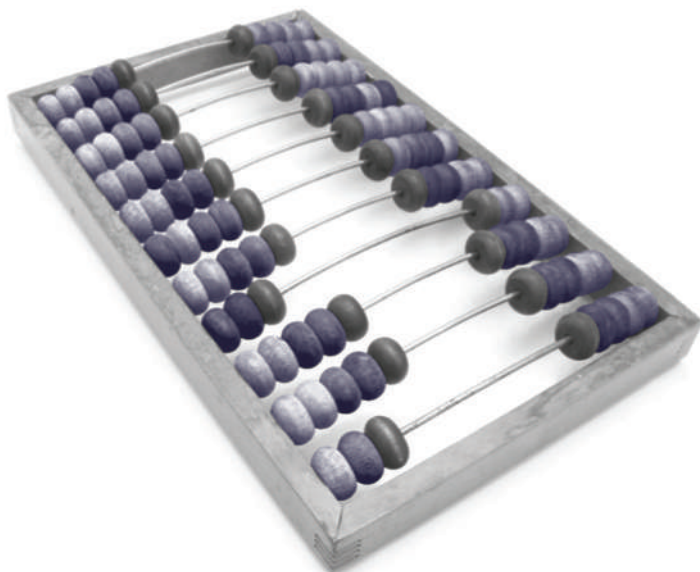


Faysal Asset Management

Stock Fund

Condensed Interim Financial Statements for
The Half Year Ended December 31, 2019



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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

MCB Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Allied Bank Limited
Habib Bank Limited
JS Bank Limited

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 Stock Fund (FSF) 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 Directors of Faysal Asset Management Limited, the Management Company of Faysal Stock Fund (FSF), are pleased to present the un-audited condensed interim financial statements of FSF for the half year and quarter ended December 31, 2019.

FINANCIAL HIGHLIGHTS

	Half Year Ended		Quarter Ended	
	December 31		December 31	
	2019	2018	2019	2018
	Rupees in million			
Total income / (loss)	33.407	(31.083)	29.833	(22.469)
Total expenses	(4.150)	(4.669)	(2.753)	(2.067)
Net income / (loss) for the period before taxation	29.257	(35.751)	27.080	(24.537)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	29.257	(35.751)	27.080	(24.537)
NAV per unit (Rs.)	52.23	50.48	52.23	50.48

ECONOMIC REVIEW

Country's political topography continues to be overshadowed with volatility abroad especially Middle East as Pakistan had to reassure Saudi Arabia's leadership that its ties with them remains firm despite Islamabad's engagement with other Muslim countries. The United States has showed concerns that CPEC may push Pakistan into an already stifling debt burden while Minister for Economic Affairs has stated that Pakistan would successfully achieve the Financial Action Task Force's International Co-operation Review Group action plan in 2020 as FATF related bills are presented in Senate.

As of FY 19, the real growth rate has declined to 2.9% below mean level of 4.4% vs. 5.8% as of FY 18. The IMF expects cycle to rebound in FY 21. The consumption and external accounts are emanating signs of recovery with expectations of improvement in government spending. Moody's has changed its outlook for Pakistan from negative to stable. PKR/USD is trading at 155 as it is up 13% YoY vs. 29% in SPLY with inflation differential of 11% with United States. The provisional REER for November 2019 is at 96 vs. 101 in SPLY. Central bank has maintained policy rate at 13.25% in latest meeting and we expect slight quantitative easing from July 2020. Currently, Pakistan holds FX reserves of USD 11.4bn with Central Bank.

The Phase-II of China-Pakistan Free Trade Agreement has come into force with effect from December 1, 2019. Meanwhile, December 2019 quarterly CAD, 1.0% of GDP or USD 661mn is under control with continuous improvement in run rate as December 2019 quarterly imports are down 17% YoY with an import cover of 2.6 months vs. 1.4 months in SPLY.

Current govt. has raised EOBI pension to PKR 8,500/month to provide a relief in lieu of declining purchasing power. However; consumption is slightly improving as December 2019 quarterly 1) inflation is slightly down to 11.9% vs. 6.5% in SPLY and 2) petrol volumes are up 4% YoY vs. -3% in SPLY. Gazprom, a Russian company, will initiate the feasibility study for laying down undersea pipeline from

Gulf to Pakistan, India and Bangladesh and ultimately ending to China after touching Myanmar and Thailand as Pakistan is aggressively eying for FDI by improving business climate. As a result the December 2019 quarterly domestic cement dispatches are up 7% YoY vs. -2% in SPLY.

To improve tax collection, FBR has decided to extend the scope of Track & Trace System to other major sectors to gauge real time production for the purpose of materializing full tax collection. As of September 2019, Government TTM tax collection has declined 0.3% YoY vs. 4.0% in SPLY, hence; development spending is down 18% YoY vs. 8% in SPLY taking fiscal deficit to 8% of GDP vs. 7% in SPLY.

