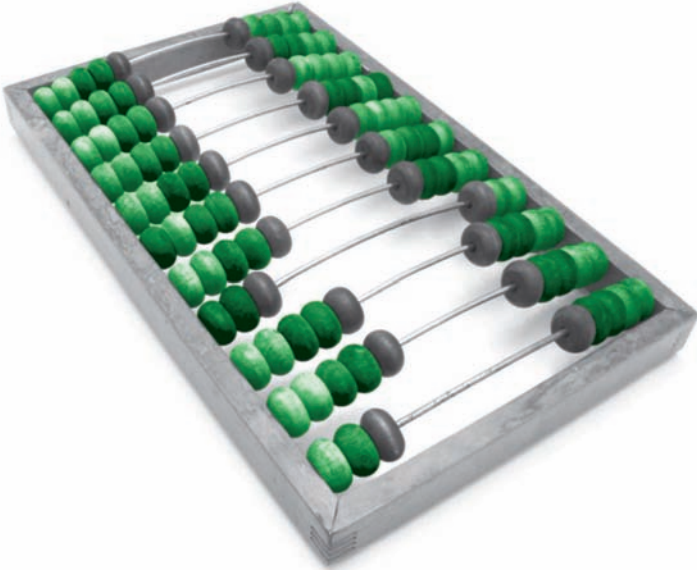


# Faysal Asset Management

## Faysal Islamic Savings Growth Fund

Financial Statement  
For The Year Ended June 30, 2020



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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 Asghar Khan, Director

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Tahir Yaqoob Bhatti, Director

Mr. Nadir Rehman, Director

Mr. Khaldoon Bin Latif, Director/CEO

### Chief Executive Officer

Mr. Khaldoon Bin Latif

### Chief Financial Officer Company Secretary of the Management Company

Mr. Faisal Ali Khan

### Audit Committee

Mr. Osman Asghar Khan, Chairman

Mr. Mian Salman Ali, Member

Syed Muhammad Fraz Zaidi, Member

### HR Committee

Mr. Osman Asghar Khan, Chairman

Mr. Salman Ahmed Usmani, Member

Mr. Nadir Rehman, 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

National Bank of Pakistan (Islamic Banking)

Dubai Islamic Bank Pakistan Limited

Al-Baraka Bank Limited

Bank Islami Pakistan Limited

Faysal Bank Limited (Islamic Banking)

Bank Al-Falah (Islamic Banking)

Habib Bank Limited (Islamic Banking)

United Bank Limited (Islamic Banking)

Silk Bank Limited (Islamic Banking)

### Auditors

A.F. Ferguson & Co. Chartered

Accountants

### Legal Advisor

Mohsin Tayebaly & Co.

2nd Floor, Dime Centre,

BC-4 Block-9, KDA-5,

Clifton, Karachi.

### Registrar

ITMinds Limited

Central Depository Company of Pakistan, Limited

CDC House, 99B, Block-B, S.M.C.H.S.,

Main Shahra-e-Faisal, Karachi.

## **MISSION AND VISION**

To provide world class investment management and advisory services for the benefit of clientele looking to maximize their financial returns while minimizing risk.

To amplify our client-centricity by inspiring innovation, championing customer service, generating competitive returns, and honoring the utmost ethical and professional standards.

## **MISSION STATEMENT**

Faysal Islamic Saving Growth Funds seeks to provide maximum possible preservation of capital and a responsible Shariah compliant return to its units holder.

## FUND MANAGER'S REPORT

### ECONOMIC REVIEW

Pakistan faced unprecedented economic shocks from the rapid spread of the Covid-19 towards the last quarter of FY20. The headline inflation for June 2020 slightly increased to 8.6% vs. 8.2% in May 2020; however, the declining aggregate demand is softening outlook for inflation. Although, energy prices are volatile, economic deterioration will keep inflation range bound. Therefore, we expect inflation momentum to remain below 10% by FY21.

In response, during FY20 the State Bank of Pakistan has cut the policy rate 5 times by 625 bps to 7.0% with a priority of supporting growth and employment amidst these challenging times. During last rate cut, it was expecting 1) moderation in inflation expectations and 2) increasing downside risk to growth. Current very low real rate (monetary stimulus) can provide cushion against demand and supply shocks. We believe that Central Bank has undertaken the required monetary easing to balance declining economic growth. However, the policy rate can hover in range of 9% - 10% in medium term. Furthermore, the Current Account Deficit for June 2020 has reduced to USD 96mn compared to USD 981mn in June 2019. The external accounts continue to benefit from lower imports and resilient remittances. Overall, during FY20, CAD has clocked in at USD 2.97bn/1.1% of GDP vs. USD 13.43bn in FY19. We expect CAD to remain favorable over foreseeable future due muted growth environment. Towards the end of FY20 the PKR/USD was hovering at 168, with REER at 93 and FX reserves of USD 11.23bn.

Fiscal Deficit for FY20 has clocked in at 8.1% vs. 8.9% of GDP in FY19. Total Revenue increased by 27.98% YoY to PKR 6.27tn compared to PKR 4.90tn in FY20. The increase was led by Non-Tax Revenue recorded at PKR 1.52tn in FY20 vs. PKR 427bn in FY19. Going forward, we expect deficit to remain on higher side as Government shall face difficulty in revenue mobilization. The situation on ground is improving as Pakistan has found a bright spot on COVID-19 curve. The Government, in line with other economies, has further eased the smart lockdown. However the economic outlook remains challenging with expectation of meager real GDP growth in 2021.

### MONEY MARKET REVIEW

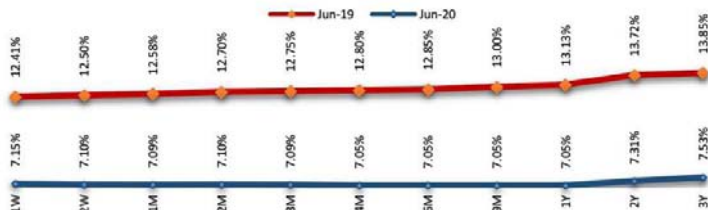
During FY20, Government borrowed 1) PKR 14.75tn in Treasury Bills and 2) PKR 2.07tn in Pakistan Investment Bonds. The weighted average yields declined as Central bank, in a series of meetings, reduced policy rate by 625bps to 7.0%. TTM fiscal deficit for March 2020 has clocked in at 7.2% vs. 5.0% of GDP in March 2019 as Ministry of Finance underperformed on revenue targets and privatization process. Going forward, we expect deficits to remain on higher side as Government shall face difficulties in revenue mobilization.

### Weighted average yields



### Yield curve

During the year, the entire yield curve shifted downward in 2HFY20 as Central bank undertook rounds of monetary easing. It remained inverted at shorter end because of expectations of subdued inflation due to COVID-19.

