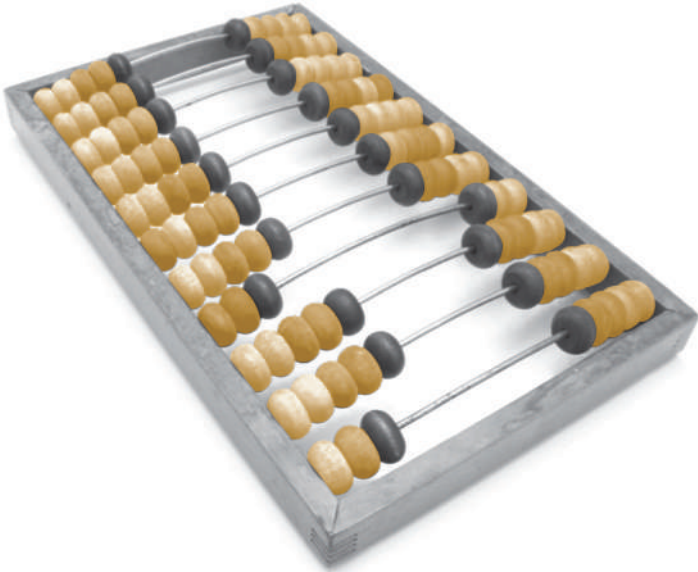


Faysal Asset Management

Islamic Asset Allocation 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

Dubai Islamic Bank Pakistan Limited

Al-Baraka Bank Limited

Bank Islami Pakistan Limited

Faysal Bank Limited (Islamic Banking)

Meezan 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

The Faysal Islamic Asset Allocation Fund endeavours to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing shariah compliant equity, fixed income & money market instruments.

Report of the Directors of the Management Company

The Directors of Faysal Asset Management Limited, the Management Company of Faysal Islamic Asset Allocation Fund (FIAAF), are pleased to present the un-audited condensed interim financial statements of FIAAF 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)	20.277	(31.919)	23.403	0.264
Total expenses	(4.057)	(6.962)	(2.364)	(3.342)
Net income / (loss) for the period before taxation	16.220	(38.881)	21.039	(3.079)
Taxation	-	-	-	-
Net income / (loss) for the period after taxation	16.220	(38.881)	21.039	(3.079)
NAV per unit (Rs.)	72.59	72.55	72.59	72.55

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

Report of the Directors of the Management Company

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

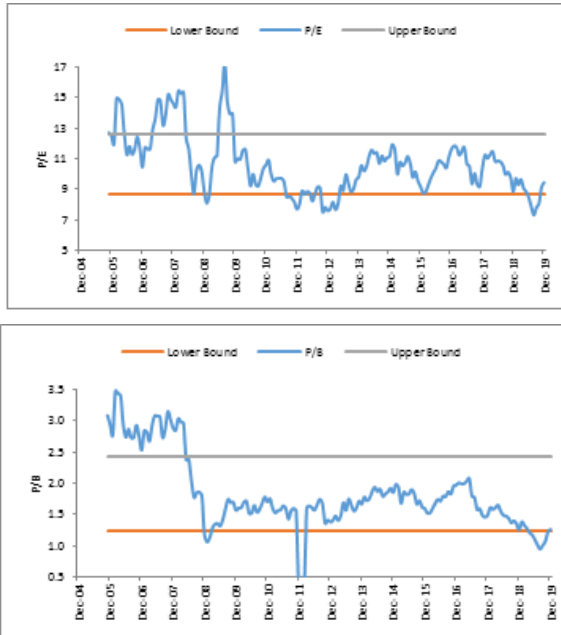
The KSE100 has gained 3.68% MoM to close at 40,735 taking FYTD/CYTD return to 20.16%/9.90% respectively. It is currently trading at trailing 1) P/E of 9.6x and 2) P/B of 1.0x with current market capitalization of USD 50.3bn or 20% of GDP.

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%.