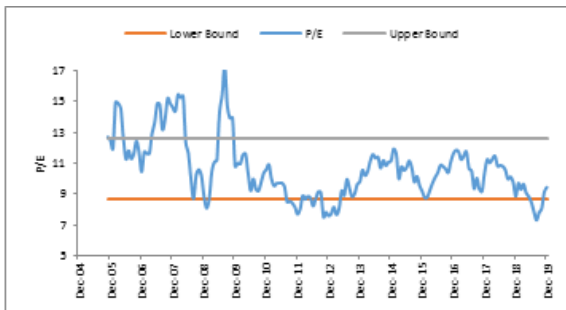
EQUITY REVIEW

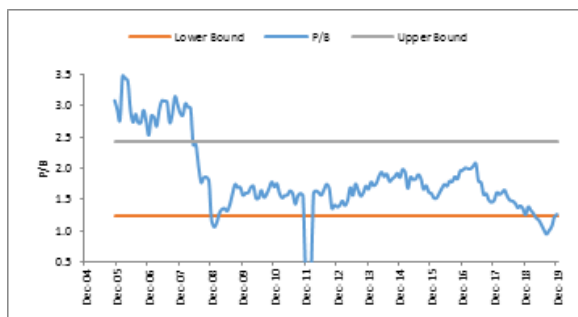
The KSE100 has gained 3.68% MoM to close at 40,735 taking FYTD/CYTD return to 20.16%/9.90% respectively. It is currently trading at trailing 1) P/E of 9.6x and 2) P/B of 1.0x with current market capitalization of USD 50.3bn or 20% of GDP.

Market remained volatile during the year after it breached its lower bound valuations during August 2019 due to worsening economic conditions and declining companies' profitability; however, during the second half of calendar year, local participants led the recovery as the 1) economic indicators (i.e. current account run rate) started to show improvements and 2) the Treasury bills/bonds yield declined in auctions and secondary markets. The market performed exceptionally well during Oct-Dec 2019 with commercial banks giving largest contribution to index gains followed by fertilizers and oil & gas exploration companies. During CY2019, foreign participation improved with net FIPI inflows of USD 56mn vs. net FIPI outflows of USD 537mn in SPLY. Improving macros along with credibility of IMF is providing validation to Pakistan economic story.



KSE100 continues to trade at reasonable valuations despite recent bout of performance as forward its (P/E & P/B) are hovering around its lowest levels with forward CY22 P/E of 7.0x based on average earnings growth of 10%-15.





The 1) expected monetary easing due in later part of the year and 2) underlying earnings growth of at least 10%-15% will continue to further rerate the market as valuations will be following the improving underlying financials. Under the IMF program, the Country has already stabilized; hence, the way forward of economic managers will to preserve the stability while treading gradually towards a growth strategy driven by investments and export economy. We believe that market can give a double digit return in CY2020.

FUND PERFORMANCE

During the period 1HFY20, your fund outperformed by posting a return of 21.27% against its benchmark of 20.16%. During this period your fund exposure was increased from 68.87% to 82.05% by taking overweight stance on Oil & Gas Exploration and Chemical companies whereas, underweight stance was taken on Power Generation & Distribution sector, Commercial Banks, Pharmaceuticals and Fertilizer Companies. Profitable fund performance was mainly due to government decision to release funds for development projects, shortening their procedure, and stringent efforts to fulfill FATF (Financial Action Task Force) with easing political noise, MSCI emerging market status quo, and IMF affirmations over achievement of First Quarter Performance Criteria by good margins with Foreign inflows, surging foreign exchange reserves, and rupee stability led to the bullish close.

FUND RANKING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "1-Star" (1 year) fund performance ranking to FSF as of August 30, 2019.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Chief Executive Officer
Karachi: January 31, 2020

Director

**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 STOCK 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 (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, 2019 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 24, 2020



A·F·FERGUSON&CO.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF FAYSAL STOCK FUND**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Stock Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended. The Management Company (Faysal Asset Management Limited) is responsible for the preparation and presentation of these condensed 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 these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed 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 condensed interim financial statements of the Fund for the half year ended December 31, 2018 was reviewed and the financial statements of the Fund for the year ended June 30, 2019 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2019 and September 26, 2019 respectively.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 28, 2020

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Condensed Interim Statement of Assets and Liabilities

As at December 31, 2019

	Note	December 31, 2019 (Un-audited) ----- (Rupees) -----	June 30, 2019 (Audited) ----- (Rupees) -----
Assets			
Balances with banks	4	24,607,052	29,574,309
Investments	5	131,303,711	82,921,224
Deposits, prepayments and other receivables		4,365,726	8,039,538
Total assets		160,276,489	120,535,071
Liabilities			
Payable against purchase of investments		3,609,725	-
Payable to Faysal Asset Management Limited - the Management Company	6	498,898	312,867
Payable to Central Depository Company of Pakistan Limited - the Trustee	7	53,413	67,751
Payable to the Securities and Exchange Commission of Pakistan	8	13,233	172,313
Accrued and other liabilities	9	5,953,474	3,504,071
Total liabilities		10,128,743	4,057,002
Net assets		150,147,746	116,478,069
Contingencies and commitments	10		
Unit holders' fund (as per the statement attached)		150,147,746	116,478,069
Number of units			
Number of units in issue		2,874,772	2,704,700
Rupees			
Net assets value per unit		52.23	43.07

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement

For The Half Year and Quarter Ended December 31, 2019(Un-audited)