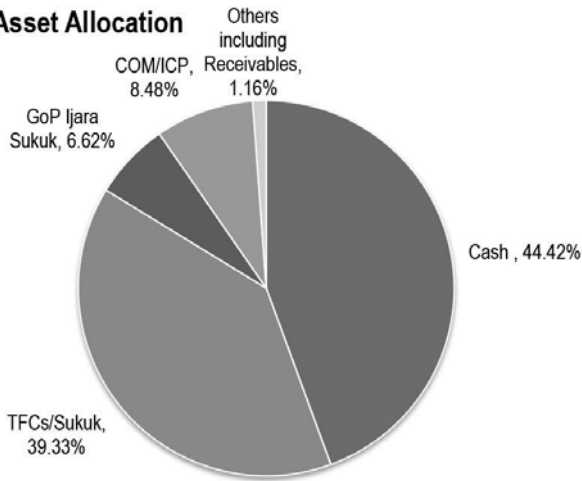


As of March 2020, Pakistan total debt stands at PKR 40.5trn or 93% of GDP. The domestic/external debt ratio is 38%/62% of GDP respectively. Central bank is making proactive approach to promote growth and employment by conducting monetary easing. The current macro-environment is expected to continue until the Country fully recovers from COVID-19.

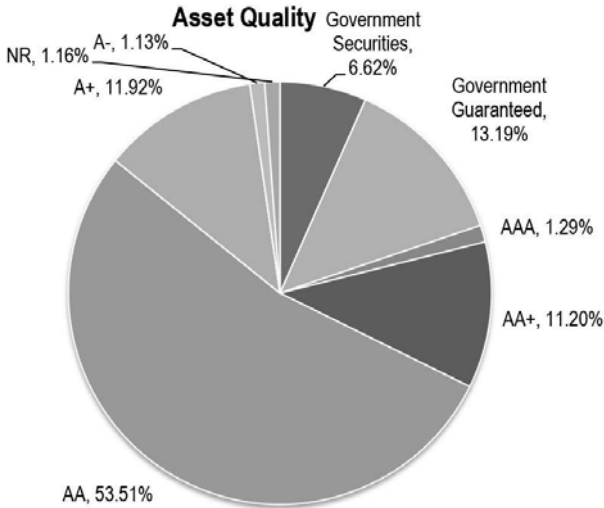
Fund Information	
Fund Type	Open Ended
Category	Islamic Income Scheme
Stability Rating	A+(f) (JCRVIS)
Risk Profile	Low
Launch Date	June 14, 2010
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee*	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.50%)
Selling and Marketing Expense	0.70%
Front/Back end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR 5000
Benchmark	Six months average deposit rates of three A rated scheduled Islamic Banks or Islamic windows of conventional Banks
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM2 (VIS)
NAV per Unit (PKR)	103.18
Net Assets (PKR mn)	2,241.25
Leverage	Nil

Fund Returns (% p.a)		
	FY20	FY19
YTD	10.67%	7.85
Benchmark (YTD)	6.33%	3.69

**Asset Allocation**



**Asset Quality**



**FUND PERFORMANCE**

Faysal Islamic Savings and Growth Fund (FISGF) yielded an annualized return of 10.67% during FY20 relative to its benchmark of 6.33%. At the end of the period, your fund maintained exposure in cash of 44.42%, GOP Ijara Sukuk of 6.62% and Corporate Sukuk of 39.33%. Going forward, your fund will continue to explore Islamic investment avenues in order to provide competitive returns.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ  
الحمد لله رب العالمين، والصلاة والسلام على خاتم النبيين وسيد المرسلين،  
وعلى آله واصحابه أجمعين. أما بعد

REPORT OF THE SHARIAH ADVISOR  
FAYSAL ISLAMIC SAVINGS GROWTH FUND

Karachi  
July 02, 2020

By the blessing of ALLAH, the year ended 30 June, 2020 under analysis of Faysal Islamic Savings Growth Fund (FISGF). I, as the Shariah Advisors of the fund am issuing the report in accordance with clause 7.2.4 of the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, we hereby certify that:

- I have reviewed and approved the modes of investment of FISGF in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of FISGF by FAML Fund Managers are Shariah Compliant and in accordance with the criteria established.
- 
- On the basis of information provided by the management, all operations of FISGF for year ended 30 June 2020 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

  
Mufti Abdul Zahid Parooqi  
Shariah Advisor  
Faysal Asset Management Ltd



A.F. FERGUSON & Co.

**INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF FAYSAL ISLAMIC SAVINGS GROWTH FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES**

**Introduction**

We were engaged by the Board of Directors of **Faysal Asset Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Faysal Islamic Savings Growth Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2020, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

**Applicable Criteria**

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

**Management's Responsibility for Shariah Compliance**

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our responsibility and summary of work performed**

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.



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 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2020 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

#### **Conclusion**

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement, presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2020.

A handwritten signature in blue ink that reads 'A. Ferguson'.

Chartered Accountants

Dated: September 28, 2020

Karachi

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**FAYSAL ISLAMIC 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 Islamic 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, 2020 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: September 23, 2020



A.F. FERGUSON & Co.

## INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Faysal Islamic Savings Growth Fund

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Faysal Islamic Savings Growth Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and 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 financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the 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 in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the 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 period. 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.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)</p> <p>The investments and balances with banks constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2020 amounted to Rs 1,237,437 million and balances with banks aggregated to Rs 1,009,936 million.</p> <p>The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of the key controls for valuation of investments;</li> <li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2020 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> </ul>



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S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

#### Other Matter

The financial statements of the Fund for the year ended June 30, 2019, were audited by another firm of Chartered Accountants who expressed an unmodified opinion thereon vide their report dated September 26, 2019.

#### Other Information

Management 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 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 and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is 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 as applicable in Pakistan 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



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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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 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 board of directors 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 board of directors 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 board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 Requirement**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Date: September 28, 2020

## Statement of Assets and Liabilities

As at June 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
<b>Assets</b>			
Balances with banks	4	1,009,936,498	769,534,958
Investments	5	1,237,437,158	783,749,897
Advance against subscription of debt securities		-	92,741,751
Prepayments, deposits and other receivables	6	23,579,678	32,722,226
<b>Total assets</b>		2,270,953,334	1,678,748,832
<b>Liabilities</b>			
Payable to Faysal Asset Management Limited - the Management Company	7	8,412,353	4,128,765
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	154,839	194,011
Payable to the Securities and Exchange Commission of Pakistan	9	354,982	833,988
Accrued and other liabilities	10	20,782,859	15,672,725
Dividend payable		-	14,548,795
<b>Total liabilities</b>		29,705,033	35,378,284
<b>NET ASSETS</b>		<u>2,241,248,301</u>	<u>1,643,370,548</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>2,241,248,301</u>	<u>1,643,370,548</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<u>21,721,875</u>	<u>15,959,711</u>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<u>103.18</u>	<u>102.97</u>

