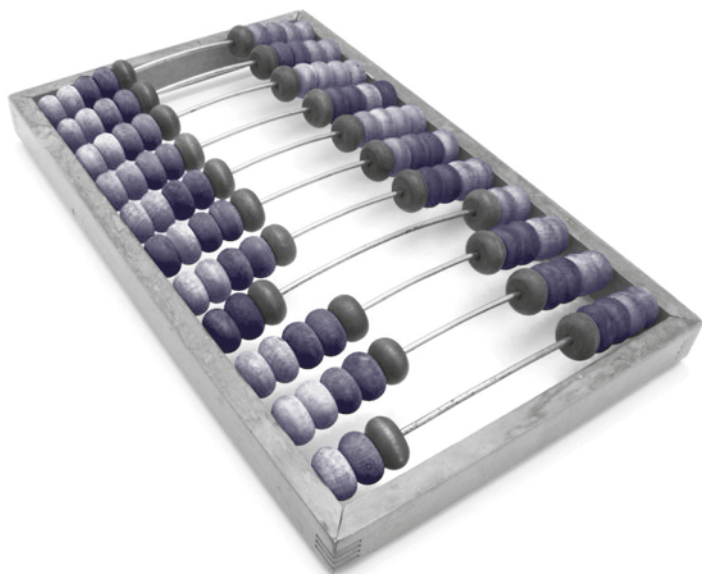


Faysal Asset Management

Stock Fund (Formerly Faysal Balanced Growth Fund)

Interim Financial Statements for
The Half Year Ended December 31, 2018



Faysal Stock Fund (Formerly Faysal Balanced Growth Fund)

Faysal Stock Fund (Formerly Faysal Balanced Growth Fund) (FSF) is an open ended mutual fund. The units of FSF are listed on the Pakistan Stock Exchange Limited and were initially offered to the public on April 19, 2004. FSF's investment philosophy is to provide capital growth by investing primarily in diversified portfolio of equities and equity related investments.

CONTENTS

Fund Information	04
Mission Statement	05
Report of the Directors of the Management Company	06
Trustee Report to the Unit Holders	09
Auditors' Report to the Unit Holders on Review of	10
Condensed Interim Financial Statements	
Condensed Interim Statement of Assets and Liabilities	11
Condensed Interim Income Statement	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Cash Flow Statement	14
Condensed Interim Statement of Movement in Unit Holders' Fund	15
Notes to the Condensed Interim Financial Statements	16
ڈائریکٹرز رپورٹ	31

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. Farooq Hassan, Director
Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer

Mr. Khaldoon Bin Latif

Acting Chief Financial Officer and Acting Company Secretary of the Management Company

Mr. M. Shahzad

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. Khaldoon Bin Latif, Member
Mr. Farooq Hassan, Member

Trustee to the Fund

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

Bankers to the Fund

MCB Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited
Allied Bank Limited
JS Bank Limited
Sindh Bank Limited
Habib Bank Limited

Auditors

Deloitte Yousuf Adil, Chartered Accountants

Legal Advisor

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

Registrar

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

MISSION STATEMENT

Faysal Stock Fund (FSF) (Formerly Faysal Balanced Growth Fund) endeavors to provide investors with an opportunity to earn capital growth by investing in a large pool of fund representing equity investment in a broad range of sectors and financial instruments.

Report of the Directors of the Management Company

The Board of Directors of Faysal Asset Management Limited, the Management Company of Faysal Stock Fund (Formerly Faysal Balanced Growth Fund) (FSF), is pleased to present the un-audited interim financial statements of FSF for the half year and quarter ended December 31, 2018.

FINANCIAL HIGHLIGHTS

	Half Year Ended		Quarter Ended	
	December 31		December 31	
	2018	2017	2018	2017
	Rupees in million			
Total loss	(31.083)	(39.033)	(22.469)	(17.361)
Total expenses	(4.669)	(4.651)	(2.067)	(2.147)
Net loss for the period before taxation	(35.751)	(43.684)	(24.537)	(19.509)
Taxation	-	-	-	-
Net loss for the period after taxation	(35.751)	(43.684)	(24.537)	(19.509)
NAV per unit (Rs.)	50.48	61.52	50.48	61.52

ECONOMIC REVIEW

Economic position of Pakistan has started improving as government's result oriented measures slightly eased the pressure from the external account witnessed by declining current account deficit however fiscal deficit remained elevated. Government's approach to friendly countries to rescue Pakistan in these difficult times has resulted in multibillion dollars support pledged by friendly countries coupled with deferred oil payments facility provided by KSA and UAE. Further, tough decisions necessary to stabilize the economy; including rising interest rate, upward revision in power and gas tariff, currency devaluation, imposition of multiple taxes and reduction in subsidies; have been taken by the new government to contain economic imbalances and to curb aggregate demand has resulted in slowdown in economic activity as witnessed by declining LSM numbers and is expected to persist in the near term.

In order to contain trade deficit, government has introduced multiple measures to support export oriented sectors and impose further duties to curb imports of luxury items which has not yielded much favorable results so far but will improve the situation going forward. Imports have started to slowdown and was recorded at USD 27.39bn during 1HFY19, posting a growth of 3.0% on a year-on-year (YoY) basis. On the other hand, exports remained flat on YoY basis and stood at USD 11.84bn during 1HFY19 compared to USD 11.83bn in the same period last year. Resultantly, trade deficit posted a growth of 5.37% on YoY basis and stood at USD 15.55bn.

Initiatives taken by the new government to increase remittances has resulted in an impressive growth in remittances of 10.0% on YoY basis and stood at USD 10.72bn during the period 1HFY19. Higher remittances and slowdown in imports resulted in reduction in Current Account Deficit (CAD) which recorded at USD 7.98bn versus USD 8.35bn in the corresponding period

Report of the Directors of the Management Company

last year. Foreign Direct Investment (FDI) remained on the lower side during the period 1HFY19 and stood at USD 1.32bn as compared to USD 1.63bn during the same period last year, portraying a decline of 19.2% on YoY basis.

Despite USD 2bn received from KSA from the allocated USD 3bn financial support, foreign exchange reserves remained under pressure mainly on account of heavy debt servicing. Thus, reserves stood at USD 13.49bn as at January 11, 2019, declined by 17.79% since June end. Inflation also remained higher on account of higher oil prices and average inflation for the period 1HFY19 stood at 6.04% compared to 3.75% during 1HFY18. In order to curb aggregate demand and to keep the real interest rate on the higher side, central bank continues with its monetary tightening stance and increases the policy rate to 10%.

Moving ahead, recent assistance from friendly countries has supported Pakistan to finalize the bailout package with IMF on favorable terms. Finalization of IMF program will also pave ways for loans from other international lenders as well. Additionally, improving ties with US is a major positive for Pakistan and should result in improving trade ties with US, restoration of inflows under CSF and also help in attaining IMF bailout package. Moreover, investment intentions from friendly countries (China and KSA) and multinational companies in Pakistan will also improve investment climate of the country and will attract other investors as well.