Note	Six months period ended December 31,		Quarter ended December 31,		
	2019	2018	2019	2018	
----- (Rupees) -----					
Income					
Profit on balances with banks	1,918,999	1,578,059	778,502	684,595	
Dividend income	3,494,195	4,236,262	1,700,670	1,732,205	
Realised gain / (loss) on sale of investments - net	24,354,840	(20,888,469)	22,590,084	(23,874,979)	
	29,768,034	(15,074,148)	25,069,256	(21,458,179)	
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	5	3,639,126	(16,008,540)	4,763,658	(1,011,078)
Total income / (loss)		33,407,160	(31,082,688)	29,832,914	(22,469,257)
Expenses					
Remuneration of Faysal Asset Management Limited - the Management Company	1,360,924	2,170,779	1,148,435	862,320	
Sindh sales tax on remuneration of the Management Company	172,018	282,205	95,758	112,101	
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	145,016	352,877	43,830	176,438	
Sindh sales tax on remuneration of the Trustee	22,752	45,875	9,598	22,938	
Transaction costs	2,325,578	1,130,417	1,635,758	567,942	
Annual fee to Securities and Exchange Commission of Pakistan	13,233	103,112	7,358	40,960	
Bank charges	5,445	25,913	5,445	18,379	
Auditors' remuneration	386,118	358,064	209,032	179,032	
Fees and subscription	96,503	104,531	48,518	56,016	
Printing charges and other expenses	9,502	1,961	9,502	-	
Allocated expenses	11	65,989	92,941	36,915	31,299
Reimbursement of expenses from the Management Company	13	(1,050,000)	-	(1,050,000)	-
Total operating expenses		3,553,078	4,668,675	2,200,149	2,067,425
Net profit / (loss) from operating activities		29,854,082	(35,751,363)	27,632,765	(24,536,682)
Provision of Sindh Workers' Welfare Fund	9.1	(597,082)	-	(552,765)	-
Net profit / (loss) for the period before taxation		29,257,000	(35,751,363)	27,080,000	(24,536,682)
Taxation	14	-	-	-	-
Net profit / (loss) for the period after taxation		29,257,000	(35,751,363)	27,080,000	(24,536,682)
Allocation of net profit for the period					
Net profit for the period		29,257,000	-	-	-
Income already paid on units redeemed		(5,098,744)	-	-	-
		24,158,256	-	-	-
Accounting income available for distribution					
- Relating to capital gains		27,993,966	-	-	-
- Excluding capital gains		(3,835,710)	-	-	-
		24,158,256	-	-	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income

For The Half Year and Quarter Ended December 31, 2019(Un-audited)

	Six months period ended, December 31,		Quarter ended, December 31,	
	2019	2018	2019	2018
	------(Rupees)-----		------(Rupees)-----	
Net profit / (loss) for the period after taxation	29,257,000	(35,751,363)	27,080,000	(24,536,682)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>29,257,000</u>	<u>(35,751,363)</u>	<u>27,080,000</u>	<u>(24,536,682)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Cash Flows Statement

For The Half Year Ended December 31, 2019(Un-audited)

Note	Six months period ended December 31,	
	2019	2018
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period before taxation	29,257,000	(35,751,363)
Adjustments for:		
Unrealised (gain) / loss on revaluation of investments classified at fair value through profit or loss - net	(3,639,126)	16,008,540
Provision for Sindh Workers Welfare Fund	597,082	-
Cash generated from operations	(3,042,044)	16,008,540
(Increase) / decrease in assets		
Investments	(44,743,361)	13,093,128
Deposits, prepayments and other receivables	3,673,812	(22,731)
Receivable against sale of investments	-	(44,171)
	(41,069,549)	13,026,226
Increase / (decrease) in liabilities		
Payable against purchase of investments	3,609,725	6,243,398
Payable to Faysal Asset Management Limited - the Management Company	186,031	(329,839)
Payable to Central Depository Company of Pakistan Limited - the Trustee	(14,338)	2,170
Payable to the Securities and Exchange Commission of Pakistan	(159,080)	(97,415)
Accrued and other liabilities	1,852,322	(258,581)
	5,474,660	5,559,733
Net cash used in operating activities	(9,379,933)	(1,156,864)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units	168,465,324	137,405,515
Payments made against redemption of units	(164,052,648)	(168,777,780)
Net cash generated from / (used in) financing activities	4,412,676	(31,372,265)
	(4,967,257)	(32,529,129)
Net decrease in cash and cash equivalents during the period	(4,967,257)	(32,529,129)
Cash and cash equivalents at beginning of the period	29,574,309	64,923,586
Cash and cash equivalents at end of the period	4 <u>24,607,052</u>	<u>32,394,457</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Stock Fund (the Fund) was established under a trust deed executed between Faysal Asset Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on January 29, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund 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).

1.2 The Fund is an open end 'equity scheme' 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 the Trustee of the Fund. The units are listed on the Pakistan Stock Exchange Limited. The Fund was launched on April 19, 2004.

1.3 The principal activity of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments.

1.4 VIS credit rating company limited has assigned the Asset manager rating of AM3+ to the Management Company as at June 24, 2019. The Fund has been rated 1-Star by PACRA as at August 30, 2019.

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 applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, 'Interim financial reporting' 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.

Wherever provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the trust deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the trust deed have been followed.

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

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

2.2.1 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 condensed interim financial statements.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

The following standards, interpretations and amendments would be effective from the dates mentioned below against the respective 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.

2.2.1 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 or after July 1, 2020. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.3 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the financial statements of the Fund for the year ended June 30, 2019

2.4 Accounting convention

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

2.5 Functional and presentation currency

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

2.6 Financial risk management

The financial risk management objectives and policies adopted by the Fund are consistent with those disclosed in the financial statements for the year ended June 30, 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies 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, 2019.