The annexed notes from 1 to 26 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, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
<b>Income</b>			
Profit on sukuk certificates		73,542,740	49,510,884
Profit on commercial papers		12,229,505	3,529,370
Profit on balances with banks		117,316,831	51,015,247
Profit on certificate of Musharika		15,663,912	3,758,904
Capital gain loss on disposal of investments - net		(6,894,208)	(1,582,650)
Unrealised loss on re-measurement of investments classified as 'at fair value through profit and loss' - net		(2,198,443)	(446,116)
Other income		-	5,000
<b>Total income</b>		<b>209,660,337</b>	<b>105,790,639</b>
<b>Expenses</b>			
Remuneration of Faysal Asset Management Limited - the Management Company	7.1	16,687,216	11,699,480
Sindh sales tax on remuneration of the Management Company	7.2	2,169,338	1,520,932
Selling and marketing charges	7.3	5,703,403	-
Allocated expenses	7.4	558,850	-
Remuneration of Central Depository Company of Pakistan Limited ' - the Trustee	8.1	1,331,183	1,787,941
Sindh sales tax on remuneration of the Trustee	8.2	173,054	232,432
Transaction charges		511,713	31,619
Bank charges		39,425	26,026
Annual fee to the Securities and Exchange Commission of Pakistan	9.1 & 9.2	354,982	834,013
Auditors' remuneration	12	527,918	502,240
Fees and subscriptions		258,792	262,470
Settlement charges, federal excise duty and capital value tax		-	376,137
Printing and other expenses		17,541	-
<b>Total operating expenses</b>		<b>28,333,415</b>	<b>17,273,290</b>
<b>Net profit from operating activities</b>		<b>181,326,922</b>	<b>88,517,349</b>
Provision for Sindh workers' welfare fund (SWWF)	10.1	3,626,539	1,770,347
<b>Net profit for the year before taxation</b>		<b>177,700,383</b>	<b>86,747,002</b>
Taxation	14	-	-
<b>Net profit for the year after taxation</b>		<b>177,700,383</b>	<b>86,747,002</b>
<b>Earnings per unit</b>	3.13		
<b>Allocation of net profit for the year</b>			
Net profit for the year		177,700,383	86,747,002
Income already paid on units redeemed		(46,781,569)	(15,432,142)
		<u>130,918,814</u>	<u>71,314,860</u>
<b>Accounting profit available for distribution</b>			
Relating to capital gains		-	-
Excluding capital gains		130,918,814	71,314,860
		<u>130,918,814</u>	<u>71,314,860</u>

The annexed notes from 1 to 26 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, 2020

	2020 ----- (Rupees) -----	2019 -----
<b>Net profit for the year after taxation</b>	177,700,383	86,747,002
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>177,700,383</u>	<u>86,747,002</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Faysal Asset Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Cash Flows Statement

For The Year Ended June 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year before taxation		177,700,383	86,747,002
<b>Adjustments for non-cash and other items</b>			
Profit on sukuk certificates		(73,542,740)	(49,510,884)
Profit on commercial papers		(12,229,505)	(3,529,370)
Profit on balances with banks		(117,316,831)	(51,015,247)
Profit on certificate of Musharika		(15,663,912)	(3,758,904)
Capital loss on disposal of investments - net		6,894,208	1,582,650
Unrealised loss on re-measurement of investments classified as 'at fair value through profit and loss' - net		2,198,443	446,116
Other income		-	(5,000)
		<u>(31,959,954)</u>	<u>(19,043,637)</u>
<b>(Increase) / decrease in assets</b>			
Prepayments, deposits and other receivables		242,005	(396,921)
<b>(Increase) / decrease in liabilities</b>			
Payable to Faysal Asset Management Limited - the Management Company		4,283,588	3,214,775
Payable to Central Depository Company of Pakistan Limited - the Trustee		(39,172)	32,351
Payable to the Securities and Exchange Commission of Pakistan		(479,006)	46,684
Accrued and other liabilities		5,110,134	6,691,710
		<u>8,875,544</u>	<u>9,985,520</u>
		<u>(22,842,405)</u>	<u>(9,455,038)</u>
Proceeds from sale / redemption of investments		1,274,563,164	522,398,068
Payment made against purchase of investments		(1,644,601,325)	(892,691,751)
Profits and returns received		227,653,531	91,673,591
<b>Net cash used in operating activities</b>		<u>(165,227,035)</u>	<u>(288,075,130)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received against issuance of units		3,953,003,331	1,147,024,502
Payments made against redemption of units		(3,333,506,901)	(515,110,838)
Dividend paid		(213,867,855)	(74,014,067)
<b>Net cash generated from financing activities</b>		<u>405,628,575</u>	<u>557,899,597</u>
Net increase in cash and cash equivalents during the year		<u>240,401,540</u>	<u>269,824,467</u>
Cash and cash equivalents at the beginning of the year		769,534,958	499,710,491
<b>Cash and cash equivalents at the end of the year</b>	4	<u><u>1,009,936,498</u></u>	<u><u>769,534,958</u></u>

The annexed notes from 1 to 26 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, 2020

	2020			2019		
	Capital value	Undistribut d income	Total	Capital value	Undistribut d income	Total
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the year</b>	1,618,264,561	25,105,987	1,643,370,548	970,918,755	42,353,989	1,013,272,744
Issuance of 35,599,169 units (June 30, 2019: 11,343,409 units)		-				
- Capital value (at net asset value per unit at the beginning of the year)	3,665,646,432	-	3,665,646,432	1,108,376,396	-	1,108,376,396
- Element of income	287,356,899	-	287,356,899	96,941,326	-	96,941,326
Total proceeds on issuance of units	3,953,003,331	-	3,953,003,331	1,205,317,722	-	1,205,317,722
Redemption of 29,837,005 units (June 30, 2019: 4,839,038 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(3,072,316,405)	-	(3,072,316,405)	(497,695,058)	-	(497,695,058)
- Element of loss	(214,408,927)	(46,781,569)	(261,190,496)	(1,983,638)	(15,432,142)	(17,415,780)
Total payments on redemption of units	(3,286,725,332)	(46,781,569)	(3,333,506,901)	(499,678,696)	(15,432,142)	(515,110,838)
Total comprehensive income for the year	-	177,700,383	177,700,383	-	86,747,002	86,747,002
Dividends paid	(72,663,905)	(126,655,155)	(199,319,060)	(58,293,220)	(88,562,862)	(146,856,082)
<b>Net assets at end of the year</b>	<b>2,211,878,655</b>	<b>29,369,646</b>	<b>2,241,248,301</b>	<b>1,618,264,561</b>	<b>25,105,987</b>	<b>1,643,370,548</b>
<b>Undistributed income brought forward</b>						
- Realised income		25,552,103			40,594,110	
- Unrealised gain / (loss)		(446,116)			1,759,879	
		25,105,987			42,353,989	
Dividend paid						
Cash distribution @ Rs.2.02 per unit (date of declaration: July 6, 2018)		-			(19,070,946)	
Cash distribution @ Rs.7.94 per unit (date of declaration: June 26, 2019)		-			(69,491,916)	
Cash distribution @ Rs.10.78 per unit (date of declaration: June 25, 2020)		(126,655,155)			-	
		(126,655,155)			(88,562,862)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		130,918,814			71,314,860	
		130,918,814			71,314,860	
Undistributed income carried forward		29,369,646			25,105,987	
<b>Undistributed income carried forward</b>						
- Realised income		31,568,089			25,552,103	
- Unrealised gain / (loss)		(2,198,443)			(446,116)	
		29,369,646			25,105,987	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		102.97			107.16	
Net asset value per unit at the end of the year		103.18			102.97	

