqui & Company Limited (18-Jul-17)	-	20,000	-	20,000	100,000,000	101,192,645	1,192,645	8.89%	4.63%	2.53%	
Jahangir Siddiqui & Company Limited (6-Mar-18)	-	20,000	-	20,000	100,000,000	100,958,546	958,546	8.87%	4.62%	2.52%	
Technology and Communication											
TPL Corp Limited TFC (19-Dec-17)	-	1,200	-	1,200	120,000,000	120,222,182	222,182	10.57%	5.50%	3.01%	
Sukuk Certificates - Unlisted											
Fertilizer											
Dawood Hercules Corporation Limited Sukuk (18-Nov-17)	-	390	250	140	14,000,000	14,028,001	28,001	1.23%	0.64%	0.70%	
Dawood Hercules Corporation Limited Sukuk (1-Mar-18)	-	610	-	610	61,000,000	61,039,396	39,396	5.37%	2.79%	3.05%	
Others											
International Brands Limited Sukuk (18-Nov-17)	-	2,000	250	1,750	175,000,000	175,000,000	-	15.38%	8.00%	8.75%	
June 30, 2018					904,329,356	909,461,514	5,132,158				
June 30, 2017					667,576,486	672,144,715	4,568,229				

Significant terms and conditions of debt securities are as follows:

Name of security	Number of certificates	Face value per unit (Rupees)	Redeemed face value per unit (Rupees)	Mark-up rate (per annum)	Maturity	Secured / unsecured	Rating
The Bank of Punjab - TFC	1,300	100,000	99,940	1.00% + 6M KIBOR	December, 2026	Unsecured	AA-
JS Bank Limited - PPTFC	32,000	5,000	4,997	1.40% + 6M KIBOR	December, 2023	Secured	A+
Askari Bank Limited - TFC	8,598	5,000	4,983	1.20% + 6M KIBOR	September, 2024	Secured	AA-
Jahangir Siddiqui & Company Limited - TFC	20,000	5,000	5,000	1.40% + 6M KIBOR	July, 2022	Secured	AA+
Jahangir Siddiqui & Company Limited - TFC	20,000	5,000	5,000	1.40% + 6M KIBOR	March, 2023	Secured	AA+
TPL Corp Limited - TFC	1,200	100,000	100,000	1.50% + 3M KIBOR	December, 2019	Secured	AA-
International Brands Limited - Sukuk	1,750	100,000	100,000	0.50% + 12M KIBOR	November, 2021	Secured	AA
Dawood Hercules Corporation Limited - Sukuk	140	100,000	100,000	1.00% + 3M KIBOR	November, 2022	Secured	AA
Dawood Hercules Corporation Limited - Sukuk	610	100,000	100,000	1.00% + 3M KIBOR	March, 2023	Secured	AA

* Privately placed term finance certificate

NOTES TO THE FINANCIAL STATEMENTS

8.2 Government securities - 'at fair value through profit or loss' - held-for-trading

Name of security	Face value				Balance as at June 30, 2018				Market value as percentage of net assets	
	As at July 01, 2017	Purchased during the year	Sold during the year	Matured during the year	As at June 30, 2018	Carrying value	Market value	Unrealized (gain)/ loss on revaluation		Market value as percentage of total investments
Rupees										
Market treasury bills										
Market treasury bills - 3 months (note 8.2.1)	100,000,000	3,650,000,000	3,250,000,000	400,000,000	100,000,000	98,910,440	98,897,800	(12,640)	8.69%	4.52%
Market treasury bills - 6 months	-	100,000,000	-	-	-	-	-	-	-	-
Pakistan Investment Bonds										
Pakistan Investment Bonds - 10 years	-	50,000,000	-	-	50,000,000	50,000,000	50,060,000	60,000	4.40%	2.29%
June 30, 2018	100,000,000	3,800,000,000	3,350,000,000	400,000,000	150,000,000	148,910,440	148,957,800	47,360	13.09%	6.81%
June 30, 2017	600,000,000	9,550,000,000	8,150,000,000	1,900,000,000	100,000,000	99,935,424	99,935,665	241		
June 30, 2017	-	-	-	-	-	641,105,721	646,070,502	4,904,781		

8.2.1 This investment has been pledged with National Clearing Company of Pakistan Limited as security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP.

8.3 Commercial paper - held to maturity

Name of investee company	Face value			Carrying value as at June 30, 2018	Maturity	Rating	Face value as percentage of net assets
	As at July 01, 2017	Purchased during the year	Matured during the year				
(Rupees)							
JS Global Capital limited	27,000,000	-	27,000,000	-	-	-	0.00%
Crescent Steel and Allied Products Limited (note 8.3.1)	-	80,000,000	-	80,000,000	15-Aug-18	AA	3.66%
June 30, 2018	27,000,000	80,000,000	27,000,000	79,311,883			
June 30, 2017	-	27,000,000	-	26,275,134			

8.3.1 Breach of exposure limits

As per Regulation 55(5)(b) of NBFC Regulations 2008, Exposure of a Collective Investment Scheme to any debt issue of a Company shall not exceed 10% of that issue. In lieu of above, the Fund currently holds overall exposure of Rs. 79,312 million in Crescent Steel and Allied Products Limited, which equals to 11.12% of the issue size.