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees) -----	-----
4 BALANCES WITH BANKS			
PLS savings accounts	4.1 & 4.2	<u>24,607,052</u>	<u>29,574,309</u>
4.1	These carry mark-up ranging between 12.5% and 14.35% (June 30, 2019: 10.25% and 13.60%) per annum		
4.2	The balance in PLS savings accounts also include Rs. 1.430 million (June 30, 2019: Rs. 1.160 million) with a related party, Faysal Bank Limited.		
5 INVESTMENTS			
Investments at 'fair value through profit or loss'			
Ordinary shares of listed companies	5.1	<u>131,303,711</u>	<u>82,921,224</u>

Notes to and forming part of the Condensed Interim Financial Statements For The Half Year Ended December 31, 2019(Un-audited)

5.1 Shares of listed companies - 'ordinary shares'

Name of investee company	Note	Number of shares -----					Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) on revaluation	Investment as % of -----		
		As at July 01, 2019	Purchased during the period	Bonus / right shares received	Disposed off during the period	As at December 31, 2019				Net assets	Total investments	Investee company paid-up capital
----- (Rupees) -----												
* Ordinary shares having a face value of Rs.10 each unless stated otherwise												
Chemical												
Engro Polymer and Chemicals Limited	5.1.2	395,000	932,000	-	977,000	350,000	10,906,181	11,623,500	717,319	7.74%	8.85%	0.0385%
Descon Oxychem Limited	5.1.2	110,000	452,000	-	125,000	437,000	8,890,114	10,278,240	1,388,126	6.85%	7.83%	0.4284%
Lotte Chemical Pakistan Limited		560,000	1,180,500	-	1,740,500	-	-	-	-	0.00%	0.00%	0.0000%
ICI Pakistan Limited		900	2,000	-	2,900	-	-	-	-	0.00%	0.00%	0.0000%
							19,796,295	21,901,740	2,105,445	14.59%	16.68%	
Fertilizer												
Engro Corporation Limited	5.12	20,800	242,100	-	247,500	15,400	5,220,229	5,316,850	96,621	3.54%	4.05%	0.0029%
Engro Fertilizers Limited		-	100,000	-	100,000	-	-	-	-	0.00%	0.00%	0.0000%
Fauji Fertilizer Bin Qasim Limited		-	305,000	-	305,000	-	-	-	-	0.00%	0.00%	0.0000%
Fauji Fertilizer Company Limited		-	178,500	-	178,500	-	-	-	-	0.00%	0.00%	0.0000%
							5,220,229	5,316,850	96,621	3.54%	4.05%	
Cement												
Lucky Cement Limited		-	135,100	-	128,100	7,000	2,920,001	2,998,800	78,799	2.00%	2.28%	0.0022%
Kohat Cement Limited		-	170,000	-	170,000	-	-	-	-	0.00%	0.00%	0.0000%
Maple Leaf Cement Factory Limited		-	595,000	-	595,000	-	-	-	-	0.00%	0.00%	0.0000%
Maple Leaf Cement Factory Limited-LoR		-	707,500	-	707,500	-	-	-	-	0.00%	0.00%	0.0000%
D.G Khan Cement Company Limited		-	195,000	-	160,000	35,000	2,676,500	2,599,450	(77,050)	1.73%	1.98%	0.0108%
							5,596,501	5,598,250	1,749	3.73%	4.26%	
Engineering												
International Steels Limited		-	646,500	-	616,500	30,000	1,739,495	1,736,700	(2,795)	1.16%	1.32%	0.0250%
Amreli Steel Limited		-	210,000	-	210,000	-	-	-	-	0.00%	0.00%	0.0000%
Mughal Iron And Steel Industries Limited		-	347,000	-	347,000	-	-	-	-	0.00%	0.00%	0.0000%
							1,739,495	1,736,700	(2,795)	1.16%	1.32%	
Oil and gas marketing companies												
Sui Northern Gas Pipelines Limited	63,000	517,000	-	545,000	35,000		2,724,872	2,665,950	(58,922)	1.78%	2.03%	0.0055%
							2,724,872	2,665,950	(58,922)	1.78%	2.03%	
Oil and gas exploration companies												
Pakistan Oil Fields Limited	19,800	39,600	-	59,400	-		-	-	-	0.00%	0.00%	0.0000%
Hascal Petroleum Limited		-	50,000	-	50,000		1,514,625	1,345,000	(169,625)	0.90%	1.02%	0.0000%
Hascal Petroleum Limited-LoR		-	200,000	-	200,000		-	-	-	0.00%	0.00%	0.0000%
Pakistan Petroleum Limited	5.1.2	55,600	453,900	14,520	453,720	70,300	9,554,724	9,640,420	85,696	6.42%	7.34%	0.0031%
Pakistan Slate Oil Company Limited		-	209,000	1,000	200,000	10,000	1,949,627	1,916,400	(33,227)	1.28%	1.46%	0.0026%
Mari Petroleum Company Limited	5.1.2	6,840	9,000	596	7,436	9,000	12,372,365	11,790,900	(581,465)	7.85%	8.98%	0.0074%
Oil & Gas Development Company Limited	5.1.2	65,000	328,600	-	355,600	38,000	5,514,740	5,408,160	(106,580)	3.60%	4.12%	0.0009%
							30,906,081	30,100,880	(805,201)	20.05%	22.92%	
Textile composite												
Nishat Mills Limited	20,000	136,100	-	156,100	-		-	-	-	0.00%	0.00%	0.0001%
Nishat Chunian Limited	15,000	-	-	15,000	-		-	-	-	0.00%	0.00%	0.0001%
							-	-	-	0.00%	0.00%	
Commercial banks												
Bank Alfalah Limited	5.1.2	120,000	189,000	-	159,000	150,000	6,775,955	6,855,000	79,045	4.57%	5.22%	0.0135%
Allied Bank Limited	27,200	10,000	-	37,200	-		-	-	-	0.00%	0.00%	0.0000%
National Bank of Pakistan		-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.0000%
Meezan Bank Limited		-	70,000	-	70,000	-	-	-	-	0.00%	0.00%	0.0000%
Habib Bank Limited		-	137,500	-	105,000	32,500	4,865,128	5,116,150	251,022	3.41%	3.90%	0.0022%
Bank Al Habib Limited	5.1.2	16,500	-	-	16,500	-	-	-	-	0.00%	0.00%	0.0000%
The Bank of Punjab		-	1,988,500	-	1,091,000	897,500	9,968,020	10,169,191	201,171	6.77%	7.74%	0.0001%
MCB Bank Limited	12,000	206,000	-	183,000	35,000		7,099,504	7,172,900	73,396	4.78%	5.46%	0.0030%
United Bank Limited	5.1.2	26,000	321,600	-	307,600	40,000	6,554,283	6,580,000	25,717	4.38%	5.01%	0.0033%
							35,262,890	35,893,241	630,351	23.91%	27.34%	
Power generation and distribution												
The Hub Power Company Limited	5.1.2	-	298,000	-	193,000	105,000	9,142,626	9,801,750	659,124	6.53%	7.46%	0.0091%
K-Electric Limited (face value Rs. 3.5 per share)		-	900,000	-	500,000	400,000	1,705,000	1,748,000	43,000	1.16%	1.33%	0.0041%
							10,847,626	11,549,750	702,124	7.69%	8.80%	