EQUITY REVIEW

Pakistan stock market continued its dismal performance for the second quarter of fiscal year 2019 (2QFY19) on the back of worsening balance of payment position coupled with lack of clarity on the economic reforms. The benchmark KSE-100 index remained lackluster and reported a decline of 9.59% compared to a decline of 4.57% during the same period last year. Average daily traded volume (ADTV) increased by 33.13% on Year-on-Year (YoY) basis and was recorded at 184.33mn shares during the period 2QFY19. During the period 1HFY19, rally post smooth political changeover remained short lived and market continued its declining trend where KSE-100 index recorded a decline of 11.56% as compared to a decline of 13.09% during the corresponding period last year.

Multiple supports announced from the friendly countries including Saudi Arabia's USD 6bn package (financial support and defer oil payments facility), UAE USD 6.2bn package (financial assistance and defer oil payments facility) and China's USD 2bn (balance of payment support) failed to attract investors' interest as economic headwinds took the center stage during the period with concerns of rising current and fiscal account deficits and declining foreign exchange reserves which kept the market under enormous pressure. Additionally, multiple interest rate hikes coupled with gas price hike, currency devaluation, upward revision of power tariff and delay in IMF bailout package further deteriorated market sentiments. Moreover, MSCI semiannual review in November 2018 also hurt investors' confidence on account of declining Pakistan's weightage in MSCI EM Index.

On the sector front, E&P sector dragged the index the most on account of declining oil prices in the 2QFY19. Cements and engineering sectors also remained depressed during the period on account of rising interest rate and currency devaluation. Despite cumulative hike of 225 basis points (bps) during the period 2QFY19, banks posted dismal performance on account of concerns of rising NPLs and continued foreign selling of major banks. Refinery sector also declined amid inventory loss concerns post declining oil prices. On the other hand, fertilizer sector attracted investors' attention on account of favorable government policies.

Report of the Directors of the Management Company

In the MSCI semiannual review, two scrips (LUCK and UBL) downgraded from the MSCI main index to small cap index which resulted in declining weightage of Pakistan in MSCI EM Index and set the tone for massive selling from foreign investors during the period 2QFY19. Consequently, foreigners continued its offloading stance as Foreign Investors Portfolio Investment (FIPI) recorded a net selling of USD 214.66mn as compared to net selling of USD 189.01mn and USD 65.11mn during the last quarter and same period last year respectively.

Going forward, policy and structural reforms initiated by government is expected to slow down economic growth in the near term and will be reflected in the upcoming result season and may keep the market performance under check. However, support from friendly countries is expected to help Pakistan to deal with IMF for another bailout package on favorable terms and may help to revive investors' confidence. Moreover, international players (Exxon Mobil and ENI) along with local E&P players (OGDC and PPL) have started offshore drilling with an expectation of massive reserves and may open a new chapter for the local E&P players if they succeed. Further, upcoming mini budget with expectation of rationalization of stock market taxes along with duty reduction on import of raw material by export oriented sectors may have its positive implication on the stock market.

FUND PERFORMANCE

FSF generated negative return of 15.89% during the period 1HFY19 relative to its negative benchmark of 11.56% on account of adverse market performance due to balance of payment crisis and political uncertainty. However, your fund's average equity exposure was maintained at 81.61% during 1HFY19 to get advantage of expected rally post settlement of political dust and finalization of IMF bailout program. Going forward, your fund would devise its portfolio strategy keeping in view government's approach to tackle with recent economic instability.

FUND RANKING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "1-Star" (1 year) fund performance ranking to FSF as of October 31, 2018.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Karachi: February 26, 2019

Khaldoon Bin Latif
Chief Executive Officer

Trustee Report to the Unit Holders

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
C.D.C House, 95A-B, Block 3,
S.M.C.H.S. Main Shahra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111 111 410
Fax: (92-21) 84526100 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS FAYSAL STOCK FUND (FORMERLY FAYSAL BALANCED GROWTH FUND)

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

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Stock Fund (Formerly Faysal Balanced 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 six months period ended December 31, 2018 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 20, 2019

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrahe-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6094-7
Fax: +92 (0) 21-3454 1314

www.deloitte.com

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Stock Fund (Formerly Faysal Balanced Growth Fund)** (the Fund) as at December 31, 2018, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'interim financial statements'), for the half year ended December 31, 2018. The Management Company (Faysal Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of the fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who vide their report dated September 19, 2018 issued an unqualified opinion thereon.

Chartered Accountants

Engagement Partner

Nadeem Yousuf Adil

Dated: 26 February 2019
Karachi

Condensed Interim Statement of Assets and Liabilities

As at December 31, 2018

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
Assets			
Bank balances	5	32,394,457	64,923,586
Investments	6	127,981,761	157,083,429
Prepayments, deposits and other receivables		3,703,242	3,680,511
Receivable against sale of investments		44,171	-
Total assets		<u>164,123,631</u>	<u>225,687,526</u>
Liabilities			
Payable to the Management Company		312,847	642,686
Remuneration payable to the Trustee		69,916	67,746
Accrued and other liabilities	7	3,205,814	3,561,810
Payable against purchase of investment		6,243,398	-
Total liabilities		<u>9,831,975</u>	<u>4,272,242</u>
Net assets		<u>154,291,656</u>	<u>221,415,284</u>
Unit holders' fund (as per statement attached)		<u>154,291,656</u>	<u>221,415,284</u>
Contingencies and commitments	8		
		---- (Number of units) ----	
Number of units in issue		<u>3,056,231</u>	<u>3,689,311</u>
		----- (Rupees) -----	
Net assets value per unit		<u>50.48</u>	<u>60.02</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Income Statement

For the Half Year Ended December 31, 2018 (Un-Audited)