The above exposure is in excess of the limit prescribed by the NBFC Regulations and disclosure for breach of exposure limit is made as required by the Circular No.16 of 2010 dated July 07, 2010 by SECP. However, the SECP has granted extension to hold this exposure till maturity.

NOTES TO THE FINANCIAL STATEMENTS

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
8.4 Net unrealized gain on investments classified as 'at fair value through profit or loss' - held-for-trading:		
Market value of investments	1,058,419,314	772,080,380
Less: Cost of investments	1,053,239,796	767,511,910
	<u>5,179,518</u>	<u>4,568,470</u>
Net unrealized loss on investments at beginning of the year	<u>(4,568,470)</u>	<u>(7,323,531)</u>
Realized on disposal during the year	1,854,034	7,323,531
	<u>(2,714,436)</u>	-
	<u>2,465,082</u>	<u>4,568,470</u>

9. DEPOSITS AND OTHER RECEIVABLES - considered good

Security deposits		
- National Clearing Company of Pakistan Limited	2,749,994	250,000
- Central Depository Company of Pakistan Limited	100,000	100,000
Income receivable on Margin Trading System (MTS)	2,621,401	4,137,435
Profit receivable on debt and government securities	16,809,023	14,073,886
Return receivable on bank balances	9.1 4,109,895	5,125,004
Receivable against redemption of Term Finance Certificate	-	30,000
Income tax recoverable	9.2 48,629	38,413
	<u>26,438,942</u>	<u>23,754,738</u>

9.1 This includes return receivable amounting to Rs. 15,676 (June 30, 2017: Rs. 43,436) on balance held with Faysal Bank Limited (a related party).

9.2 The income of mutual funds is exempt from tax under clause (99) of Part I of the Second Schedule of the Income Tax Ordinance 2001. However, income tax is withheld by banks on profit paid to the Fund. The Fund has recorded the amount as income tax recoverable as management is confident that the amount will be refunded.

	June 30, 2018	June 30, 2017
Note	----- (Rupees) -----	
10. PAYABLE TO THE MANAGEMENT COMPANY		
Management fee payable	10.1 2,724,994	3,454,208
Sales tax payable on management fee	10.2 354,249	449,053
Reimbursement of expenses payable	10.3 2,694,130	2,194,486
	<u>5,773,373</u>	<u>6,097,747</u>

10.1 The Management Company is entitled to a remuneration for services rendered to the Fund under the provisions of the NBFC Regulations during the first five years of a Fund's existence of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets. The Management Company has charged its remuneration at the rate of 1.50% per annum (June 30, 2017: 1.50%) of the daily net assets value of the Fund.

10.2 The Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

NOTES TO THE FINANCIAL STATEMENTS

- 10.3** SECP has introduced "expense ratio" vide amendments in NBFC Regulations dated November 25, 2015, under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar services, accounting, operations and valuation services related to that CIS, the maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less. Furthermore, under NBFC Regulation 60(5), the total expense ratio of an income scheme shall be capped at 2% of average daily net assets value of the scheme. In addition to the above prescribed limit Income Schemes which invest in Margin Trading System (MTS) may charge additional MTS related expenses upto 0.5% of average daily net assets value of the scheme.

		June 30, 2018	June 30, 2017
Note		----- (Rupees) -----	-----
11. REMUNERATION PAYABLE TO THE TRUSTEE			
Remuneration payable to the Trustee	11.1	224,317	252,680
Sales tax payable on Trustee fee	11.2	29,162	33,358
		253,479	286,038
		253,479	286,038

- 11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund.

- 11.2** The Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on the remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

		June 30, 2018	June 30, 2017
Note		----- (Rupees) -----	-----
12. ACCRUED AND OTHER LIABILITIES			
SECP annual fee payable	12.1	2,020,686	2,701,361
Accrued liabilities		4,350,142	3,759,167
Zakat payable		33,331	33,331
Provision for Sindh Workers' Welfare Fund (SWWF)	12.2	8,253,210	5,660,992
Provision for indirect taxes and duties	12.3	18,281,365	18,281,365
		32,938,734	30,436,216
		32,938,734	30,436,216

- 12.1** This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP annually an amount equal to 0.075% (June 30, 2017: 0.075%) per annum of the daily net assets value of the Fund.

- 12.2** The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs. 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan (SCP).

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 01, 2015.

NOTES TO THE FINANCIAL STATEMENTS

On November 10, 2016 SCP has passed a judgment declaring the amendments made in the Finance Acts, 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could; therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, MUFAP (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on January 12, 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 01, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017.

Consequent to the above, the Fund on January 12, 2017 reversed an amount of Rs 52.5 million in respect of provision of WWF, this has resulted in an increase in NAV per unit of Rs. 1.94 on January 12, 2017. As on reporting date, the Fund has made a provision of Rs 8.25 million in respect of SWWF. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.40 per unit (June 30, 2017: Re. 0.18).

- 12.3** As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and CDC on behalf of Collective Investment Schemes through a constitutional petition filed in the Honorable Sindh High Court (SHC) in September 2013.

On June 30, 2016 the SHC had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication.

Further, as per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016.