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

Name of investee company	Note	Number of shares				As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) on revaluation	Investment as % of		
		As at July 01, 2019	Purchased during the period	Bonus / right shares received	Disposed off during the period					Net assets	Total investments	Investee company paid-up capital
----- (Rupees) -----												
Vanaspatti and allied industries												
Unity Foods Limited	-	200,000	-	200,000	-	-	-	-	0.00%	0.00%	0.0000%	
Insurance												
Adamjee Insurance Company Limited	-	160,000	-	20,000	140,000	5,986,852	5,892,600	(94,252)	3.92%	4.49%	0.0400%	
Pharmaceuticals												
AGP Limited	19,000	74,500	-	28,500	65,000	5,356,414	6,457,750	1,101,336	4.30%	4.92%	0.0232%	
The Searle Company Limited	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.0000%	
Foods and personal care products												
Fauji Foods Limited	-	45,000	-	45,000	-	-	-	-	0.00%	0.00%	0.0000%	
Malco Foods Limited	39,500	-	-	39,500	-	-	-	-	0.00%	0.00%	0.0000%	
At-Tahur Limited	-	200,000	-	-	200,000	4,227,330	4,190,000	(37,330)	2.79%	3.19%	0.1240%	
						4,227,330	4,190,000	(37,330)	2.79%	3.19%		
December 31, 2019						127,664,585	131,303,711	3,639,126	87.45%	100.00%		
June 30, 2019						95,141,747	82,921,224	(12,022,862)				

5.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have nominal value of Rs 3.50 each.

5.1.2 Investments include the following securities, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	----- (Number of shares) -----		----- (Rupees) -----	
Bank Alfalah Limited	139,000	120,000	6,352,300	5,230,800
Descon Oxychem Limited	200,000	-	4,704,000	-
The Hub Power Company Limited	20,000	-	1,867,000	-
Engro Corporation Limited	-	14,800	-	3,930,880
Engro Polymer and Chemicals Limited	170,000	250,000	5,645,700	6,740,000
Habib Bank Limited	10,000	-	1,574,200	-
Mari Petroleum Company Limited	-	3,000	-	3,027,990
United Bank Limited	20,000	-	3,290,000	-
Pakistan Petroleum Limited	25,700	-	3,524,498	-
Oil and Gas Development Company Limited	-	35,000	-	4,602,150
	584,700	422,800	26,957,698	23,531,820

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

5.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. As a result of which, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring the withholding of bonus shares. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees) -----	
6	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		
	Remuneration of the Management Company	6.1 324,480	213,909
	Sindh sales tax on remuneration of the Management Company	6.2 37,275	27,803
	Allocated expenses to be reimburse to the Management Company	136,850	70,862
	Other payable to the Management Company	293	293
		<u>498,898</u>	<u>312,867</u>

6.1 The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company monthly in arrears.

6.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees) -----	
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - THE TRUSTEE		
	Remuneration payable to the Trustee	43,815	59,955
	Sindh sales tax on remuneration of the Trustee	9,598	7,796
		<u>53,413</u>	<u>67,751</u>

7.1 Sindh sales tax at the rate of 13% is charged on the Trustee fee.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee	13,233	172,313
	<u>13,233</u>	<u>172,313</u>

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).

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 period.

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees) -----	
9	ACCRUED AND OTHER LIABILITIES		
	Transaction charges payable	1,645,738	224,672
	Accrued liabilities	763,714	907,911
	Withholding tax and zakat payable	654,800	79,347
	Provision for Sindh Workers' Welfare Fund	1,679,570	1,082,489
	Provision for Federal Excise Duty	1,209,652	1,209,652
		<u>5,953,474</u>	<u>3,504,071</u>

9.1 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

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

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 mutual funds / CISs excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on mutual funds / CISs, 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 condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.58 per unit (June 30, 2019: Re 0.4 per unit).

- 9.2** 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 the Management Company together with various other 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 1.21 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund would have been higher by Re 0.42 (June 30, 2019: Re 0.45) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

11 ALLOCATED EXPENSES

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%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

12 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 3.14% which includes 2.48% representing government levies, Sindh Workers' Welfare Fund and the SECP fee. The same is within the prescribed regulatory limit of 4.5%

13 REIMBURSEMENTS OF EXPENSES FROM THE MANAGEMENT COMPANY

As per the SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each CIS to ensure that the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in regulation 60(5) of the NBFC Regulations.