	Note	Half year ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Income					
Dividend income from investments classified as- at fair value through profit or loss'		4,236,262	3,604,725	1,732,205	2,294,475
Profit earned on debt securities classified as 'at fair value through profit or loss'		-	1,338,021	-	305,502
Return on bank balances		1,578,059	1,866,022	684,595	944,439
Other income		-	75,821	-	75,821
Net (loss) / gain on investments 'at fair value through profit or loss' - - Net capital loss on sale of investments		(20,888,469)	(30,249,778)	(23,874,979)	(27,551,498)
- Net unrealised (loss) / gain on revaluation of investments	6.3	(16,008,540)	(15,667,701)	(1,011,078)	6,569,814
		(36,897,009)	(45,917,479)	(24,886,057)	(20,981,684)
Total loss		(31,082,888)	(39,032,890)	(22,469,257)	(17,361,447)
Expenses					
Remuneration of the Management Company		2,170,779	2,403,018	862,320	983,937
Sales tax on Management fee		282,205	312,396	112,101	127,914
Reimbursement of expenses to the Management Company		92,941	119,478	31,299	54,778
Remuneration of the Trustee		352,877	356,050	176,438	176,438
Sales tax on Trustee fee		45,875	46,287	22,938	22,938
Brokerage charges		717,436	298,889	361,628	185,474
Bank charges		25,913	15,490	18,379	9,181
Auditors' remuneration		358,064	429,829	179,032	250,929
SECP annual fee	7.1	103,112	102,353	40,960	41,818
Fees and subscription		104,531	97,341	56,016	48,532
Settlement charges, federal excise duty and capital value tax		412,981	335,512	206,314	178,729
Printing charges and other expenses		1,961	134,084	-	66,785
Total expenses		4,668,675	4,650,727	2,067,425	2,147,453
Net loss for the period before taxation		(35,751,363)	(43,683,617)	(24,536,682)	(19,508,900)
Taxation	9	-	-	-	-
Net loss for the period before taxation		(35,751,363)	(43,683,617)	(24,536,682)	(19,508,900)
Allocation of net income for the period					
Net income for the period		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		-	-	-	-
Accounting income available for distribution					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-
		-	-	-	-

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Statement of Comprehensive income

For the Half Year Ended December 31, 2018 (Un-Audited)

	<u>Half year ended December 31,</u>		<u>Quarter ended</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>
	----- (Rupees) -----		----- (Rupee
Net loss for the period before taxation	(35,751,363)	(43,683,617)	(24,536,682)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	<u>(35,751,363)</u>	<u>(43,683,617)</u>	<u>(24,536,682)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Cash flow Statement

For the Half Year Ended December 31, 2018 (Un-Audited)

	Half year ended December 31,	
	2018	2017
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(35,751,363)	(43,683,617)
Adjustments for non-cash and other items:		
Net loss on investments 'at fair value through profit or loss' -		
- Net capital loss on sale of investments	20,888,469	30,249,778
- Net unrealised loss on revaluation of investments	16,008,540	15,667,701
Dividend income from investments classified as-		
at fair value through profit or loss'	(4,236,262)	(3,604,725)
Profit earned on debt securities classified as		
'at fair value through profit or loss'	-	(1,338,021)
Return on bank balances	(1,578,059)	(1,866,022)
Other Income	-	(75,821)
	<u>(4,668,675)</u>	<u>(4,650,727)</u>
(Increase)/ decrease in assets		
Prepayments, deposits and other receivables	131,377	(119,632)
Receivable against sales of investment	(44,171)	-
	87,206	(119,632)
(Decrease) / increase in liabilities		
Payable to the Management Company	(329,839)	(609,437)
Remuneration payable to the Trustee	2,170	(329)
Accrued and other liabilities	(355,996)	(376,351)
Payable against purchase of investment	6,243,398	-
	5,559,733	(986,117)
Proceeds from sale / redemption of investments	464,102,455	329,700,055
Payments made against purchase of investments	(471,897,796)	(203,466,761)
Dividend received	4,130,887	2,263,250
Profits and returns received	1,529,326	3,783,780
Net cash (used in) / generated from operating activities	<u>(1,156,864)</u>	<u>126,523,848</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	137,405,515	87,423,025
Payments made against redemption of units	(168,777,780)	(179,899,012)
Net cash generated from (used in) financing activities	<u>(31,372,265)</u>	<u>(92,475,987)</u>
Net (decrease) / increase in cash and cash equivalents during the period	(32,529,129)	34,047,861
Cash and cash equivalents at beginning of the period	64,923,586	25,474,720
Cash and cash equivalents at end of the period	<u>5</u> <u>32,394,457</u>	<u>59,522,581</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Statement of Movement in Unit Holders' Fund

For the Half Year Ended December 31, 2018 (Un-Audited)

	December 31, 2018			December 31, 2017		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)					
Net assets at beginning of the period	431,701,872	(210,286,588)	221,415,284	459,773,450	(148,618,462)	311,154,988
Issuance of 2,347,853 (December 31, 2017: 720,925) units						
- Capital value (at net assets value per unit at beginning	140,918,137	-	140,918,137	52,966,360	-	52,966,360
- Element of income	(3,512,822)	-	(3,512,822)	(442,191)	-	(442,191)
Total proceeds on issuance of units	137,405,515	-	137,405,515	52,524,169	-	52,524,169
Redemption of 2,980,933 (December 31, 2017: 2,236,863) units						
- Capital value (at net assets value per unit at beginning of the period)	(178,915,599)	-	(178,915,599)	(164,342,325)	-	(164,342,325)
- Amount paid out of element of income	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	-	-	11,637,126	-	11,637,126
- Refund / adjustment on units as element of income	10,137,819	-	10,137,819	-	-	-
Total payments on redemption of units	(168,777,780)	-	(168,777,780)	(152,705,199)	-	(152,705,199)
Income already paid on units redeemed	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(35,751,363)	(35,751,363)	-	(43,683,617)	(43,683,617)
Distribution during the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(35,751,363)	(35,751,363)	-	(43,683,617)	(43,683,617)
Net assets at end of the period	400,329,607	(246,037,951)	154,291,656	359,592,420	(192,302,079)	167,290,341
Distribution for the period						
Undistributed loss brought forward						
- Realised	-	(191,409,065)	(191,409,065)	-	(147,268,607)	(147,268,607)
- Unrealised	-	(18,877,523)	(18,877,523)	-	(1,349,855)	(1,349,855)
	-	(210,286,588)	(210,286,588)	-	(148,618,462)	(148,618,462)
Accounting loss for the period	-	(35,751,363)	(35,751,363)	-	(43,683,617)	(43,683,617)
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-
Undistributed loss carried forward	-	(246,037,951)	(246,037,951)	-	(192,302,079)	(192,302,079)
- Realised	-	(225,584,755)	(225,584,755)	-	(176,878,100)	(176,878,100)
- Unrealised	-	(20,453,196)	(20,453,196)	-	(15,423,979)	(15,423,979)
	-	(246,037,951)	(246,037,951)	-	(192,302,079)	(192,302,079)
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			60.02			73.47
Net assets value per unit at end of the period			50.48			61.52