NOTES TO THE FINANCIAL STATEMENTS

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the Fund has charged FED and sales tax on service thereon in its financial statements with effect from the date of commencement of its operations till June 30, 2016. As at June 30, 2018, the Fund has held a provision for FED aggregating to Rs. 18.28 million (June 30, 2017: Rs. 18.28 million). Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.89 per unit (June 30, 2017: Re. 0.59).

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
13. CONTINGENCIES AND COMMITMENTS		
Margin Trading System (MTS) transactions entered into by the Fund which have not been settled as at year end		
Purchase transactions	-	17,773,550
Sale transactions	42,025,087	64,104,854
14. AUDITORS' REMUNERATION		
Audit fee	390,500	390,500
Review and other certifications	220,047	208,000
Other	36,111	52,723
	646,658	651,223
Sales tax	51,732	35,120
	698,390	686,343
15. TAXATION		
The income of the fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99) subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. As disclosed in Note 21, the Management Company, subsequent to year end, has announced 95% distribution of accounting income for the year to avail the tax exemption. Accordingly, no provision for current and deferred tax has been made in these financial statements. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause I I A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 48 of Income Tax Ordinance, 2001).		
16. EARNINGS PER UNIT		
Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.		
17. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES		
17.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at year end.		

NOTES TO THE FINANCIAL STATEMENTS

17.2 The transactions with connected persons are in the normal course of business, at contracted rates.

17.3 The details of significant transactions carried out by the Fund with connected persons / related parties and balances with them at year end are as follows:

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Transactions during the year		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	40,416,188	54,027,192
Sales tax on Management fee	5,254,104	7,023,535
Reimbursement of expense to the Management Company	2,694,130	2,194,486
Issue of Nil units (2017: 255,907 units)	-	26,424,925
Redemption of Nil units (2017: 256,002 units)	-	26,546,143
Faysal Bank Limited (Group / Associated Company)		
Return on PLS savings accounts	414,932	348,160
Issue of 6,478,940 units (2017: Nil units)	693,246,567	-
Redemption of 6,478,940 units (2017: 475,969 units)	693,246,567	48,705,908
Cash dividend paid	-	37,253,904
Bank charges	758	9,401
Directors and Key Management Personnel of the Management Company		
Redemption of 3,834 units (2017: 35,232 units)	391,796	3,668,896
Reinvestment of dividend Nil units (2017: 185 units)	-	18,880
Tax on dividend Nil units (2017: 21 units)	-	2,098
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration of the Trustee	3,153,208	3,911,682
Sales tax on Trustee fee	409,917	508,519
Settlement charges	391,941	1,220,662
Outstanding balances		
Faysal Asset Management Limited (Management Company)		
Management fee payable	2,724,994	3,454,208
Sales tax payable on management fee	354,249	449,053
Reimbursement of expenses payable	2,694,130	2,194,486
* Faysal Bank Limited (Group / Associated Company)		
Balance in PLS savings accounts	1,364,548	1,627,704
Return receivable on PLS savings accounts	15,676	43,436
Units in issue 6,478,940 units (2017: 6,478,940 units)	693,311,369	660,916,669
Faysal Islamic Asset Allocation Fund (CIS under same Management Company)		
Receivable against issue of units	-	21,793,283
Faysal Money Market Fund (CIS under same Management Company)		
Payable against redemption of units	33,577,289	-

NOTES TO THE FINANCIAL STATEMENTS

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration payable to the Trustee	224,317	252,680
Sales tax payable on Trustee fee	29,162	33,358
Security deposit	100,000	100,000
Directors and Key Management Personnel of the Management Company		
Units in issue Nil units (2017: 3,834 units)	-	391,106
Unitholders holding 10% or more units		
Adamjee Life Assurance Company Limited		
Units in issue 3,097,260 units (2017: 3,097,260 units)	331,437,793	315,951,493

* Faysal Bank Limited also holds more than 10% units in the Fund.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2018, the Fund's exposure to the risk of changes in market interest rates relates primarily to bank balances, receivable against Margin Trading System (MTS), debt securities, commercial papers and government securities. The bank balances and debt securities are subject to rates as declared by the respective banks / institutions on periodic basis. The government securities are subject to fixed interest rates and valued on the basis of rates announced by the Financial Market Association of Pakistan. Receivable against Margin Trading System (MTS) are also subject to fixed interest rates which have been negotiated between the participants. As at June 30, 2018, approximately 70.76% (June 30, 2017: 98.59%) of the Fund's financial assets are subject to interest rates.

Management of the Fund estimates that an increase of 100 basis points in the floating interest rate, with all other factors remaining constant, would increase the Fund's income and increase in the net assets of the Fund by Rs. 9.03 million (June 30, 2017: Rs. 25.71 million) and a decrease of 100 basis points would result in a decrease in the Fund's income and decrease in the net assets of the Fund by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

Management of the Fund estimates that an increase of 100 basis points in the fixed interest rate, with all other factors remaining constant, would increase the Fund's income and increase in the net assets of the Fund by Rs. 1.48 million (June 30, 2017: Rs. 5.91 million) and a decrease of 100 basis points would result in a decrease the Fund's income and decrease the net assets of the Fund by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The equity price risk exposure arises from the Fund's investment in equity securities. The Fund does not have any equity instrument and it is not exposed to such risk.

18.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the Fund's net assets value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units in issue. The Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments.