Report of the Directors of the Management Company



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 posted a return of 12.42% against its benchmark of 13.12%. During this period your fund exposure was increased from 51.69% to 81.33% and had overweight stance on Oil & Gas Exploration Companies, Islamic Banks and Chemical companies whereas underweight stance was taken on Power Generation & Distribution 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 "2-Star" short term rating to FIAAF 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 Shakra-e-Faisal
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL ISLAMIC ASSET ALLOCATION 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 Islamic Asset Allocation 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 ISLAMIC ASSET ALLOCATION FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Islamic Asset Allocation 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

Condensed Interim Statement of Assets and Liabilities

As at December 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees) -----	
Assets			
Balances with banks	4	13,585,300	58,132,779
Investments	5	91,119,006	115,123,493
Deposits, prepayments and other receivables		7,795,129	4,628,754
Receivable against sale of investments		-	5,689,440
Preliminary expenses and floatation costs	6	266,623	462,069
Total assets		112,766,058	184,036,535
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	7	361,232	475,701
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	28,357	61,248
Payable to the Securities and Exchange Commission of Pakistan	9	15,447	315,528
Accrued and other liabilities	10	4,786,058	3,158,739
Total liabilities		5,191,094	4,011,216
Net assets		<u>107,574,964</u>	<u>180,025,319</u>
Contingencies and commitments	11		
Unit holders' fund (as per the statement attached)		<u>107,574,964</u>	<u>180,025,319</u>
---- (Number of units) ----			
Number of units in issue		<u>1,481,952</u>	<u>2,788,041</u>
----- (Rupees) -----			
Net assets value per unit		<u>72.59</u>	<u>64.57</u>

The annexed notes from 1 to 19 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

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
		------(Rupees)-----		------(Rupees)-----	
Income					
Profit on balances with banks		3,059,543	6,268,625	1,205,533	4,065,679
Profit earned on Sukuk certificates		1,183,813	-	485,621	-
Dividend income		2,873,450	6,136,330	1,841,900	2,406,530
Gain / (loss) on disposal of investments - net		8,729,623	(19,564,367)	9,800,918	(8,475,972)
		15,846,429	(7,159,412)	13,333,972	(2,003,763)
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'fair value through profit or loss'	5	4,430,486	(24,759,820)	10,069,083	2,267,332
Total income / (loss)		20,276,915	(31,919,232)	23,403,055	263,569
Expenses					
Remuneration of Faysal Asset Management Limited - the Management Company		1,544,708	4,150,123	748,702	1,949,709
Sindh sales tax on remuneration of the Management Company		200,840	539,515	97,241	253,463
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		154,470	415,051	43,009	194,996
Sindh sales tax on remuneration of the Trustee		20,081	53,957	5,591	25,354
Bank charges		10,847	28,514	(3,050)	22,964
Transaction charges		1,074,093	749,633	778,020	395,706
Annual fee to the Securities and Exchange Commission of Pakistan		15,447	197,133	7,487	92,613
Auditors' remuneration		352,912	352,912	176,456	176,456
Fees and subscription		70,903	70,903	35,452	35,452
Printing charges and other expenses		8,621	1,150	8,621	-
Allocated expenses	12	77,235	207,672	37,286	97,671
Amortisation of preliminary expenses and floatation costs		195,447	195,447	97,724	97,724
Total operating expenses		3,725,604	6,962,010	2,032,539	3,342,108
Net profit / (loss) from operating activities		16,551,311	(38,881,242)	21,370,516	(3,078,539)
Provision for Sindh Workers Welfare Fund	10.1	331,027	-	331,027	-
Net profit / (loss) for the period before taxation		16,220,284	(38,881,242)	21,039,489	(3,078,539)
Taxation	15	-	-	-	-
Net profit / (loss) for the period after taxation		16,220,284	(38,881,242)	21,039,489	(3,078,539)
Allocation of net profit after taxation for the period					
Net profit for the period after taxation		16,220,284	-	-	-
Income already paid on units redeemed		(5,215,626)	-	-	-
		11,004,658	-	-	-
Accounting income available for distribution					
Relating to capital gains		13,160,109	-	-	-
Excluding capital gains		(2,155,451)	-	-	-
		11,004,658	-	-	-

The annexed notes from 1 to 19 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)

	<u>Half year ended December 31,</u>		<u>Quarter ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	------(Rupees)-----		------(Rupees)-----	
Net profit / (loss) for the period after taxation	16,220,284	(38,881,242)	21,039,489	(3,078,539)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>16,220,284</u>	<u>(38,881,242)</u>	<u>21,039,489</u>	<u>(3,078,539)</u>