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Stock Fund (Formerly Faysal Balanced Growth Fund) (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on February 18, 2004. It has been constituted under a Trust Deed, dated January 29, 2004, between Faysal Asset Management Limited (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Muslim Commercial Financial Services (Private) Limited as the Trustee till June 04, 2005 and thereafter between Faysal Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017).
- 1.2 The Management Company has further entered into a third supplemental trust deed dated December 26, 2017 with CDC as the Trustee, to convert the category of the Fund from "Balanced Scheme" to "Equity Scheme" and to change its name from "Faysal Balanced Growth Fund" to "Faysal Stock Fund" along with the changes in fundamental attributes of the Constitutive Documents of the Fund, including investment objectives of the scheme. SECP vide its letter No.SCD/AMCW/FAML/FBGF/267/2018 dated February 16, 2018 has approved the restated offering document of the Fund. The Management Company has changed the name and category of the Fund with effect from March 01, 2018 and the name of the Fund has also been changed from "Faysal Balanced Growth Fund" to "Faysal Stock Fund".
- 1.3 Effective from March 01, 2018, the Fund is an open ended equity mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Title to the assets of the fund are held in the name of CDC as a Trustee of the Fund. The units are listed on the Pakistan Stock Exchange Limited. The Fund was launched on April 19, 2004.
- 1.4 The principal activity of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments.
- 1.5 The Fund is categorized as an "Equity Scheme" as per the Circular No. 7 of 2009 issued by SECP.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "1-Star" (1 year) fund performance ranking to Faysal Stock Fund (formerly Faysal Balanced Growth Fund) as of October 31, 2018.
- 1.7 JCR - VIS has awarded an "AM3" asset manager rating to the Management Company as of March 19, 2018.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- 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, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3. BASIS OF PREPARATION

- 3.1 These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2018.

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

3.2 These condensed interim financial statements are presented in Pak rupees, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and basis of accounting estimates applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' as disclosed in note 4.2.

4.1 New / Revised Standards, Interpretations and Amendments

The fund has adopted the following accounting standards, interpretations and the amendments of IFRSs which became effective for the current period:

IFRS 9 'Financial Instruments'. Effective from accounting period beginning on or after July 01, 2018 as per directives issued by SECP.

IFRS 15 'Revenue from Contracts with Customers'. Effective from accounting period beginning on or after July 01, 2018 as per directives issued by SECP.

4.2 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Fund has applied IFRS - 9 'Financial Instruments' (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS - 7 'Financial Instruments' : Disclosures that are applied to the disclosures for the half year ended December 31, 2018.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's interim financial statements are described below except the General Hedge Accounting which is not applicable on the Fund. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;

the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement:

- there is no change in the measurement of the Fund's investments in equity securities that are held for trading; those instruments were and continue to be measured at FVTPL;
- financial assets including loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

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

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

(d) Disclosures in relation to the initial application of IFRS 9

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

There have been no reclassification in financial assets as a result of transition to IFRS 9.

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	----- (Rupees) -----
5. BANK BALANCES			
Cash at bank - PLS savings accounts	5.1	32,394,457	64,923,586
5.1			
These carry mark-up ranging between 5.50% and 11.10% (June 30, 2018: 4.50% and 7.35%) per annum and include a balance of Rs.18.11 million (June 30, 2018: Rs.0.078 million) held with Faysal Bank Limited (a related party).			
	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
6. INVESTMENTS			
Financial asset at fair value through profit or loss			
Listed equity securities	6.1	127,981,761	157,083,429
		127,981,761	157,083,429

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

6.1 Listed equity securities - as at fair value through profit or loss

Name of investee company	Note	Number of shares				Market value as at December 31, 2018 (Rupees)	Unrealised gain / (loss) on revaluation	Investment as % of									
		As at July 01, 2018	Purchased during the period	Bonus / right shares received	Disposed off during the period			Net assets	Total investments	Investee company paid-up capital							
* Ordinary shares having a face value of Rs. 10 each unless stated otherwise																	
Chemical																	
Engro Polymer and Chemicals Limited	110,000	-	678,446	-	481,446	325,000	11,821,453	12,070,500	249,048	7.82%	-	9.43%	0.04%				
Engro Polymer and Chemicals Limited-LoR	31,446	-	-	31,446	-	-	4,415,604	4,033,400	(382,204)	2.61%	-	3.15%	0.14%				
Deacon Oxychem Limited	635,000	-	495,000	-	495,000	140,000	3,638,773	3,378,000	(260,773)	2.19%	-	2.64%	0.20%				
ICI Pakistan Limited	9,900	-	290,500	-	90,500	9,900	10,109,118	7,864,263	(2,244,855)	5.10%	-	6.14%	0.01%				
							29,984,947	27,346,163	(2,638,784)	17.72%		21.36%	0.39%				
Fertilizer																	
Engro Corporation Limited	20,000	-	113,000	-	102,000	31,000	9,926,048	9,023,480	(902,568)	5.85%	-	7.05%	0.01%				
Fajal Fertilizer Bn Qasim Ltd	10,000	-	10,000	-	10,000	-	-	-	-	0.00%	-	0.00%	0.00%				
Engro Fertilizers Limited	-	-	137,000	-	132,000	5,000	401,275	345,250	(56,025)	0.27%	-	0.27%	0.00%				
							10,327,323	9,388,730	(938,593)	6.07%		7.32%	0.01%				
Cement																	
Cerat Cement Company Limited	13,500	-	71,000	-	81,500	3,000	275,000	208,950	(66,050)	0.14%	-	0.16%	0.00%				
Dewan Cement Limited	-	-	25,000	-	25,000	-	-	-	-	0.00%	-	0.00%	0.00%				
D.G. Khan Cement Company Limited	40,000	-	210,000	-	225,000	25,000	2,511,975	2,003,750	(514,225)	1.30%	-	1.57%	0.01%				
Lucky Cement Limited	15,000	-	53,000	-	58,000	10,000	4,899,513	4,346,700	(551,813)	2.92%	-	3.40%	0.00%				
							7,691,489	6,559,400	(1,132,089)	4.26%		5.13%	0.01%				
Engineering																	
Anneel Steels Limited	15,000	-	-	-	15,000	-	-	-	-	0.00%	-	0.00%	0.00%				
Crescent Steel and Allied Products Limited	5,000	-	5,000	-	5,000	-	1,932,689	1,232,400	(700,289)	0.80%	-	0.80%	0.01%				
International Industries Limited	10,000	-	23,000	-	25,000	8,000	9,127,762	591,530	(8,536,232)	0.38%	-	0.46%	0.00%				
International Steels Limited	70,000	-	174,500	-	236,500	9,000	7,891,489	6,559,400	(1,332,089)	4.26%	-	5.13%	0.01%				
Mughal Iron & Steel Industries, Limited	25,000	-	41,500	-	66,500	-	2,846,471	1,824,330	(1,021,141)	1.16%	-	1.42%	0.01%				
Oil and gas marketing companies																	
Haseco Petroleum Limited	-	-	17,500	-	16,500	1,000	891,180	575,050	(316,130)	0.37%	-	0.45%	0.00%				
Sui Northern Gas Pipelines Limited	145,000	-	115,000	-	202,000	59,000	5,614,887	4,470,060	(1,144,827)	2.90%	-	3.49%	0.01%				
Sui Southern Gas Company Limited	100,000	-	45,000	-	33,000	112,000	3,938,726	2,597,200	(1,351,526)	1.68%	-	2.02%	0.01%				
							10,444,784	7,632,310	(2,812,474)	4.95%		5.96%	0.02%				
Oil and gas exploration companies																	
Pakistan Oil Fields Limited	21,000	-	66,000	-	80,500	10,000	4,664,430	4,248,200	(416,230)	2.75%	-	3.32%	0.00%				
Pakistan Petroleum Limited	40,400	-	163,700	-	169,600	24,500	5,953,430	5,238,100	(715,330)	3.39%	-	4.09%	0.00%				
Pakistan State Oil Company Limited	3,000	-	3,000	-	3,000	8,000	2,191,962	1,803,440	(388,542)	1.17%	-	1.41%	0.00%				
Mira Petroleum Company Limited	3,000	-	3,000	-	3,000	3,500	5,596,854	4,943,440	(643,414)	3.20%	-	3.89%	0.00%				
Oil & Gas Development Company Limited	62,000	-	279,000	-	334,500	6,500	850,171	832,000	(18,171)	0.54%	-	0.65%	0.00%				
							19,246,867	17,065,980	(2,181,887)	11.05%		13.33%	0.00%				