June 30, 2018	Upto three months	More than three months and upto one year	More than one year	Total
----- (Rupees) -----				
Financial liabilities				
Payable to the Management Company	5,419,124	-	-	5,419,124
Remuneration payable to the Trustee	224,317	-	-	224,317
Accrued and other liabilities	4,350,142	-	-	4,350,142
Dividend payable	11,246	-	-	11,246
Payable against redemption of units	33,577,289	-	-	33,577,289
	43,582,118	-	-	43,582,118

June 30, 2017	Upto three months	More than three months and upto one year	More than one year	Total
----- (Rupees) -----				
Financial liabilities				
Payable to the Management Company	5,648,694	-	-	5,648,694
Remuneration payable to the Trustee	252,680	-	-	252,680
Accrued and other liabilities	3,759,167	-	-	3,759,167
Dividend payable	48,558,754	-	-	48,558,754
	58,219,295	-	-	58,219,295

NOTES TO THE FINANCIAL STATEMENTS

18.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Bank balances	638,123,844	1,899,005,223
Term Finance Certificates / Sukuk Certificates	909,461,514	672,144,715
Security deposits	2,849,994	350,000
Income receivable on Margin Trading System (MTS)	2,621,401	4,137,435
Profit receivable on debt securities	16,809,023	14,073,886
Return receivable on bank balances	4,109,895	5,125,004
Receivable against redemption of Term Finance Certificate	-	30,000
Receivable against issuance of units	143,784,758	21,793,283
Receivable against Margin Trading System (MTS)	313,808,330	490,962,884
Commercial paper	79,311,883	26,275,134
	<u>2,110,880,642</u>	<u>3,133,897,564</u>

All deposits with banks, CDC and NCCPL are highly rated and risk of default is considered minimal. Further, investment in government securities i.e. Market treasury bills and Pakistan Investment Bonds are not exposed to credit risk.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The table below analyses the Fund's concentration of credit risk by industrial distribution:

	% of assets exposed to credit risk	
Commercial banks	47.19	82.66
Investment Company	9.58	-
Technology and Communication	5.70	-
Fertilizer	3.56	-
Clearing agent	14.87	15.67
Others	19.12	1.68
	<u>100.00</u>	<u>100.00</u>

18.4 Unit holders' fund

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The capital structure depends on the issuance and redemption of units. The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to seek maximum preservation of unit holders' fund and an optimum rate of return by investing in avenues having good credit rating and liquidity and to maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

NOTES TO THE FINANCIAL STATEMENTS

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13 has not affected the financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- Level 1:** quoted prices in active markets for identical assets or liabilities;
Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	June 30, 2018							
	Carrying amount		Fair value					
	Investments	Deposits and other receivables (Rupees)	Bank balances	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investments classified as 'at fair value through profit or loss' - held-for-trading								
Debt securities								
- Term finance certificates	909,461,514	-	-	909,461,514	-	909,461,514	-	909,461,514
Government securities	99,897,800	-	-	99,897,800	-	99,897,800	-	99,897,800
- Market treasury bills	50,060,000	-	-	50,060,000	-	50,060,000	-	50,060,000
- Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Bank balances	-	-	638,123,844	638,123,844	-	-	-	-
Receivable against Margin Trading System (MTS)	-	313,808,330	-	313,808,330	-	-	-	-
Commercial paper	79,311,883	-	-	79,311,883	-	-	-	-
Deposits and other receivable	-	26,390,313	-	26,390,313	-	-	-	-
Receivable against issuance of units	-	143,784,758	-	143,784,758	-	-	-	-
	1,137,731,197	483,983,401	638,123,844	2,259,838,442	-	1,058,419,314	-	1,058,419,314
	June 30, 2017							
	Carrying amount		Fair value					
	Investments	Deposits and other receivables (Rupees)	Bank balances	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investments classified as 'at fair value through profit or loss' - held-for-trading								
Debt securities								
- Term finance and sukuk certificates	672,144,715	-	-	672,144,715	-	672,144,715	-	672,144,715
Government securities	99,935,665	-	-	99,935,665	-	99,935,665	-	99,935,665
- Market treasury bills	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Bank balances	-	-	1,899,005,223	1,899,005,223	-	-	-	-
Commercial paper	-	26,275,134	-	26,275,134	-	-	-	-
Receivable against Margin Trading System (MTS)	-	490,982,884	-	490,982,884	-	-	-	-
Deposits and other receivable	-	23,716,325	-	23,716,325	-	-	-	-
Receivable against issuance of units	-	21,793,283	-	21,793,283	-	-	-	-
	772,080,380	562,747,626	1,899,005,223	2,742,870,345	-	772,080,380	-	772,080,380

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018			
	'At fair value through profit and loss' - held-for- trading	Other financial liabilities	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	5,419,124	5,419,124
Remuneration payable to the Trustee	-	224,317	224,317
Accrued and other liabilities	-	22,631,507	22,631,507
Dividend payable	-	11,246	11,246
Payable against redemption of units	-	33,577,289	33,577,289
	-	61,863,483	61,863,483
	-	61,863,483	61,863,483

June 30, 2017			
	'At fair value through profit and loss' - held-for- trading	Other financial liabilities	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	5,648,694	5,648,694
Remuneration payable to the Trustee	-	252,680	252,680
Accrued and other liabilities	-	22,040,532	22,040,532
Dividend payable	-	48,558,754	48,558,754
	-	76,500,660	76,500,660
	-	76,500,660	76,500,660

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holding, top ten brokers, members of the Investment Committee, performance table, fund manager, meetings of the Board of Directors of the Management Company and rating of the Fund and the Management Company has been disclosed in Annexure I to the financial statements.

21. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on July 06, 2018 has announced a distribution of Rs. 4.75 per unit for the year ended June 30, 2018 out of which Rs. 2.70 will be distributed from income for the year in the form of cash dividend and Rs. 2.05 will be distributed from Unit Holder Account as refund of capital. The effect of such dividend shall be accounted for in the financial statements for the year ending June 30, 2019.

22. GENERAL

22.1 Figures are rounded off to the nearest rupee.

22.2 Expense ratio

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the total expense ratio of the Fund is 2.26% as on June 30, 2018 which includes 0.39% representing Government Levies, Provision for SWWF and SECP fee.

NOTES TO THE FINANCIAL STATEMENTS

23. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorized for issue on September 19, 2018 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS
SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Annexure I

(i) PATTERN OF UNIT HOLDING

Category	No. of investors	Units held	%
Associated company	2	6,478,940	31.70
Insurance company	1	7,463	0.04
Retirement funds	25	2,547,931	12.47
Individuals	669	6,837,962	33.44
Banks and DFIs	-	-	-
NBFCs	-	-	-
Other	27	4,567,662	22.35
	<u>724</u>	<u>20,439,958</u>	<u>100.00</u>

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name	June 30, 2018 %
KASB Securities Limited	68.12
Bright Capital Limited	12.90
JS Global Capital Limited	8.37
BMA Capital	3.61
Next Capital Limited	2.13
Magenta Capital	1.87
Arif Habib Securities Limited	1.84
C & M Management Limited	0.73
Invest Capital Securities	0.26
Invest One Market Limited	0.17

Name	June 30, 2017 %
Invest Capital Securities	44.31
C & M Management Limited	15.90
Next Capital Limited	13.90
BMA Capital	11.65
Arif Habib Securities Limited	5.36
Bright Capital Limited	2.45
JS Global Capital Limited	2.21
Magenta Capital	1.85
Invest & Finance Securities Limited	1.76
Invest One Market Limited	0.62

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Qualification	Experience
Mr.Razi-ur-Rahman Khan	B.A./ FCA (Institute of Chartered Accountant, England)	Over 31 years
Mr.Ayub Khuhro	B.Sc. Economics, CFA I	Over 9 years
Mr.Mohammad Qasim	B. S. (Actuarial Science & Risk Management) & MBA (Fin.	Over 8 years
Mr. Syed Shahid Iqbal	B. Com.	Over 26 years

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS
SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(iv) PARTICULARS OF FUND MANAGERS

Name	Qualification	Other Collective Investment Schemes Managed		
Mr. Syed Shahid Iqbal	B. Com.	Faysal Financial Sector Opportunity Fund Faysal Islamic Savings Growth Fund Faysal Income & Growth Fund Faysal Money Market Fund Faysal MTS Fund		
		June 30, 2018	June 30, 2017	June 30, 2016
		----- (Rupees) -----		

(v) PERFORMANCE TABLE

Net assets	2,187,332,950	3,148,492,887	4,111,372,771
Net assets value per unit	107.01	102.01	101.68
Offer price per unit	109.16	102.01	101.68
Repurchase price per unit	107.01	102.01	101.68
Highest offer price per unit	109.16	107.63	114.88
Highest repurchase price per unit	107.01	107.63	114.88
Lowest offer price per unit	102.05	101.79	101.47
Lowest repurchase price per unit	102.05	101.79	101.47
 Total return:			
- capital growth	4.90%	5.99%	7.75%
- income distribution	0.33%	0.34%	0.07%
	4.57%	5.65%	7.68%
 Average annual return: (Launch date: July 05, 2013)			
- one year	4.90%	5.99%	7.75%
- two years	5.45%	6.87%	10.28%
- three years	6.21%	8.85%	9.79%
 Distribution per unit:			
- Interim distribution (% per unit)	-	5.75%	7.80%
- Final distribution (% per unit) *	4.66%	-	-
	<u>4.66%</u>	<u>5.75%</u>	<u>7.80%</u>

* Announced on 06-July-2018

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(vi) Expense ratio from the July 01, 2016 to June 30, 2017

Faysal Savings Growth Fund (FSGF) has total expense ratio (TER) of 2.26%, the TER includes 0.39% representing government levy and SECP fee.