During the period ended December 31, 2019, the Fund was in breach of the prescribed TER ratio in the first quarter of the financial year ending June 30, 2020 and therefore, the Management Company reimbursed the amount of Rs. 1,050,000 to the Fund being excess of maximum TER.

14 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

15.1 Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan 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 owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

15.2 Transactions with connected persons are 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 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, the NBFC Regulations and the trust deed respectively.

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
15.4 Amounts / balances outstanding as at period / year end	----- (Rupees) -----	
Faysal Asset Management Limited (the Management Company)		
Remuneration payable to the Management Company	324,480	213,909
Sindh sales tax on remuneration payable to the Management Company	37,275	27,803
Reimbursement of expenses to the Management Company	136,850	70,862
Sales load payable to the Management Company	293	293
Central Depository Company of Pakistan Limited (the Trustee)		
Remuneration payable to the Trustee	43,815	59,955
Sales tax payable to the Trustee fee	9,598	7,796
Security Deposit receivable from the Trustee	(107,500)	(107,500)
Faysal Bank Limited (group company)		
Units in issue 176,243 units (June 30, 2019: 853,329 units)	45,076,963	36,748,699

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

	Six months period ended	
	December 31,	
	2019	2018
	----- (Rupees) -----	
15.5 Details of transactions with related parties / connected persons during the period are as follows:		
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited		
Limited - the Management Company	1,360,924	2,170,779
Sindh sales tax on remuneration of the Management Company	172,018	282,205
Reimbursement of expenses from Faysal Asset Management Limited		
Limited - the Management Company	(1,050,000)	-
Allocated expenses	65,989	179,401
Faysal Bank Limited (group company)		
Units issued: Nil (2018: 297,147) units	-	15,000,000
Units redeemed: 686,813 (2018: Nil) units	30,000,000	-
Return on balances with bank	133,692	368,568
Central Depository Company of Pakistan Limited (the Trustee)		
Remuneration to Central Depository Company of Pakistan		
Limited - the Trustee	145,016	352,877
Sindh sales tax on remuneration of the Trustee	22,752	45,875

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

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 tradeable in an open market are revalued at 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.

16.1 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

- Level 2: Fair value measurements using 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).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

As at December 31, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Ordinary shares of listed companies	131,303,711	-	-	131,303,711

As at June 30, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Ordinary shares of listed companies	82,921,224	-	-	82,921,224

17 GENERAL

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

Reclassification from the condensed interim income statement	Reclassified to the condensed interim financial statement	Half year ended December 31, 2018	Quarter ended December 31, 2018
Brokerage Charges	Transaction costs	717,436	361,628
Settlement charges, federal excise duty and capital vate tax	Transaction costs	412,981	206,314

Reclassification from the condensed interim statement of asset and liabilities	Reclassified to the condensed interim statement of assets and liabilities	June 30, 2018
Accrual and other liabilities	Payable to the Securities and Exchange Commission of Pakistan	-----Rupees----- 172,313

Notes to and forming part of the Condensed Interim Financial Statements

For The Half Year Ended December 31, 2019(Un-audited)

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on January 31, 2020 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

1) سال کے آخری حصے میں مالیاتی نرمی متوقع ہے اور (2) منفعت میں 10 سے 15 فیصد نمو سے مارکیٹ میں مزید بہتری آئے گی کیونکہ قیمتوں میں بہتری سے مالی استحکام آئے گا۔ IMF پروگرام کے تحت ملک پہلے ہی مستحکم ہو چکا ہے لہذا مستقبل میں معاشی منتظمین استحکام کو برقرار رکھنے کی کوشش کریں گے نمو کی حکمت عملی سے بندرتج سرمایہ کاری اور برآمدی معیشت میں بہتری آئے گی۔ ہمیں یقین ہے کہ مارکیٹ دہرے ہندے کی منفعت CY2020 میں فراہم کرے گی۔

فنڈ کی کارکردگی

1HFY20 کی مدت کے دوران، آپ کے فنڈ کی کارکردگی اس کے شیئنگ مارک 20.16 فیصد کے مقابلے میں 21.27 فیصد رہی۔ جائزہ مدت کے دوران آپ کے فنڈ میں سرمایہ کاری 68.87 فیصد سے بڑھ کر 82.05 فیصد ہو گئی جس میں تیل و گیس اور کیمیل کی کمپنیوں میں بھاری سرمایہ کاری کی گئی جبکہ بجلی بنانے اور تقسیم شعبے، تجارتی بینکوں، دوساز کمپنیوں اور فرٹیلائزر کمپنیوں میں بھی سرمایہ کاری کی گئی ہے۔ فنڈ کی کارکردگی کے منافع کی بنیادی وجہ حکومت کا فیصلہ ترقیاتی اخراجات کے لئے فنڈ جاری کرنے، طریقہ کار کو مختصر کرنے اور FATF (فنانشل ایکشن ٹاسک فورس) کی ضروریات کو پورا کرنے کے لئے سخت کوششوں کے ساتھ سیاسی شوشرابے میں کمی، MCSI کا ملنے والا مارکیٹ کا اسٹیٹس اور IMF کی برائے پہلی سہ ماہی کی کارکردگی جس میں بڑے پیمانے پر ترسیلات زر، بڑھتے ہوئے زرمبادلہ کے ذخائر اور روپے میں استحکام کی وجہ سے بہترین اختتام ہوا۔

فنڈ کی ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے FSF کی کارکردگی کی بنیاد پر اس کی ریٹنگ کو 30 اگست 2019 کو "1-Star" (ایک سال سے نوازا ہے۔