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

Name of investee company	Note	Number of shares				Market value as at December 31, 2018	Unrealised gain/(loss) on revaluation	Net assets	Investments % of	
		As at July 01, 2018	Purchased during the period	Bonus / right shares received	Disposed off during the period				Total Investments	Investee company paid-up capital
----- (Rupees) -----										
Textile companies										
Nishat Mills Limited	-	126,000	-	66,000	-	6,521,674	(629,874)	4.92%	5.53%	0.00%
Nishat Churnani Limited	-	135,000	-	115,000	-	971,600	(110,344)	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Limited	25,000	-	-	25,000	-	1,061,944	-	0.00%	6.89%	0.00%
						8,603,618	(1,040,218)	5.55%		0.01%
----- (Rupees) -----										
Commercial banks										
Bank Alfalah Limited	6.1.1	100,000	297,150	26,350	198,500	10,763,955	(1,631,205)	5.92%	7.14%	0.01%
Bank AL Habab Limited	-	5,500	25,000	-	-	2,098,095	(192,800)	1.36%	1.64%	0.00%
Habib Bank Limited	-	50,000	167,000	-	156,000	6,234,444	(896,664)	4.76%	5.74%	0.00%
MCB Bank Limited	-	10,000	40,000	-	39,000	2,120,270	(15,463)	1.36%	1.63%	0.00%
Habib Metropolitan Bank Limited	-	-	12,000	-	12,000	549,020	700	0.36%	0.43%	0.00%
Bank Of Punjab Limited	-	-	300,000	-	150,000	1,956,125	(169,625)	1.18%	1.40%	0.00%
Meezan Bank Ltd	-	125,500	-	25,000	-	288,393	-	0.04%	0.04%	0.00%
Summit Bank Limited	-	30,000	178,300	-	187,300	5,614,971	(596,731)	3.26%	3.93%	0.00%
United Bank Limited	-	-	-	-	41,000	57,400	(230,993)	0.04%	0.04%	0.00%
						31,832,659	(3,694,110)	18.24%	21.98%	0.01%
----- (Rupees) -----										
* Ordinary shares having a face value of Rs.10 each unless stated otherwise										
Automobile assemblers										
Honda Atlas Cars (Pakistan) Limited	-	14,000	-	-	14,000	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	-	3,000	500	-	700	3,415,104	(1,256,227)	2.21%	2.67%	0.00%
Ghandhara Industries Ltd	-	3,999	5,799	-	2,199	-	-	0.00%	0.00%	0.01%
Ghandhara Nissam Limited-Lor	-	6,000	3,999	-	2,999	-	-	0.00%	0.00%	0.00%
Ghandhara Nissam Limited	-	-	-	-	7,000	533,934	(248,939)	0.18%	0.22%	0.01%
						3,700,099	(1,505,166)	2.39%	2.89%	0.02%
Power generation and distribution										
The Hub Power Company Limited	6.1.1	48,500	30,000	-	69,500	1,286,850	(138,150)	0.83%	1.01%	0.00%
Nishat Power Limited	-	20,000	-	-	20,000	-	-	0.00%	0.00%	0.00%
						1,425,000	(138,150)	0.83%	1.01%	0.00%
Insurance										
IGI Holdings Limited (Formerly: IGI Insurance Limited)	-	4,000	-	600	-	925,429	(447,570)	0.60%	0.72%	0.00%
Pharmaceuticals										
AGP Limited	-	30,000	63,000	-	57,000	3,335,429	(187,949)	2.04%	2.46%	0.01%
The Searle Company Limited	-	5,000	-	-	5,000	-	-	0.00%	0.00%	0.00%
						3,335,429	(187,949)	2.04%	2.46%	0.01%

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

Name of investee company	Note	Number of shares				Cost as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss) on revaluation	Investment as % of			
		As at July 01, 2018	Purchased during the period	Bonus / right shares received	Disposed off during the period				Net assets	Total investments	Investee company paid-up capital	
Automobile parts and accessories												
Leads Limited		61,000	-	-	32,500	28,500	1,189,987	604,200	(585,787)	0.39%	0.47%	0.02%
Food and personal care products												
Fajji Foods Limited		60,000	325,000	-	185,000	200,000	6,732,013	(676,013)	3.93%	4.73%	0.04%	
Malco Foods Limited		100,000	205,000	-	235,000	70,000	2,068,865	(488,114)	1.34%	1.62%	0.06%	
Vanaspati and allied industries						9,298,992	8,124,865	(1,174,127)	5.27%	6.35%	0.10%	
Unity Foods Limited		225,000	430,000	-	605,000	50,000	1,553,085	1,286,500	0.83%	1.01%	0.03%	
Technology and communication												
TRG Pakistan Limited		40,000	225,000	-	157,000	108,000	3,077,168	(688,758)	1.56%	1.88%	0.02%	
December 31, 2018		<u>1,702,745</u>	<u>5,754,394</u>	<u>30,470</u>	<u>5,237,611</u>	<u>2,189,998</u>	<u>148,434,957</u>	<u>127,981,761</u>	<u>(20,453,196)</u>			
June 30, 2018						<u>175,960,952</u>	<u>157,085,429</u>	<u>(18,877,523)</u>				

Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP:

	December 31, 2018	June 30, 2018
Bank Alfalah Limited	200,000	100,000
The Hub Power Company Limited	10,000	40,000
	210,000	140,000
	8,118,000	5,229,000.00
	857,900	3,686,400
	8,975,900	8,915,400

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
6.3 Net unrealised loss on revaluation of investments			
Market value of investments		127,981,761	157,083,429
Cost of investments		<u>(148,434,957)</u>	<u>(175,960,952)</u>
		(20,453,196)	(18,877,523)
Net unrealised loss on investments at beginning of the period		18,877,523	1,349,855
Realised on disposal during the period		(14,432,867)	(1,599,141)
		4,444,656	(249,286)
		(16,008,540)	(19,126,809)

		December 31, 2018	June 30, 2017
	Note	----- (Rupees) -----	
7. ACCRUED AND OTHER LIABILITIES			
SECP annual fee payable	7.1	103,087	200,502
Brokerage payable		47,160	74,843
Accrued liabilities		685,060	993,736
Zakat payable		78,366	588
Provision for Sindh Workers' Welfare Fund (SWWF)	7.2	1,082,489	1,082,489
Provision for indirect taxes and duties	7.3	<u>1,209,652</u>	<u>1,209,652</u>
		3,205,814	3,561,810

7.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP annually an amount equal to 0.095% (June 30, 2018: 0.095%) per annum of the daily net assets value of the Fund.