The annexed notes from 1 to 26 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, 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Faysal Islamic Savings Growth Fund (the Fund) is an open-ended income fund constituted under a trust deed entered into on April 22, 2009 between Faysal Asset Management Limited (FAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by the management company.
- 1.2** The Management Company of the Fund has been licensed to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3** The Fund has been categorised as a Shari'ah compliant open ended Islamic income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from June 15, 2010 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to provide a competitive rate of return to its investors by investing in Shari'ah compliant money market and debt instruments having good credit rating and liquidity.
- 1.5** The Management Company has been assigned a quality rating of AM2 by VIS Credit Rating Company Limited dated February 18, 2020 (2019: AM3+ dated June 24, 2019). Further, VIS Credit Rating Company Limited has assigned a "A+(f)" rating to Faysal Islamic Savings Growth Fund as of May 13, 2019 (2019: "A+(f)" dated May 13, 2019).

### 2 BASIS OF PREPARATION

#### 2.1 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

## Notes to the Financial Statements

For The Year Ended June 30, 2020

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

### 2.2 Standards, interpretations and amendments to the accounting and reporting standards that are effective in the current period:

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

### 2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective:

#### 2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

#### 2.3.2 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

### 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2, 3.12, 5 and 14).

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments have been carried at fair values.

### 2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented

### 3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

### 3.2 Financial assets

#### 3.2.1 Classification of financial assets

##### 3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- 1) at amortised cost
- 2) at fair value through other comprehensive income (FVOCI)
- 3) at fair value through profit or loss (FVPL)

**based on the business model of the entity.**

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

##### 3.2.2 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

## Notes to the Financial Statements

For The Year Ended June 30, 2020

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### 3.2.3 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

### 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### 3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised in the income statement.

### 3.2.6 Subsequent measurement

#### a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are subsequently measured at amortised cost.

#### b) Fair value through other comprehensive income (FVOCI):

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and

## Notes to the Financial Statements

For The Year Ended June 30, 2020

losses on the instrument's amortised cost which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive is reclassified from equity to the income statement.

### c) Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement in the period in which it arises

### 3.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

### 3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognised 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 liabilities is taken to income statement currently.

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

### 3.4 Offsetting of financial assets and financial liabilities

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

### 3.5 Provisions

Provisions are recognised 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.

### 3.6 Net assets value (NAV) per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision for duties and charges and provision for transaction costs, if applicable.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redeemed price represents the net assets value per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### 3.8 Distribution to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net asset 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 element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in income statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.
- Profit on bank balances, income on sukuk certificates, term deposit receipts, commercial paper and government securities is recognised on a time proportionate basis using the effective yield method.
- Other income is recognised on an accrual basis

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

### 3.12 Taxation

#### Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

#### Deferred

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on substantively enacted tax rates.

### 3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as in the opinion of the management, the determination of weighted average units for calculating EPU is not practicable.

### 3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

4	<b>BALANCES WITH BANKS</b>	Note	2020	2019
		----- (Rupees) -----		
	PLS savings accounts	4.1 & 4.2	<u>1,009,936,498</u>	<u>769,534,958</u>
4.1	These carry mark-up ranging between 6.5% to 8.8% (June 30, 2019: 10.25% to 12.25%) per annum.			
4.2	The balance in PLS savings accounts includes a balance of Rs 789.52 million (June 30, 2019: Rs. 3.89 million) held with Faysal Bank Limited (a related party).			
5	<b>INVESTMENTS</b>	Note	2020	2019
		----- (Rupees) -----		
<b>At fair value through profit or loss</b>				
	Listed Sukuk certificates	5.1	184,751,642	212,742,919
	Unlisted Sukuk certificates	5.2	709,488,321	181,006,978
	GOP Ijara Sukuk certificates	5.3	150,405,000	-
	Certificates of Musharika	5.4	192,792,194	-
<b>At amortised cost</b>				
	Certificates of Musharika	5.5	-	100,000,000
	Term deposit receipts	5.6	-	200,000,000
	Sukuk certificates	5.7	-	90,000,000
			<u>1,237,437,158</u>	<u>783,749,897</u>

### 5.1 Listed Sukuk certificates - at fair value through profit or loss

Name of company	Issue date	Maturity date	Profit rate	Number of certificates / face value			Balance as at June 30, 2020			Market value as a percentage of			
				As at July 01, 2019	Purchased during the period	Sold / matured / redeemed during the period	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss) on revaluation	total investments	total net assets	issue size
----- (Rupees) -----													
<b>Listed Sukuk certificates</b>													
<b>Fertilizer</b>													
Engro Corporation Limited (PACRA: AA)	11-Jul-14	Jul-19	13.50%	2,408	-	2,408	-	-	-	-	-	-	
<b>Investment bank / investment companies / securities companies</b>													
Dawood Hercules Corporation Limited (PACRA: AA)	16-Nov-17	16-Nov-22	1% + 3 months KIBOR	660	500	-	1,160	81,380,548	82,006,433	625,885	6.63	3.66	1.58
Dawood Hercules Corporation Limited (PACRA: AA)	1-Mar-18	1-Mar-23	1% + 3 months KIBOR	600	-	-	600	47,904,000	48,874,737	970,737	3.95	2.18	0.81
<b>Oil and gas</b>													
BYCO Oil Pakistan Limited (PACRA: AAA)	18-Jan-17	18-Jan-22	2% + 6 months KIBOR	500	-	-	500	28,875,330	29,239,592	364,262	2.36	1.30	0.94
<b>Chemicals</b>													
Ghani Gases Limited (PACRA: A-)	2-Feb-17	2-Feb-23	1.75% + 6 months KIBOR	564	-	-	564	28,947,266	24,630,881	(4,316,385)	1.99	1.10	1.89
							<u>187,107,144</u>	<u>184,751,642</u>	<u>(2,355,502)</u>	<u>14.93</u>	<u>8.24</u>		