اعتراف

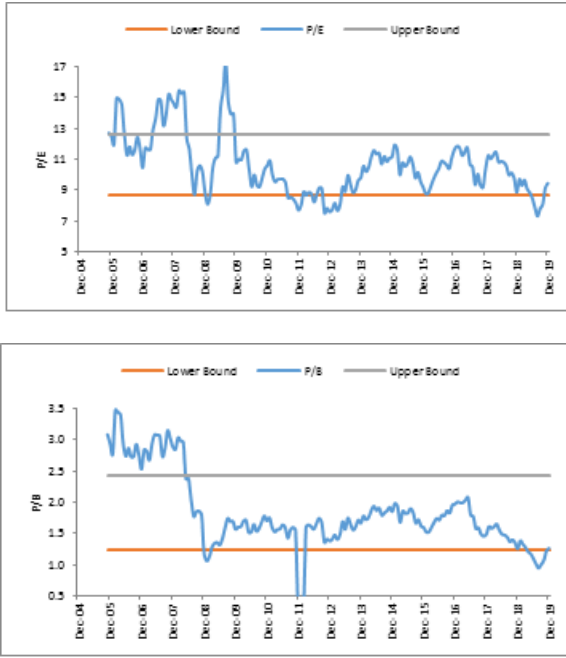
منتظم کمپنی کے بورڈ آف ڈائریکٹرز اپنے پونٹ ہولڈرز کے انتظامیہ پر اعتماد، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے قابل قدر تعاون، مدد اور رہنمائی پر ان کے مشکور ہیں۔ بورڈ منتظم کمپنی کے ملازمین اور ٹرسٹیوں کی انتھک محنت اور جدوجہد پر ان کے شکریہ ادا کرتا ہے۔

برائے و منجانب

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 31 جنوری 2019



مارکیٹ کی صورت حال سال کے دوران نازک رہی جب اگست 2019 میں بدترین معاشی صورتحال اور کمپنیوں کی منافع کاری میں کمی سے کم ترین سطح پر چلی گئی تاہم کیلنڈر سال کی دوسری ششماہی میں مقامی شرکاء نے بحالی میں اہم کردار ادا کیا کیونکہ 1) معاشی اشاریے (یعنی جاری کھاتے کا خسارہ) میں آہستہ آہستہ بہتری آنا شروع ہو گئی اور 2) خریدی بلز/ پونڈز کی منفعت نیلاموں اور ثانوی مارکیٹوں میں گرگئی۔ مارکیٹ کی

کارکردگی اکتوبر سے دسمبر 2019 کے دوران بہت نمایاں رہی جس میں تجارتی ٹیکوں نے انڈیکس کی بحالی میں سب سے زیادہ معاونت کی جس کے بعد کھادا اور تیل و گیس کی تلاش کرنے والی کمپنیوں کا نمبر آتا ہے۔ CY2019 کے دوران غیر ملکی شرکت میں بہتری آئی جس میں FIPI کا اندرونی بہاؤ 56 ملین یو ایس ڈالر رہا جبکہ SPLY (گزشتہ سال اسی مدت) میں اس کے برعکس FIPI کا بیرونی بہاؤ 537 ملین یو ایس ڈالر تھا۔ بڑے معاشی اشاریوں کے ساتھ آئی ایم ایف کی جانب سے اعتماد پاکستانی کی معیشت کے استحکام کا منہ بولتا ثبوت ہے۔

کارکردگی میں حالیہ کمی کے باوجود KSE-100 میں خرید و فروخت مناسب قیمتوں پر جاری رہی جس میں (P/E اور P/B) اس کی نچلی سطح کے گرد گھوم رہی ہیں جبکہ CY22 میں 7.0x کی حال P/E کی اوسطاً منفعت بڑھ کر 10-15 فیصد ہو جائے گی۔

13.25 فیصد برقرار رکھا اور ہم توقع کرتے ہیں کہ جولائی 2020 سے کچھ مقدار میں سہولت آئے گی۔ اس وقت پاکستان کے مرکزی بینک کے پاس FX ذخائر 11.4 بلین یو ایس ڈالر ہیں۔

چائنہ پاکستان کے آزد تجارتی معاہدہ کا دوسرا مرحلہ ستمبر 2019 سے نافذ ہو گیا ہے۔ اسی دوران دسمبر 2019 میں سہ ماہی CAD جی ڈی پی 1.06 فیصد یا 661 بلین یو ایس ڈالر یعنی قاپو میں رہا جس کی وجہ رن ریٹ میں مسلسل بہتری رہی کیونکہ دسمبر 2019 کی سہ ماہی میں درآمدات میں گزشتہ سال کے مقابلے میں 17 فیصد کمی ہوئی جس سے درآمدی احاطہ بڑھ کر 2.6 ماہ ہو گیا جبکہ SPLY (گزشتہ سال اسی مدت) میں 1.4 ماہ تھا۔

موجودہ حکومت نے EOBI پنشن کو بڑھا کر 8,500 روپے ماہانہ کر دیا ہے جس سے گرتی ہوئی قوت خریداری کو کچھ ریلیف ملے گا۔ تاہم دسمبر 2019 میں ایشیائے صرف میں معمولی بہتری آئی ہے (1) افراط زر میں معمولی کمی کے ساتھ 11.9 فیصد ہو گیا جبکہ SPLY میں 6.5 فیصد تھا اور (2) پیٹرول کے حجم میں گزشتہ سال کی بہ نسبت 4 فیصد اضافہ ہوا جبکہ SPLY میں 3 فیصد تھا۔