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS
SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(vii) MEETINGS OF THE BOARD OF DIRECTORS

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

Name of Director	Meetings attended	Meeting held on			
		Apr 27, 2018	Feb 23, 2018	Oct 19, 2017	Sep 22, 2017
Mr. Salman Ahmed Usmani	4	1	1	1	1
Mr. Syed Ibad ur Rehman Chishti	3	0	1	1	1
Mr. Osman Asghar Khan	4	1	1	1	1
Mr. Mohammad Zahid Ahmed	4	1	1	1	1
Mr. Farooq Hassan	4	1	1	1	1
Mr. Razi-ur-Rahman Khan	4	1	1	1	1

(viii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Member	Meetings attended	Meeting held on			
		Apr 26, 2018	Feb 23, 2018	Oct 19, 2017	Sep 21, 2017
Mr. Osman Asghar Khan	4	1	1	1	1
Mr. Syed Ibad ur Rehman Chishti	3	0	1	1	1
Mr. Farooq Hassan	4	1	1	1	1

(ix) MEETINGS OF THE BOARD HR COMMITTEE

Following is the analysis of the attendance in the meetings of the Board HR Committee of the Management Company during the year:

Name of Member	Meetings attended	Meeting held on
		Jun 29, 2018
Mr. Osman Asghar Khan	1	1
Mr. Syed Ibad ur Rehman Chishti	1	1
Mr. Razi-ur-Rahman Khan	1	1

(x) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA-(f)" stability rating to Faysal Savings Growth Fund as of June 20, 2018 and JCR - VIS has awarded an "AM3" asset manager rating to the Management Company as of March 19, 2018.

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

یونٹ ہولڈنگ کا طریقہ کار

30 جون 2018ء کو ایف ایس جی ایف کے یونٹ ہولڈنگ کا طریقہ کار سالانہ رپورٹ ہذا کا جزو ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز Deloitte یونٹ ہولڈنگ کا وائٹنٹس سبکدوش ہو گئے ہیں اور اہلیت کی بنیاد پر دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں بورڈ نے میسرز Deloitte یوسف عادل چارٹرڈ اکاؤنٹنٹس کی 30 جون 2019ء کو مکمل ہونے والے سال کے لیے تقرری کے ضمن میں آڈٹ کمیٹی کی سفارشات کی توثیق کی ہے۔

اعتراف

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے مینجمنٹ پر اعتماد کے لیے یونٹ ہولڈرز اور مکمل تعاون اور گرانڈرز ہنمائی کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ علاوہ ازیں، بورڈ مینجمنٹ کمپنی کے ملازمین اور اسٹی کا بھی محنت اور بے لوث خدمات پر شکر گزار ہیں۔

برائے اور منجانب بورڈ

کراچی 19 ستمبر 2018ء

رضی الرحمان خان

چیف ایگزیکٹو آفیسر

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

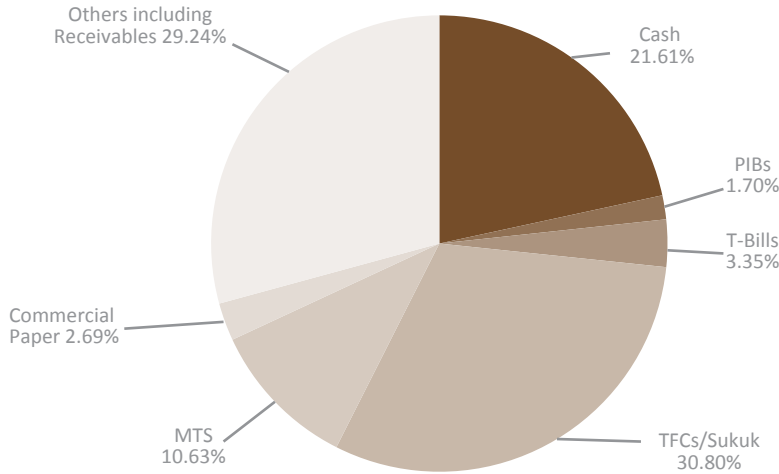
حکومت پاکستان نے دو فلونگ ریٹ بونڈز بھی جاری کیے جس میں مجموعی شرکت 100 بلین کے ہدف کے مقابلے میں 296 بلین رہی تاہم قبول کردہ مجموعی رقم 50 بی بی ایس کے پھیلاؤ پر 34.62 بلین رہی۔

اسٹیٹ بینک آف پاکستان نے چھ مانیٹری پالیسیاں واضح کیں جن میں پہلے تین نیلاموں میں صنعتی پیداوار میں توسیع فرواہم فصلوں کی پیداوار میں مددگار شعبوں میں ترقی نئی شعبہ میں ترقی، موجودہ مالی سال کی پہلی ششماہی کے دوران محصولات کی وصولی میں استحکام اور بڑھانے کے لیے پالیسی ریٹ 5.75 فیصد رکھتا تاہم اسٹیٹ بینک آف پاکستان نے جنوری کے نیلام میں 25 بی بی ایس تک اور مئی کے نیلام میں 50 بی بی ایس تک نرخ تبدیل کرنے کا فیصلہ کیا ہے اور تمام دستیاب ڈیٹ آلات پر قرضہ میں اضافہ کا بھی فیصلہ کیا ہے ایس بی پی کی اس تحریک سے اسی مدت کے دوران روپیہ کی قدر میں کمی 15 فیصد تا 20 فیصد تک مدد حاصل ہوئی۔

کارکردگی کا جائزہ

ایف ایس جی ایف کو مالی سالی 2018ء کے دوران 4.90 فیصد آمدنی ہوئی مالی سال 2018ء کے اختتام تک آپ کے فنڈ کی کمرشل سپر میں سرمایہ کاری 2.69 فیصد، ٹی ایف سی / سکوک میں 30.80 فیصد تھی، ٹی۔بلز 3.35 فیصد اور بینکوں میں نقد رقم 21.61 فیصد تھی۔ مزید برآں آپ کے فنڈ نے اعلیٰ آمدنی کے لیے سود مند، کم خدشات کے حامل سرمایہ کاری کے مواقع واضح کرتا رہے گا۔