Name of company	Issue date	Maturity date	Profit rate	Number of certificates / face value			Balance as at June 30, 2020			Balance as at June 30, 2020		
				As at July 01, 2019	Purchased during the period	Sold / matured / redeemed during the period	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss) on revaluation	total investments	total net assets

## Notes to the Financial Statements

### For The Year Ended June 30, 2020

#### 5.2 Unlisted sukuk certificates - at fair value through profit or loss

##### Chemicals

Ghani Gases Limited (PACRA: A-)	2-Feb-17	2-Feb-23	1.75% + 6 months KIBOR	564	-	-	564	28,947,266	24,630,881	(4,316,385)	1.99	1.10	1.89
							<u>187,107,144</u>	<u>184,751,642</u>	<u>(2,355,502)</u>	<u>14.93</u>	<u>8.24</u>		

June 30, 2020

Name of company	Issue date	Maturity date	Profit rate	Number of certificates / face value			Balance as at June 30, 2020			Balance as at June 30, 2020			
				As at July 01, 2019	Purchased during the period	Sold / matured / redeemed during the period	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss) on revaluation	total investments	total net assets	issue size
										(Rupees)	%		

##### Unlisted Sukuk certificates

##### Fertilizer

Engro Fertilizer Limited (PACRA: AA)	9-Jul-17	Jul-19	1.75% + KIBOR	12,000	-	12,000	-	-	-	-	-	-	-
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##### Technology and communication

International Brands Limited	15-Nov-17	15-Nov-22	0.5% + 12 months KIBOR	1,200	-	-	1,200	84,015,288	84,915,908	900,620	6.86	3.79	3.00
TPL Corporation Limited (PACRA: A+)	13-Apr-16	13-Apr-21	3% + 12 months KIBOR	50	48	-	98	75,720,975	73,500,000	(2,220,975)	5.94	3.28	12.25

##### Power generation and distribution

Pakistan Energy Limited (Un-rated)	21-May-20	20-May-30	Book building rate + 6 months KIBOR	-	60,000	-	60,000	300,000,000	300,000,000	-	-	-	-
The Hub Power Company Limited (PACRA: AA+)	22-Aug-19	22-Aug-23	1% + 3 months KIBOR	1,000	1,000	1,500	500	50,000,000	51,072,414	1,072,414	4.13	2.28	1.28
The Hub Power Company Limited (Un-rated)	19-Mar-20	19-Mar-24	2% + 6 months KIBOR	-	2,000	-	2,000	200,000,000	200,000,000	-	-	-	-

June 30, 2020

709,736,263 709,488,321 (247,942) 16.93 9.35

June 30, 2019

392,478,897 393,749,897 1,271,000

#### 5.3 GOP ijara sukuk certificates - at fair value through profit or loss

Name of company	Number of certificates / face value					Balance as at June 30, 2020			Market value as a percentage of				
	Issue date	Maturity date	As at July 01, 2019	Purchased during the period	Sold / matured / redeemed during the period	As at June 30, 2020	Carrying value	Market value	Unrealised gain on revaluation	total investments	total net assets	issue size	
										(Rupees)	%		

Government of Pakistan Ijarah Sukuks	29-May-20	29-May-25	-	325,000,000	175,000,000	150,000,000	150,000,000	150,405,000	405,000	12.15	6.71	3.38
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June 30, 2020

150,000,000 150,405,000 405,000 12.15 6.71

#### 5.4 Certificates of Musharika - at amortised cost

Name of investee company	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2020	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets				
			As at July 01, 2019	Purchased during the period	Matured during the period	As at June 30, 2020							
										(Rupees)	%		

##### Certificate of Musharika

Orix Modaraba (PACRA: AA)	05-Sep-19	13.00%	100,000,000	-	100,000,000	-	-	-	-
							<u>-</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 5.5 Certificates of Musharika - at fair value through profit or loss

Name of investee company	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2020	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets
			As at July 01, 2019	Purchased during the period	Matured during the period	As at June 30, 2020			
(Rupees) %									
<b>Certificate of Musharika</b>									
Orix Modaraba (PACRA: AA)	07-Apr-21	8.85%	-	205,847,562	-	205,847,562	192,792,219	15.58	8.60
						<u>205,847,562</u>	<u>192,792,219</u>	<u>15.58</u>	<u>8.60</u>

### 5.6 Term deposit receipts - at amortised cost

Name of investee company	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2020	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets
			As at July 01, 2019	Purchased during the period	Matured during the period	As at June 30, 2020			
(Rupees) %									
<b>Term deposit receipts</b>									
Bank Islami Pakistan Limited	25-Jul-19	13.00%	100,000,000	-	100,000,000	-	-	-	-
Dubai Islamic Bank Limited	25-Jul-19	13.16%	100,000,000	-	100,000,000	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 5.7 Sukuk certificates - at amortised cost

Name of investee company	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2020	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets
			As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at June 30, 2020			
(Rupees) %									
<b>Sukuk certificate</b>									
The Hub Power Limited Company	02-Oct-19	12.13%	20,000,000	-	20,000,000	-	-	-	-
The Hub Power Limited Company	27-Nov-19	13.85%	70,000,000	-	70,000,000	-	-	-	-
<b>June 30, 2020</b>						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>June 30, 2019</b>							<u>390,000,000</u>		

6 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES	Note	2020		2019	
		(Rupees)			
Prepayments		211,164		303,994	
Security deposit with the Trustee		100,000		100,000	
Profit receivable on Sukuk certificates		17,428,486		16,361,622	
Profit receivable on certificate of Musharika		-		3,758,904	
Profit receivable on balances with banks and term deposit receipts	6.1	4,910,415		11,118,918	
Advance tax	6.2	929,613		1,078,788	
		<u>23,579,678</u>		<u>32,722,226</u>	

## Notes to the Financial Statements

For The Year Ended June 30, 2020

- 6.1** This includes profit receivable amounting to Rs. 2,810,694 (June 30, 2019: Rs. 434,984) on balance held with Faysal Bank Limited, a related party.
- 6.2** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profits on bank balances amounts to Rs 0.93 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. In 2016, the Board of the AMCs passed a resolution, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profits received by the Fund has been shown as other receivables as at June 30, 2020, as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2020	2019
<b>7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED</b>			
<b>- THE MANAGEMENT COMPANY</b>			
		----- (Rupees) -----	
Remuneration of the Management Company	7.1	913,508	1,491,810
Sindh sales tax on remuneration of the Management Company	7.2	118,756	188,458
Sales load payable		3,465,358	2,448,497
Selling and marketing charges	7.3	3,355,881	-
Allocated expenses	7.4	558,850	-
		8,412,353	4,128,765

- 7.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 10% of gross earnings subject to minimum fees of 0.90% and maximum fees of 1.5% of average daily net assets of the Fund till January 12, 2020 (10% of gross earnings subject to minimum fees of 0.90% and maximum fees of 1.5% from July 1, 2018 till June 30, 2019).