7.2 There is no change in the status of Sindh Workers Welfare Fund (SWWF) as reported in note 12.2 of the annual financial statements of the fund for the year ended June 30, 2018.

7.3 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty at the rate of 16% on the services of the Management Company, as reported in note 12.3 to the annual financial statements of the Fund for the year ended June 30, 2018.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018 except for as disclosed in relevant notes to these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

9. TAXATION

The income of the fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99), subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause II A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements for the period ended December 31, 2018.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 10.1 Connected persons / related parties include Faysal Asset Management Limited being the Management Company, CDC 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 connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.
- 10.2 The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 10.3 The details of significant transactions carried out by the Fund with connected persons / related parties and balances with them at period end are as follows:

	Half year ended December 31,	
	2018	2017
	----- (Rupees) -----	
Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	2,170,779	2,403,018
Sales tax on Management fee	282,205	312,396
Reimbursement of expenses to the Management Company	92,941	119,478
* Faysal Bank Limited (Group / Associated Company)		
Return on PLS savings accounts	105	-
Issuance of units 297,147 (December 2017: Nil)	15,000,000	-
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration of the Trustee	352,877	356,050
Sales tax on Trustee fee	45,875	46,287
Settlement charges	49,332	29,301
	December 31,	June 30,
	2018	2018
	(Un-audited)	(Audited)
	----- (Rupees) -----	
Outstanding balances		
Faysal Asset Management Limited (Management Company)		
Management fee payable	251,985	366,854
Sales tax payable on Management fee	32,758	47,690
Reimbursement of expenses payable to the Management Company	27,518	225,234
Sales load payable	586	2,908
* Faysal Bank Limited (Group / Associated Company)		
Units in issue 853,329 units (June 30, 2018: 556,182 units)	43,076,048	33,379,456
Balance in PLS savings accounts	18,114,441	78,668
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration payable to the Trustee	61,872	59,953
Sales tax payable on Trustee fee	8,044	7,793
Security deposit	107,500	107,500

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

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and

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

	December 31, 2018				Total	Fair value			Total
	Carrying amount		Fair value			Level 1	Level 2	Level 3	
	Investments	Deposits and other receivables	Bank balances						
Financial assets measured at fair value	127,981,761	-	-	127,981,761	127,981,761	-	-	-	127,981,761
Investments in listed equity securities - held for trading									
Bank balances	-	-	32,394,457	32,394,457					
Deposits and other	-	3,146,483	-	3,146,483					
	127,981,761	3,146,483	32,394,457	163,522,701	127,981,761	-	-	-	127,981,761
Financial assets not measured at fair value									
Bank balances									
Deposits and other									
Financial assets measured at fair value	157,083,429	-	-	157,083,429	157,083,429	-	-	-	157,083,429
Investments in listed equity securities - held for trading									
Bank balances	-	-	64,923,586	64,923,586					
Deposits and other receivables	-	3,242,375	-	3,242,375					
	157,083,429	3,242,375	64,923,586	225,249,390	157,083,429	-	-	-	157,083,429
Financial assets not measured at fair value									
Bank balances									
Deposits and other receivables									

During the period ended December 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2018 (Un-Audited)

	December 31, 2018				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
------(Rupee)-----					
Financial liabilities not measured at fair value					
Payable to the Management Company	280,089	-	-	-	-
Remuneration payable to the Trustee	61,872	-	-	-	-
Accrued and other liabilities	732,220	-	-	-	-
	1,074,181	-	-	-	-
------(Rupee)-----					
Financial liabilities not measured at fair value					
Payable to the Management Company	594,996	-	-	-	-
Remuneration payable to the Trustee	59,953	-	-	-	-
Accrued and other liabilities	1,068,579	-	-	-	-
	1,723,528	-	-	-	-

12. GENERAL

- 12.1 The Total Expense Ratio (TER) of the Fund is 4.31% (December 31, 2017: 3.88%) which includes 0.52% (December 31, 2017: 0.45%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations.
- 12.2 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.
- 12.3 Figures are rounded off to the nearest rupee.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26 February 2019 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ٹھڈکی کارکردگی

ایف ایس ایف کو مالی سال 2019ء کی پہلی ششماہی کے دوران ادائیگیوں کے بحران اور سیاسی عدم استحکام کے باعث مارکیٹ کی منفی کارکردگی سے 11.56 فیصد کے منفی ہدف سے متعلق 15.89 فیصد منفی آمدنی حاصل ہوئی۔ تاہم آپ کے کے اوسط ایکویٹی مظاہر مالی سال 2019 کی پہلی ششماہی کے دوران متوقع سیاسی تصفیہ اور آئی ایم ایف بیل آؤٹ پروگرام کے حتمی نتیجے سے استفادہ کی توقع میں 81.61 فیصد پر برقرار رکھی گئی۔ مزید یہ کہ آپ کا ، حالیہ معاشی عدم استحکام سے نمٹنے کے لئے حکومتی جدوجہد کے پیش نظر اپنی حکمت عملی طے کرے گا۔

ٹھڈکی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آر اے) نے فیصل اسٹاک کو 31 اکتوبر 2018ء کو ”1 اسٹار“ پر فارمنس ریٹنگ (ای سال) تفویض کی ہے۔

اعتراف کارکردگی

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز، مینجمنٹ پر اعتماد کے لئے نٹ ہولڈرز اور گرانڈر حمایت، تعاون اور رہنمائی کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے شکرگزار ہیں۔ بورڈ نے مخلصانہ خدمات اور جدوجہد کے ضمن میں مینجمنٹ کمپنی کے ملازمین اور اسٹیٹ کا بھی شکریہ ادا کیا ہے۔

منجانب بورڈ

خلدون بن لطیف

چیف ایگزیکٹو آفیسر

کراچی: 26 فروری 2019

اضافہ اور زرمبادلہ کے ذخائر میں کمی پر تشویش کے ساتھ یکجا ہوتی رہیں اور مارکیٹ غیر معمولی دباؤ کا شکار رہی۔ مزید برآں گیس کے نرخوں میں اضافہ کے ساتھ سود کی شرح میں اضافہ، روپے کی قدر میں کمی، بجلی کے بڑھتے ہوئے نرخوں اور آئی ایم ایف کے تیل آؤٹ پیکج میں تاخیر سے مارکیٹ مزید زوال پذیر ہوئی۔ مزید یہ کہ نومبر 2018ء میں ایم ایس سی آئی کے نیم سالانہ جائزہ میں ایم ایس سی آئی ای ایم انڈیکس میں پاکستان کی وقعت میں کمی سے سرمایہ کاروں کا اعتماد متزلزل ہوا۔