30 جون 2018ء کو اثاثے کی تخصیص



آمدنی کی تقسیم

بورڈ آف ڈائریکٹرز نے 30 جون 2018ء کو مکمل ہونے والے سال کے لیے (پورے سال کے لیے) 4.66 فیصد (یعنی 4.75 روپے فی یونٹ) کی شرح سے حتمی تقسیم ادائیگی کی منظوری دے دی ہے۔

میوچل فنڈ کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آراے) نے 20 جون 2018ء کو ایف ایس جی ایف کو اے اے۔ (الف) اسٹیبلٹی ریٹنگ تفویض کی ہے۔

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

2018ء کے دوران 24.77 بلین امریکی ڈالر رہیں یعنی سال بہ سال کی بنیاد پر 12.58 فیصد اضافہ ہو اور آمدات میں اضافہ کے نتیجے میں تجارتی خسارہ میں 16.47 فیصد تک توسیع ہوئی اور زیر جائزہ مدت میں یہ 31.07 بلین امریکی ڈالر پر آ گیا۔

مالی سال 2018ء کے دوران ترسیل زر 19.63 بلین امریکی ڈالر پر برقرار رہا جبکہ گزشتہ سال 19.35 بلین امریکی ڈالر کے مقابلے میں 1.42 فیصد اضافہ سال بہ سال کی بنیاد پر دکھائی دیا، اعلیٰ تجارتی خسارہ میں ترسیل زر کی معاونت نہ ہونے سے کرنٹ اکاؤنٹ خسارہ مالی سال 2017ء میں 12.62 بلین امریکی ڈالر کے مقابلے میں مالی سال 2018ء کے دوران 18.13 بلین امریکی ڈالر کی ریکارڈ سطح پر رہا جس سے سال بہ سال کی بنیاد پر 43.65 فیصد اضافہ ظاہر ہوا، غیر ملکی براہ راست سرمایہ کاری (فارن ڈائریکٹ انویسمنٹ (ایف ڈی آئی) گزشتہ سال کے 2.75 بلین ڈالر کے مقابلے میں مالی سال 2018ء کے دوران 2.77 بلین امریکی ڈالر پر آج جس سے 0.76 فیصد اضافہ دیکھا گیا۔ مالی سال 2018ء کے دوران مالیاتی خسارہ اعلیٰ سطح پر رہا اور لیکشن کے سال میں توسیع مالیاتی پالیسیوں کے باعث 2.26 ٹریلین روپے (جی ڈی پی کا 6.60 فیصد) اعلیٰ ترین خسارہ ریکارڈ کیا گیا۔

دواہم خساروں کے ساتھ غیر ملکی سرمایہ کی کمی کے باعث زرمبادلہ کے ذخائر متاثر ہو کر جون 2018ء کے اواخر میں 16.41 بلین امریکی ڈالر کی سطح پر آ گئے جبکہ جون 2017ء کے اختتام پر 21.40 بلین امریکی ڈالر تھے جس سے سال بہ سال کی بنیاد پر 23.34 فیصد کمی دیکھی جاسکتی ہے غیر ملکی زرمبادلہ کے ذخائر پر دباؤ کے باعث کرنسی میں کئی بار تنزلی آئی اور زیر جائزہ مدت کے دوران 15.87 فیصد تک متواتر تنزلی سے گزشتہ سال کے مقابلے میں 121.49 روپے پر آ گئی ہر گاہ کہ کنزیومر پرائس انڈیکس (سی پی آئی) افراط زر مالی سال 2017ء کے لیے 4.16 فیصد کے مقابلے میں مالی سال 2018ء کے دوران کنٹرول میں 3.92 فیصد رہا اقتصادی بد حالی کو روکنے کے لیے سینٹرل بینک نے مالی سال 2018ء کے دوران 75 بیس پوائنٹ (بی پی ایس) تک پالیسی ریٹس میں اضافہ کر دیا ہے۔

مزید برآں علاقائی اور اہم عالمی ممالک سے تعلقات کو بہتر بنانے کے لیے معاشی اور ساختی اصلاحات پر عملدرآمد کر کے حکومت کے عزم سے ملک کی معاشی بھلائی متوقع ہے اور غیر ملکی سرمایہ کے حصول میں مددگار ثابت ہو سکتی ہے مزید ایک اور نیل آؤٹ پیکیج کے لیے آئی ایم ایف سے معاہدہ کے ضمن میں مثبت ترقیات حالیہ واجبات کی ادائیگی کے بحران میں ذخائر کو کم کرنے میں تعاون فراہم کرنے کی ضرورت ہوگی اور مستقبل میں اقتصادی استحکام فراہم ہوگا۔