ایک روسی کمپنی گیز پروم نے سمندر میں زیر آب پائپ لائن بچھانے کے لئے فزہیلٹی اسٹڈی کا آغاز کر دیا ہے جو کہ خلیج سے پاکستان، انڈیا اور بنگلہ دیش کے ساتھ ساتھ میانمار اور تھائی لینڈ سے ہوتی ہوئی چائنہ میں جا کر ختم ہوگی۔ FDI کے لئے پاکستان اپنی کاروباری فضا کو بہتر بنانے کے لئے متحرک کام کر رہا ہے۔ جس کے نتیجے میں دسمبر 2019 کی سہ ماہی میں مقامی سینٹ کی درآمدات گزشتہ سال کی بہ نسبت 7 فیصد زیادہ رہیں جبکہ SPLY میں 2 فیصد تھیں۔

ٹیکس وصولی میں بہتری کے لئے FBR نے فیصلہ کیا ہے کہ ٹریک اینڈ ٹریس سسٹم کے احاطہ کو دیگر بڑے شعبوں تک وسعت دی جائے تاکہ مکمل ٹیکس وصولی کے ہدف کو حقیقی معنوں میں قابل عمل بنایا جاسکے۔ ستمبر 2019 میں حکومت کی TTM ٹیکس وصولی میں گزشتہ سال کی بہ نسبت 0.3 فیصد کمی ہوئی جبکہ SPLY میں 4 فیصد تھی، لہذا اترقیاتی اخراجات گزشتہ سال کی بہ نسبت 18 فیصد کم رہے جبکہ گزشتہ سال اسی مدت میں 8 فیصد تھے جس سے خسارہ GDP کا 8 فیصد ہو گیا جبکہ SPLY میں 7 فیصد تھا۔



ایکویٹی کا جائزہ

KSE-100 انڈیکس گزشتہ ماہ کے مقابلے میں 3.68 فیصد بہتری آئی جو کہ 40,735 رہی جس کے نتیجے میں FYTD/CYTD منفعت بالترتیب 20.16 فیصد/9.90 فیصد رہی۔ اس وقت اس کی تجارت (i) $9.6 \times$ P/E کے $1.0 \times$ P/B کے ساتھ رواں مارکیٹ کی موجودہ سرمایہ کاری 50.3 بلین یو ایس ڈالر یا GDP کا 20 فیصد رہی۔

منتظم کمپنی کے ڈائریکٹران کی رپورٹ

فیصل اسٹاک فنڈ (FSF) کی منتظم کمپنی فیصل ایسٹ مینجمنٹ لمیٹڈ کے ڈائریکٹران FSF کی غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے مختتمہ مدت 31 دسمبر 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مالیاتی جھلکیاں

سہ ماہی مختتمہ 31 دسمبر		ششماہی مختتمہ 31 دسمبر		
2018	2019	2018	2019	
روپے لاکھ میں				
(22.469)	29.833	(31.083)	33.407	کل آمدن
(2.067)	(2.753)	(4.669)	(4.150)	کل اخراجات
(24.537)	27.080	(35.751)	29.257	خالص آمدنی قبل از ٹیکس
-	-	-	-	ٹیکس
(24.537)	27.080	(35.751)	29.257	مدت کی خالص آمدنی بعد از ٹیکس
50.48	52.23	50.48	52.23	NAV پونٹ (روپے)

اقتصادی جائزہ

ملک کے سیاسی جغرافیہ پر نازک بیرونی صورتحال کے سائے منڈلاتے رہے خاص طور پر مشرق وسطیٰ کی صورتحال جس میں پاکستان کو سعودی عربیہ کی قیادت کو یقین دہانی کروانا پڑی کہ دیگر مسلمان ممالک کے ساتھ مصروف عمل ہونے کے باوجود اسلام آباد کے تعلقات ان کے ساتھ مستحکم رہیں گے۔ امریکہ نے خدشات ظاہر کئے کہ CPEC کی وجہ سے پاکستان کے پہلے سے لئے ہوئے قرضوں پر مزید بوجھ بڑھ جائے گا جبکہ معاشی معاملات کے وزیر نے بتایا کہ پاکستان کامیابی کے ساتھ فنانشل ایکشن ٹاسک فورس انٹرنیشنل کوآپریشن ریویلوگروپ کے ایکشن پلان پر عملدرآمد کر لے گا کیونکہ FATF سے متعلق بل سینٹ میں پیش کیا جا چکا ہے۔

2019 FY میں حقیقی شرح نمو اوسطاً 4.4 کے مقابلے میں کم ہو کر 2.9 فیصد رہی جبکہ 18 FY میں 5.8 فیصد تھی۔ IMF کو توقع ہے کہ 2019 FY میں معیشت میں بحالی آئے گی۔ ایشیائے صرف اور بیرونی کھاتوں میں کچھ بحالی کی علامت کے ساتھ سرکاری اخراجات میں بہتری شامل تھی۔ موڈی نے پاکستان کے منظر نامے کو منفی سے تبدیل کر کے مستحکم قرار دیا۔ پاکستانی روپے/یو ایس ڈالر کی تجارت 155 میں ہوئی جو کہ گزشتہ سال کے مقابلے میں 13 فیصد زیادہ ہے جبکہ گزشتہ سال اسی مدت کے مقابلے میں 11 فیصد کا فرق ہے۔ نومبر 2019 میں عبوری سال REER گزشتہ SPLY (گزشتہ سال اسی مدت) کے 101 کے مقابلے میں 96 رہی۔ مرکزی بینک نے اپنے حالیہ اجلاس میں پالیسی نرخ کو

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





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