During the year ended June 30, 2020, through a circular resolution of the Board of Directors dated December 16, 2019, the Management Company has changed its remuneration structure from the one mentioned above to a variable fee structure where the Management Company has defined

## Notes to the Financial Statements

### For The Year Ended June 30, 2020

a maximum fee level in the Fund's offering document at the rate of 1.5% of net assets. The Trustee has consented and the SECP has approved this revision via their letters CDC/T&C-S II/DH/0012/2020 and SCD/AMCW/FHAF/2/3/2020 dated January 7, 2020 and February 6, 2020 respectively. The Board of the Management Company has also defined a minimum threshold of 0.6% of net assets through the aforementioned circular resolution. As a consequence thereof, the Management Company is now charging its remuneration variably keeping in view the overall return of the Fund and subject to the maximum percentage approved by the Board, the Trustee and the SECP and the minimum percentage approved by the Board and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

The summary of rates of remuneration charged by the Management Company from January 13, 2020 to June 30, 2020 is as follows:

Date		% of net assets
From	To	
January 13, 2020	January 28, 2020	0.5
January 29, 2020	May 17, 2020	0.6
May 18, 2020	June 30, 2020	0.5

The remuneration is payable to the Management Company monthly in arrears.

- 7.2** During the year, an amount of Rs. 2.169 million (2019: Rs 1.521 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.
- 7.3** The SECP has allowed asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower.

During the current year, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

As a consequence thereof, the Board of Directors of the Management Company has approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company through a circular resolution dated December 16, 2019. Furthermore, the Board, through the same circular resolution, has given a discretion for charging of selling and marketing expenses directly to the Fund as proposed by the management. Therefore, the Management Company is now charging the selling and marketing expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

The summary of rates of selling and marketing expenses charged by the Management Company from January 13, 2020 to June 30, 2020 is as follows:

## Notes to the Financial Statements

For The Year Ended June 30, 2020

Date		% of net assets
From	To	
January 13, 2020	January 28, 2020	0.7
January 29, 2020	May 17, 2020	0.6
May 18, 2020	June 30, 2020	0.7

- 7.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a collective investment scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, has given a discretion for charging of allocated expenses directly to the Fund as proposed by the management. Therefore, the Management Company is now charging the allocated expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

The Management Company charged allocated expenses at 0.15% of net assets for the period from April 28, 2020 to June 30, 2020.

	Note	2020	2019
		----- (Rupees) -----	
<b>8</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
	Remuneration payable to the Trustee	8.1	137,026
	Sindh sales tax on remuneration of the Trustee	8.2	17,813
		<u>154,839</u>	<u>194,011</u>

- 8.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.075% per annum of net assets (June 30, 2019 were as follows:

**On net assets:**

- up to Rs. 1 billion                      0.17% per annum of net assets.
- Rs. 1 billion to 5 billion              Rs. 1.7 million plus 0.085% per annum of net assets exceeding Rs. 1 billion.
- exceeding Rs. 5 billion                Rs. 5.1 million plus 0.070% per annum of net assets exceeding Rs. 5 billion)

- 8.2** During the year, an amount of Rs 0.173 million (2019: Rs 0.232 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

9	Note	2020	2019
		----- (Rupees) -----	
<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee	9.1 & 9.2	<u>354,982</u>	<u>833,988</u>

**9.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

**9.2** Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged the SECP fee at the rate of 0.02% of net assets during the year (June 30, 2019: 0.075% of net assets).

10	Note	2020	2019
		----- (Rupees) -----	
<b>ACCRUED AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		486,271	368,591
Transaction charges payable		210,078	41,880
Time barred cheques		287,034	344,637
Withholding tax and zakat payable		6,075,113	4,662,580
Provision for Sindh worker's welfare fund	10.1	8,161,353	4,534,814
Provision for federal excise duty and related Sindh sales tax on management fee	10.2	5,271,869	5,271,869
Other accrued liabilities		<u>291,141</u>	<u>448,354</u>
		<u>20,782,859</u>	<u>15,672,725</u>

**10.1** 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 0.50 million, was 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 and their CISs 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 had 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 SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, 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).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2020 would have been higher by Rs. 0.38 per unit (2019: Rs. 0.28 per unit).

## Notes to the Financial Statements

For The Year Ended June 30, 2020

**10.2** The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include asset management companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by various asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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 provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 5.27 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Rs 0.24 (June 30, 2019: Rs. 0.33).

### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2020 and June 30, 2019.

<b>12 AUDITORS' REMUNERATION</b>	<b>2020</b>	<b>2019</b>
	----- (Rupees) -----	
Audit fee	297,675	283,500
Review and other certifications	177,250	128,000
Out of pocket expenses	13,888	57,820
	488,813	469,320
Sales tax	39,105	32,920
	527,918	502,240

### 13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2020 is 1.80% (2019: 1.71%) which includes 0.36% (2019: 0.40%) representing government levies on the Fund such as provision for Sindh workers' welfare fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a income scheme.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance, 2001.

### 15 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 15.1** 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.
- 15.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons.
- 15.3** The details of transactions carried out by the Fund with connected persons / related parties and balances with them at year end are as follows:

## Notes to the Financial Statements

For The Year Ended June 30, 2020

Transactions during the year	2020	2019
	----- (Rupees) -----	-----
<b>Faysal Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	16,687,216	11,699,480
Sindh sales tax on remuneration of the Management Company	2,169,338	1,520,932
Sales load paid	4,908,557	766,231
Reimbursement of allocated expenses to the Management Company	558,850	-
Reimbursement of selling and marketing charges to the Management Company	5,703,403	-
<b>Faysal Bank Limited (group company / associated company)</b>		
Return on PLS savings accounts	12,126,381	11,757,206
Redemption of 1,747,064 units (2019: 76,050 units)	180,000,000	7,837,666
Issuance of Nil units (2019: 1,749,611 units)	-	180,000,000
Issuance of Nil units (2019: 76,050) as refund of capital	-	-
Cash dividend	19,633,989	14,441,173
<b>Central Depository Company of Pakistan Limited - (the Trustee)</b>		
Remuneration of Trustee	1,331,183	1,787,941
Sales tax on Trustee fee	173,054	232,432
Settlement charges	24,317	11,137
<b>FBL Staff Provident Fund</b>		
Issuance of 2,004,914 units (2019: 242,929 units)	206,446,016	16,445,868
Dividend declared	26,446,016	-
<b>FBL Staff Gratuity Fund</b>		
Issuance of 208,010 units (2019: 1,986,903)	21,418,821	204,353,039
Dividend declared	21,418,821	-
*Number of units issued includes Nil (2019: 100,071) units at Nil cost on account of refund of capital		
<b>Unit holders holding 10% or more units</b>		
The unit holders' holding 10% or more units of the Fund as at June 30, 2020 include FBL Staff Provident Fund and FBL Staff Gratuity Fund. Details of transactions of such unit holders' are given above		
Outstanding balances	2020	2019
	----- (Rupees) -----	-----
<b>Faysal Asset Management Limited (the Management Company)</b>		
Remuneration payable to the Management Company	913,508	1,491,810
Sindh sales tax payable on remuneration of the Management Company	118,756	188,458
Sales load payable	3,465,358	2,448,497
Reimbursement of allocated expenses to the Management Company	558,850	-
Reimbursement of selling and marketing charges to the Management Company	3,355,881	-
<b>Faysal Bank Limited (group company / associated Company)</b>		
Balance in PLS saving accounts	789,517,367	3,889,967
Return receivable on PLS saving account	2,810,694	434,984
Units in issue 1,821,335 (2019: 3,568,399 units)	187,925,327	367,438,045