منی مارکیٹ کا جائزہ

مالی سال 2018ء کے دوران مارکیٹ میں تحلیل کا فقدان رہا اور اس فقدان کو پورا کرنے کے لیے اسٹیٹ بینک آف پاکستان نے 76 اوائم اوپنیشن منعقد کیے جس میں مجموعی شرکت 65.59 ٹریلین روپے رہی اور کل قبول کردہ رقم 61.80 ٹریلین روپے تھی تمام اوائم اوپنیشنز کی اوسطاً شرح 5.89 فیصد تھی اسٹیٹ بینک نے مالی سال 2018ء کے دوران دس اوائم اوپنیشن منعقد کیے جس میں تفریق کے ساتھ 3 ایم پر 5.9910 فیصد اور 6 ایم پر 6.0109 فیصد مانیٹری پالیسی کے جنوری کے اختتام پر دہرائے جانے تک عملدرآمدنی تفریق 3 ایم پر 6.2144 فیصد پر ہوئی، 2018ء کے سال کے دوران مانیٹری پالیسی پر نظر ثانی کی گئی اور نرخوں میں 175 بی پی ایس تک اضافہ ہوا، اس سے ٹی بل 3 ایم پر 6.7596 فیصد اور 6.8545 فیصد پر جانچنے پر مجموعی رقم 17,825 بلین روپے کے ٹارگٹ کے مقابلے میں 18.324 بلین روپے حاصل ہوئی۔

مالی سال 2018ء کے دوران اسٹیٹ بینک آف پاکستان نے بارہ نیلام منعقد کیے اسٹیٹ بینک نے آٹھ نیلاموں کے لیے تمام بولیوں کو مسترد کر دیا ماسوائے 17 جولائی 18 اپریل 18 مئی اور 18 جون تاہم شرکت اور قبول کردہ رقم کم تر رہی۔

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

فیصل ایسٹ مینجمنٹ لمیٹڈ کے ڈائریکٹرز فیصل سیونگزر و تھرفنڈ (ایف ایس جی ایف) کی مینجمنٹ کمپنی 30 جون 2018ء کو مکمل ہونے والے سال کے لیے ایف ایس جی ایف کی سالانہ کارکردگی کی رپورٹ مع آڈٹ شدہ اکاؤنٹس اور ٹریڈ اور آڈیٹرز کی رپورٹس بخوشی یونٹ ہولڈرز کو پیش کرتے ہیں۔

یونٹس کی فروخت اور ریڈمشن

زیر جائزہ سال کے دوران 2,061.138 ملین روپے مالیت کے یونٹس جاری کیے گئے اور 3,149.316 ملین روپے مالیت کے یونٹس کی ریڈمشن کی گئی۔

یونٹ ہولڈرز

30 جون 2018ء کو 2,187.333 ملین روپے مالیت کے 20,439,958 یونٹس قابل ذکر تھے (30 جون 2017ء کو 3,148.493 ملین روپے مالیت کے 30,865,621 یونٹس تھے)

یونٹ کی قیمتیں

مروجہ پورٹ فولیو کے این اے وی (NAV) کی بنیاد پر یونٹ نرخوں کا روزانہ اعلان کیا جاتا ہے زیادہ سے زیادہ اور کم از کم پیشکش / ریڈمشن نرخ اور 30 جون 2018ء کو نرخ حسب ذیل تھے۔

ریڈمشن نرخ	پیش کردہ نرخ	
107.01	109.16	زیادہ سے زیادہ
102.05	102.05	کم از کم
107.01	109.16	30 جون 2018ء کو

اقتصادی جائزہ

مالی سال 2018ء کے دوران پاکستان معیشت شدہ مہاسلہ تیرہ سال کی اعلیٰ ترین 5.79 فیصد شرح پر آگئی سروس، صنعت اور زراعت سمیت تینوں اہم شعبہ جات نے معاشی ترقی میں حصہ لیا۔ مالی سال 2018ء کے دوران گزشتہ سال کی توانائی کی بہترین فراہمی مع گنجائش میں توسیع سے بڑے پیمانے پر مینوفیکچرنگ (ایل ایس ایم) یونٹس کو 5.38 فیصد تک ترقی میں تعاون حاصل ہوا جس سے اعلیٰ اقتصادی ترقی میں مدد فراہم ہوئی تاہم ادا نیگیوں کا بحران رہا چونکہ فنانشنگ ہائر کرنٹ اور مالی اکاؤنٹ کے خساروں کو پورا کرنے میں ناکام رہی جس سے سال بھر زر مبادلہ پر سخت دباؤ رہا مالی سال 2018ء کے دوران کرنسی میں کئی بار اتار چڑھاؤ آیا جبکہ سینٹرل بینک نے بھی نقدی کو دبا کر رکھنے کا طریقہ اپنایا۔








اعلیٰ اقتصادی سرگرمیوں کو فروغ دینے کے لیے مالی سال 2018ء کے دوران درآمدات اعلیٰ درجہ پر فائز رہیں اور گزشتہ سال کے 48.68 بلین امریکی ڈالر کے مقابلے میں 55.85 بلین امریکی ڈالر پر رہیں جس سے سال بہ سال (وائی او وائی) کی بنیاد پر 14.71 فیصد ترقی ظاہر ہوتی ہے برآمدات میں ترقی اور حوصلہ افزائی کے لیے مختلف النوع ترقیات کے باعث سال کے اواخر برآمدات میں تیزی آئی اور مالی سال 2017ء میں 22.00 بلین امریکی ڈالر کے مقابلے میں مالی سال










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