شعبہ جاتی کارکردگی میں ای اینڈ پی سیکٹرز نے مالی سال 2019ء کی دوسری سہ ماہی کے دوران تیل کے نرخوں میں کمی کے سبب انڈیکس کو نقصان پہنچایا۔ سینٹ اور انجینئر کے شعبے بھی سود کی شرح میں اضافہ اور روپے کی قدر میں کمی کے باعث دباؤ کا شکار رہے۔ مالی سال 2019ء کی دوسری سہ ماہی کے دوران 225 پوزیشن (بی پی ایس) میں مجموعی اضافہ کے باوجود بینکوں کی کارکردگی این پی ایل ز میں اضافہ اور اہم بینکوں کی مسلسل غیر ملکی فروخت کے باعث کارکردگی قابل ذکر نہ رہی۔ ریفرنسز کے شعبہ میں حاضر مال پر نقصان اور تیل کے نرخوں میں کمی کے باعث تنزیل رہی۔ دوسری جانب فریٹلائزر شعبہ نے حکومت کی موافق پالیسیوں کے سبب سرمایہ کاروں کی توجہ مبذول کرائی۔

ایم ایس سی آئی کے نیم سالانہ جائزہ میں دودارے (Luck اور UBL) ایم ایس سی آئی کے مین انڈیکس سے کم درجہ پر آگئے ہیں جس کے نتیجے میں ایم ایس سی آئی۔ ای ایم انڈیکس میں پاکستان کے رتبہ میں کمی آگئی ہے اور مالی سال 2019ء کی دوسری سہ ماہی کے دوران غیر ملکی سرمایہ کاروں کی جانب سے بڑی فروخت کے لئے طریقہ کار طے ہوا ہے۔ اسی طرح غیر ملکیوں نے مسلسل اپنے اطوار تبدیل کر دیئے جیسا کہ فارن انویسٹرز پورٹ فولیو انویسٹمنٹ ایف آئی پی آئی میں اندراج کے دوران 214.66 ملین امریکی ڈالر کی فروخت ہوئی جبکہ گزشتہ سہ ماہی اور گزشتہ سال میں بالترتیب 189.01 ملین ڈالر اور 65.11 ملین امریکی ڈالر کی فروخت ہوئی۔

مزید برآں حکومت کی پالیسی اور اسٹرکچرل اصلاحات کے سبب قریبی مدت میں معاشی پیداوار میں کمی متوقع ہے جو نتائج سے ظاہر ہوگا اور مارکیٹ کی کارکردگی پر نظر رکھنی ہوگی۔ تاہم دوست ممالک سے توقع ہے کہ وہ موافق شرائط پر آئی ایم ایف سے ای اور تیل آؤٹ پیکج کے لئے پاکستان کی مدد کریں گے جس سے سرمایہ کاروں کا اعتماد بحال ہو سکتا ہے۔ مزید برآں انٹرنیشنل پلیرز (Exxon Mobile اور ENI) مقامی ای اینڈ پی پلیرز (OGDC اور PPL) کے ساتھ مل کر بڑے ذخائر کی توقع میں کھدائی شروع کر دی ہے، جس میں کامیابی سے مقامی ای اینڈ پی پلیرز کے لئے نئے بائ بھل سکتے ہیں۔ مزید یہ کہ آنے والے مئی بجٹ سے اسٹاک مارکیٹ ٹیکسز کی اصولی تنظیم اور برآمدات کے شعبوں کے لئے خام مال کی درآمد پر ڈی ٹی میں تخفیف سے اسٹاک مارکیٹ پر مثبت عمل درآمد کی توقع ہے۔

مستقل دباؤ میں ہیں، خصوصاً بھاری قرضوں کی مد میں۔ پس ذخائر 11 جنوری 2019ء کو 13.49 بلین امریکی ڈالر تھے جس سے جون کے اختتام کے بعد سے 17.79 فیصد کمی پائی گئی ہے۔ افراطِ زر بھی تیل کے زائد نرخوں کے باعث مستقل طور پر زیادہ ہے اور مالی سال 2019ء کی پہلی ششماہی کے لئے افراطِ زر مالی سال 2018ء کی پہلی ششماہی کے 3.75 فیصد کے مقابلہ میں اوسطاً 6.04 فیصد زائد ہوا۔ مجموعی مطالبہ پر قابو پانے اور اعلیٰ درجہ پر منافع کی اصل شرح رکھنے کے لئے سینٹرل بینک نے اپنی سخت نگرانی قائم رکھی اور پالیسی نرخ میں دس فیصد اضافہ کر دیا۔

مزید برآں دوست ممالک کی حالیہ امداد سے پاکستان کا آئی ایم ایف سے موافق شرائط پر پیل آؤٹ پیکیج طے ہوا۔ آئی ایم ایف پروگرام طے ہونا مزید بین الاقوامی اداروں سے بھی قرضوں کے حصول کے لئے راہ ہموار کرے گا۔ امریکہ سے تعلقات بہتر ہونا پاکستان کے لئے اہم اور مثبت ثابت ہوگا اور نتیجتاً امریکہ سے تجارتی تعلقات بہتر ہونا ہی ایس ایف کے تحت آمد کی بحالی اور آئی ایم ایف کے نیل آؤٹ پیکیج سے استفادہ میں بھی مدد ملے گی۔ مزید یہ کہ دوست ممالک (چین اور کے ایس اے) کی جانب سے پاکستان میں سرمایہ کاری کے عندیہ اور بین الاقوامی کمپنیوں کی سرمایہ کاری سے بھی ملک میں سرمایہ کاری کی فضا کو فروغ حاصل ہوگا اور دیگر سرمایہ کار بھی راغب ہوں گے۔

ایکیویٹی جائزہ

پاکستان اسٹاک مارکیٹ نے مالی سال 2019ء کی دوسری سہ ماہی کے لئے ادائیگیوں کی بدترین صورت حال اور سیاسی بے چینی کے باوجود اپنی کارکردگی جاری رکھی ہے۔ کے ایس ای 100 انڈیکس کی صورت حال بدستور خراب ہے اور معلوم ہوا ہے کہ گزشتہ سال کی اسی مدت کے دوران 4.57 فیصد تخفیف کے مقابلہ میں اس سال 9.59 فیصد کمی آئی ہے۔ روزانہ تجارت کی اوسط مالیت (اے ڈی ٹی وی) میں سال بہ سال کی بنیاد پر 33.13 فیصد اضافہ ہوا ہے اور 2019ء کی دوسری سہ ماہی کے دوران 184.33 بلین شیئرز ریکارڈ ہوئے تھے۔ مالی سال 2019ء کی پہلی ششماہی کے دوران سیاسی تبدیلی سے بہتری پر اچتریں (آمدنیاں) کم رہیں اور مارکیٹ میں مندی کا رجحان رہا۔ کے ایس ای 100 انڈیکس میں گزشتہ سال کی متعلقہ مدت کی 13.09 فیصد کمی کے مقابلے میں اس دوران 11.56 فیصد کمی ریکارڈ کی گئی۔