## Notes to the Financial Statements

For The Year Ended June 30, 2020

	2020	2019
	----- (Rupees) -----	
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration payable to the Trustee	137,026	171,690
Sales tax on trustee fee payable	17,813	22,321
Security deposit	100,000	100,000
<b>FBL Staff Provident Fund</b>		
Outstanding 42,33,524 (2019: 2,228,610) units	436,815,042	229,479,972
<b>FBL Staff Gratuity Fund</b>		
Outstanding 2,194,914 (2019: 1,986,904) units	226,471,220	204,591,505

### Unit holders holding 10% or more units

The unit holders' holding 10% or more units of the Fund as at June 30, 2020 include FBL Staff Provident Fund and FBL Staff Gratuity Fund. Details of balances of such unit holders' are given above

15.4 Other balances due to / from related parties / connected persons are disclosed in the respective notes to the financial statements.

## 16 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2020 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Balances with banks	1,009,936,498	-	1,009,936,498
Investments	-	1,237,437,158	1,237,437,158
Deposits and other receivables	22,438,901	-	22,438,901
	<u>1,032,375,399</u>	<u>1,237,437,158</u>	<u>2,269,812,557</u>

	----- 2020 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial liabilities</b>			
Payable to Faysal Asset Management Limited - the Management Company	8,412,353	-	8,412,353
Payable to Central Depository Company of Pakistan Limited - the Trustee	154,839	-	154,839
Accrued and other liabilities	1,274,524	-	1,274,524
	<u>9,841,716</u>	<u>-</u>	<u>9,841,716</u>

**Notes to the Financial Statements**

For The Year Ended June 30, 2020

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total

----- Rupees -----

**Financial assets**

Balances with banks	769,534,958	-	769,534,958
Investments	390,000,000	393,749,897	783,749,897
Advance against subscription of debt securities	92,741,751	-	92,741,751
Deposits and other receivables	31,339,444	-	31,339,444
	<u>1,283,616,153</u>	<u>393,749,897</u>	<u>1,677,366,050</u>

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total

----- Rupees -----

**Financial liabilities**

Payable to Faysal Asset Management Limited - the Management Company	4,128,765	-	4,128,765
Payable to Central Depository Company of Pakistan Limited - the Trustee	194,011	-	194,011
Accrued and other liabilities	1,203,462	-	1,203,462
Dividend payable	14,548,795	-	14,548,795
	<u>20,075,033</u>	<u>-</u>	<u>20,075,033</u>

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 17 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, the 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.

#### 17.1 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, 2020, the Fund's exposure to the risk of changes in market interest rates relates primarily to bank balances, government securities and debt securities. The bank balances are subject to rates as declared by the respective banks on a periodic basis. The government securities are subject to fixed interest rates and valued by reference to the quotations obtained from Financial Market Association of Pakistan. The Sukuks are subject to floating interest rates and valued at MUFAP price. As at June 30, 2020, approximately 99.00% (June 30, 2019: 98.12%) of the Fund's financial assets are subject to interest rates.

##### (a) Sensitivity analysis for variable rate instruments

In case of 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 the net assets of the Fund by Rs. 19.04 million (June 30, 2019: Rs.13.46 million) and a decrease of 100 basis points would 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.

##### (b) Sensitivity analysis for fixed rate instruments

In case of an increase of 100 basis points in the fixed profit rate, with all other factors remaining constant, would decrease the Fund's income and the net assets of the Fund by Rs. 3.43 million (2019: Rs. 3 million) and a decrease of 100 basis points would result in a increase the Fund's income and the net assets of the Fund by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2020 can be determined as follows:

**Notes to the Financial Statements**

For The Year Ended June 30, 2020

----- 2020 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
<b>Financial assets</b>		
Balances with banks	1,009,936,498	-
Investments	-	1,237,437,158
Deposits and other receivables	22,438,901	-
	<u>1,032,375,399</u>	<u>2,269,812,557</u>

----- 2020 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
<b>Financial liabilities</b>		
Payable to Faysal Asset Management Limited - the Management Company	8,412,353	-
Payable to Central Depository Company of Pakistan Limited - the Trustee	154,839	-
Accrued and other liabilities	1,274,524	-
	<u>9,841,716</u>	<u>9,841,716</u>

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
<b>Financial assets</b>		
Balances with banks	769,534,958	-
Investments	390,000,000	393,749,897
Advance against subscription of debt securities	92,741,751	-
Deposits and other receivables	31,339,444	-
	<u>1,283,616,153</u>	<u>1,677,366,050</u>

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
<b>Financial liabilities</b>		
Payable to Faysal Asset Management Limited - the Management Company	4,128,765	-
Payable to Central Depository Company of Pakistan Limited - the Trustee	194,011	-
Accrued and other liabilities	1,203,462	-
Dividend payable	14,548,795	-
	<u>20,075,033</u>	<u>20,075,033</u>

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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; therefore, it is not exposed to such risk.

## 17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also 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 then in issue. The Fund did not withhold any redemptions during the year.

For maturity profile of the Fund's financial instruments, refer note 17.1 to these financial statements

## 17.3 Credit risk

17.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

Particulars	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees -----			
Balances with banks	1,009,936,498	1,009,936,498	769,534,958	769,534,958
Investments	1,237,437,158	1,087,032,158	783,749,897	783,749,897
Deposits and other receivables	-	-	-	-
Advance against subscription of debt securities	-	-	92,741,751	92,741,751
	<u>2,247,373,656</u>	<u>2,096,968,656</u>	<u>1,646,026,606</u>	<u>1,646,026,606</u>

All balances with banks and term deposits receipts are highly rated and risk of default is considered minimal.

### 17.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its balances with banks and mark-up accrued thereon, cheques in hand, dividend receivable and receivable against sale of units and against investments, investments in debt securities. The credit rating profile of balances with banks and investment in debt securities is as follows:

Rating category	2020	2019
	----- (%) -----	
AA, AA-, AA+, AAA	61.14	66.86
A, A-, A+	15.02	33.14
Unrated	23.84	0.01
	<u>100.00</u>	<u>100.00</u>

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

## Notes to the Financial Statements

For The Year Ended June 30, 2020

	<b>2020</b>	<b>2019</b>
	<b>% of assets exposed to credit risk</b>	
Commercial banks	48.16	61.89
Other financial institutions	9.19	6.55
Fertiliser	6.24	9.15
Technology and communication	3.06	3.44
Oil and gas	1.39	2.93
Power generation and distribution	26.28	5.78
Chemicals	1.18	2.33
Others	4.50	7.95
	<u>100.00</u>	<u>100.00</u>

### 17.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2020 are unsecured and are not impaired.

## 18 FAIR VALUE MEASUREMENT

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

## Notes to the Financial Statements

For The Year Ended June 30, 2020

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at reporting date, the Fund held the following financial instruments measured at fair values:

2020			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets at fair value through profit or loss</b>			
Listed Sukuk certificates	-	184,751,642	-
Unlisted Sukuk certificates	-	709,488,321	-
GOP Ijara Sukuk	-	150,405,000	-
Certificates of Musharika	-	192,792,194	-
	-	<u>1,237,437,158</u>	-
		-	<u>1,237,437,158</u>

2019			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets at fair value through profit or loss</b>			
Listed Sukuk certificates	-	181,006,978	-
Unlisted Sukuk certificates	-	212,742,919	-
Certificates of Musharika*	-	100,000,000	-
Term deposit receipts*	-	200,000,000	-
Sukuk certificates*	-	90,000,000	-
	-	<u>783,749,897</u>	-
		-	<u>783,749,897</u>

\*The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'statement of movement in unit holders' fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short term borrowings, where necessary.

### 20 UNIT HOLDING PATTERN OF THE FUND

Category	2020			2019		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	597	968,091	43.19%	413	487,975	29.69%
Associated companies / Directors	2	187,924	8.38%	2	365,801	22.26%
Retirement funds	14	597,372	26.65%	14	525,465	31.97%
Others	21	487,861	21.77%	17	264,130	16.07%

### 21 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2020	2019
	Percentage of commission paid	Percentage of commission paid
Next Capital Limited	70.51%	100.00%
JS Global Capital Limited	29.49%	-
	<u>100%</u>	<u>100%</u>

### 22 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Khaldoon Bin Latif	Chief Executive Officer	B.Sc. Economics	Over 16 years
Mr. Ayub Khuhro	Chief Investment Officer	B.Sc. Economics	Over 11 years
Mr. Faisal Ali Khan	CFO and Company Secretary	B.Com, CA	Over 16 years
Syed Shahid Iqbal	Sr. Fund Specialist - Fixed Income	B.Com	Over 28 years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 7 years
Mr. Muhammad Akbar Latif Khan	Head of Research	B.Com.	Over 5 years
Mr. Khurram Salman	Head of Compliance and Internal Audit	B.Com, CA	Over 15 years
Mr. Mohammad Qasim	Head of Risk	B. S. (Actuarial Science & Risk Management) & MBA (Finance)	Over 10 years
Mr. Khurram M. Arif	Fund Specialist - Equities	B.Com, CFA	Over 10 years

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### 23 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mustajab Alam	Fund manager	MBA Finance	FIAAF, FHF

### 24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name of directors	Designation	Attended meeting held on					
		August 19, 2019	September 12, 2019	October 21, 2019	January 01, 2020	January 31, 2020	April 17, 2020
Mr. Salman Ahmed Usmani	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Osman Asghar Khan	Director	No	Yes	No	No	Yes	Yes
Mr. Farooq Hassan*	Director	Yes	Yes	No	No	No	No
Mr. Tahir Yaqoob Bhatti	Director	Yes	Yes	No	Yes	Yes	Yes
Mr. Syed Muhammad Fraz Zaidi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nadir Rahman**	Director	No	No	Yes	Yes	Yes	Yes
Mr. Khaldoon Bin Latif	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes

\*retired

\*\*elected in September 2019

### 25 GENERAL

25.1 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements, except for the following:

Reclassification from the statement of assets and liabilities	Reclassification to the statement of assets and liabilities	June 30, 2019 Rupees
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Accrued and other liabilities

Payable to the Securities and Exchange Commission of Pakistan

833,988

### 25.2 Round off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

### 25.3 Impacts of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

## Notes to the Financial Statements

For The Year Ended June 30, 2020

- a) The time period to regularise the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for open end schemes under Regulation 54(3)(b) of the NBFC regulations has been increased to 180 days for open end schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

### 25.3.1 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (VPN) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

## 26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 13, 2020 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

**Notes to the Financial Statements**

For The Year Ended June 30, 2020

**SUPPLEMENTARY NON FINANCIAL INFORMATION**  
**DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)**  
**AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE**  
**NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

	June 30, 2020	June 30, 2019	June 30, 2018
	----- (Rupees) -----		
<b>(i) PERFORMANCE TABLE</b>			
Net assets	2,241,248,301	1,643,370,548	1,013,272,744
Net assets value per unit	103.18	102.97	107.16
Offer price per unit	105.25	105.03	109.31
Repurchase price per unit	103.18	102.97	107.16
Highest offer price per unit	116.03	112.98	109.31
Highest repurchase price per unit	113.75	110.76	107.16
Lowest offer price per unit	105.10	104.91	102.64
Lowest repurchase price per unit	103.03	102.85	102.64
Total return:	10.67%	7.85%	4.42%
- capital growth	0.20%	0.13%	0.33%
- income distribution	10.47%	7.72%	4.09%
Average annual return: (Launch date: June 14, 2010)			
- one year	10.67%	7.85%	4.42%
- two years	9.26%	6.14%	4.86%
- three years	7.65%	5.86%	5.07%
Distribution per unit:			
- Interim distribution (% per unit) *	10.47%	7.72%	0.00%
- Final distribution (% per unit)	-	0.00%	4.20%
	<u>10.47%</u>	<u>7.72%</u>	<u>4.20%</u>

\* Announced on 25 June 2020

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.

## Notes to the Financial Statements

For The Year Ended June 30, 2020

### (ii) 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				
		Aug 19, 2019	Sep 12, 2019	Oct 21, 2019	Jan 31, 2020	Apr 17, 2020
Mr. Osman Asghar Khan	4	-	1	1	1	1
Mr. Mian Salman Ali	5	1	1	1	1	1
Syed Muhammad Fraz Zaidi	5	1	1	1	1	1

### (iii) MEETINGS OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Member	Meetings attended	Meeting held on	
		Nov 29, 2019	Apr 17, 2020
Mr. Osman Asghar Khan	2	1	1
Mr. Salman Ahmed Usmani	2	1	1
Mr. Nadir Rehman	2	1	1

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







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