سعودی عربیہ کے چھ بلین امریکی ڈالر کے پیکیج (مالی امداد اور ادائیگیوں کی مختلف مراعات) عرب امارات کے 6.2 بلین امریکی ڈالر (مالی امداد اور ادائیگیوں کی مختلف سہولیات) اور چین کے دو بلین امریکی ڈالر (ادائیگیوں کی بقیہ مراعات) سمیت دوست ممالک کی اعلان کردہ مختلف امداد بھی سرمایہ کاروں کو راغب نہ کر سکیں چونکہ مذکورہ مدت کے دوران معاشی کرنٹ اور مالی اکاؤنٹ کے خسارہ میں

اقتصادی جائزہ

پاکستان کی معاشی صورت حال کرنٹ اکاؤنٹ خسارہ میں کمی کے باعث بیرونی دباؤ کم کرنے کے لئے حکومت کے نتائج افزا اقدامات سے بہتر ہونا شروع ہو گئی ہے تاہم مالی خسارہ بدستور زیادہ ہے۔ پاکستان کو مشکل حالات سے بچانے کے لئے دوست ممالک سے حکومت کے رابطوں کے نتیجے میں دوست ممالک سے کئی بلین ڈالر کی امداد موصول ہوئی، ساتھ ہی کے ایس اے اور اے ای سے تیل کی ادائیگیوں میں مہلت حاصل ہوئی۔ مزید برآں معاشی صورت حال کو مستحکم کرنے کے لئے ضروری سخت فیصلے بشمول سود کے نرخوں میں اضافہ، بجلی اور گیس کی شرح پر نظر ثانی، روپے کی قدر میں کمی، مختلف النوع محصولات کا نفاذ اور سبسڈی میں تخفیف، مالی خسارہ اور بہت سے مطالبات کو روکنے کے لئے نئی حکومت نے کئے جس کے نتیجے میں کاروباری سرگرمیوں کی رفتار کم ہوئی اور ایل ایس ایم کی تعداد میں کمی آئی اور مستقبل قریب میں صورت حال نہی رہنے کی توقع ہے۔

تجارتی خسارہ کو کم کرنے کے لئے حکومت نے برآمدی شعبوں کو فروغ دینے اور قیش کے سامان کی درآمد کو روکنے کے لئے مزید محصولات عائد کرنے کے اقدامات متعارف کرائے ہیں جن کے تاحال کوئی بہت زیادہ منافع بخش نتائج سامنے نہیں آئے ہیں لیکن آگے جا کر صورت حال بہتر ہو جائے گی۔ درآمدات میں تخفیف آگئی ہے اور 2019ء کے مالی سال کی پہلی ششماہی میں 27.39 بلین ڈالر ہوئی ہے اور سال بہ سال کی بنیاد پر ابھی کم ہیں اور 2019ء کے مالی سال کی پہلی ششماہی میں 11.84 بلین امریکی ڈالر رہی جو گزشتہ سال مذکورہ مدت کے دوران 11.83 بلین امریکی ڈالر تھی، نتیجتاً تجارتی خسارہ میں سال بہ سال کی بنیاد پر 5.37 فیصد اضافہ ہوا جو 15.55 بلین امریکی ڈالر رہا۔

ترسیل زر میں اضافہ کے لئے نئی حکومت کے اٹھائے گئے اقدامات کے نتیجے میں سال بہ سال کی بنیاد پر ترسیلات زر میں دس فیصد قابل ذکر اضافہ ہوا جو مالی سال 2019ء کی پہلی ششماہی میں 10.72 بلین امریکی ڈالر ہو گیا۔ زائد ترسیلات زر اور درآمدات میں کمی کے نتیجے میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) میں تخفیف ہوئی جو گزشتہ سال کے 8.35 بلین امریکی ڈالر کے مقابلے میں 7.98 بلین امریکی ڈالر ریکارڈ کیا گیا۔ 2019ء مالی سال کی پہلی ششماہی کے دوران براہ راست غیر ملکی سرمایہ کاری (ایف ڈی آئی) مستقل کم رہی اور گزشتہ سال کے 1.63 بلین امریکی ڈالر کے مقابلے میں 1.32 بلین ڈالر ہوئی جو سال بہ سال کی بنیاد پر 19.2 فیصد کم ظاہر ہوئی۔

کے ایس اے سے مختص کردہ تین بلین امریکی ڈالر مالی امداد میں دو بلین امریکی ڈالر موصول ہونے کے باوجود زرمبادلہ کے ذخائر

ڈائریکٹرز رپورٹ

مینیجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ کا جائزہ

فیصل ایسٹ مینیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز، فیصل اسٹاک (سابقہ فیصل ہیلسنڈ گروتھ) (ایف ایس ایف) کی مینیجمنٹ کمپنی بخوشی 31 دسمبر 2018 کو مکمل ہونے والی سہ ماہی اور ششماہی کے غیر آڈٹ شدہ مربوط عبوری مالیاتی معلومات پیش کرتے ہیں۔

اہم مالیاتی معلومات

31 دسمبر کو مکمل ہونے والی سہ ماہی		31 دسمبر کو مکمل ہونے والی ششماہی		
2017	2018	2017	2018	
-----روپے بلین میں-----				
(17.361)	(22.469)	(39.033)	(31.083)	مجموعی نقصان
(2.147)	(2.067)	(4.651)	(4.669)	مجموعی اخراجات

(19.509)	(24.537)	(43.684)	(35.751)	قبل از محصولات مذکورہ مدت کیلئے نقصان
-	-	-	-	محصولات

(19.509)	(24.637)	(43.684)	(35.751)	بعدا از محصولات مذکورہ مدت کیلئے نقصان








61.52	50.48	61.52	50.48	NAV فی نٹ (روپے میں)







**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Head Office

West wing, 7th Floor, Faysal House, ST-02,
Shahrah-e-Faisal, Karachi, Pakistan.

Karachi

U 92 21 111329725
F 92 21 38657800

Lahore

T 92 42 35785558
F 92 42 35755196

Islamabad

T 92 51 2605721 / 23
F 92 51 2275252

faysalfunds.com

[facebook.com/faysalasset](https://www.facebook.com/faysalasset)

twitter.com/faysalasset