The annexed notes from 1 to 19 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 Movement in Unit Holders' Fund

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

	Half year ended December 31, 2019			Half year ended December 31, 2018		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period	345,861,278	(165,835,959)	180,025,319	533,203,938	(104,586,098)	428,617,840
Issuance of 137,967 (2018: 613,647) units						
- Capital value (at net assets value per unit at beginning of the period)	8,908,541	-	8,908,541	49,196,080	-	49,196,080
- Element of income / (loss)	61,411	-	61,411	(900,164)	-	(900,164)
Total proceeds on issuance of units	8,969,952	-	8,969,952	48,295,916	-	48,295,916
Redemption of 1,444,056 (2018: 1,118,698) units						
- Capital value (at net assets value per unit at beginning of the period)	(93,242,691)	-	(93,242,691)	(89,686,019)	-	(89,686,019)
- Element of income / (loss)	817,727	(5,215,626)	(4,397,899)	2,915,311	-	2,915,311
Total payments on redemption of units	(92,424,964)	(5,215,626)	(97,640,590)	(86,770,708)	-	(86,770,708)
Total comprehensive income / (loss) for the period	-	16,220,284	16,220,284	-	(38,881,242)	(38,881,242)
Net assets at end of the period	262,406,266	(154,831,301)	107,574,964	494,729,146	(143,467,340)	351,261,806
Accumulated loss brought forward						
- Realised		(147,690,802)			(71,762,218)	
- Unrealised		(18,145,157)			(32,823,880)	
		(165,835,959)			(104,586,098)	
Accounting income available for distribution						
- Relating to capital gains	13,160,109			-		
- Excluding capital gains	(2,155,451)			-		
	11,004,658			-		
Loss for the period		-			(38,881,242)	
Undistributed (loss) / income carried forward	(154,831,301)			(143,467,340)		
Undistributed loss carried forward						
- Realised		(159,261,787)			(112,501,646)	
- Unrealised		4,430,486			(30,965,694)	
		(154,831,301)			(143,467,340)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		64.57			80.17	
Net assets value per unit at end of the period		72.59			72.55	

The annexed notes from 1 to 19 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	Half year ended December 31,	
		2019	2018
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit / (loss) for the period before taxation		16,220,284	(38,881,242)
Adjustments for:			
(Gain) / loss on disposal of investments - net		(8,729,623)	19,564,367
Unrealised (gain) / loss on revaluation of investments classified at fair value through profit or loss - net		(4,430,486)	24,759,820
Provision for Sindh Workers Welfare Fund		331,027	-
Amortisation of preliminary expenses and floatation costs		195,447	195,447
		<u>(12,633,635)</u>	<u>44,519,634</u>
(Increase) / decrease in assets			
Investments		37,164,596	(6,261,827)
Deposits, prepayments and other receivables		(3,166,375)	(543,787)
Receivable against sale of investments		5,689,440	-
		<u>39,687,661</u>	<u>(6,805,614)</u>
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - the Management Company		(114,469)	(388,571)
Payable to Central Depository Company of Pakistan Limited - the Trustee		(32,891)	(10,117)
Payable to the Securities and Exchange Commission of Pakistan		(300,081)	(206,766)
Accrued and other liabilities		1,296,290	(298,635)
		<u>848,849</u>	<u>(904,089)</u>
Net cash generated from / (used in) operating activities		<u>44,123,159</u>	<u>(2,071,311)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issue of units		8,969,952	48,295,916
Payments made against redemption of units		(97,640,590)	(87,129,485)
Net cash used in financing activities		<u>(88,670,639)</u>	<u>(38,833,569)</u>
Net decrease in cash and cash equivalents during the period		<u>(44,547,479)</u>	<u>(40,904,880)</u>
Cash and cash equivalents at beginning of the period		58,132,779	207,627,688
Cash and cash equivalents at end of the period	4	<u><u>13,585,300</u></u>	<u><u>166,722,808</u></u>

The annexed notes from 1 to 19 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 Islamic Asset Allocation Fund (the Fund) was established under a trust deed executed between Faysal Aseet Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 18, 2015 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).
- 1.2** 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).
- 1.3** The Fund is a Shariah Compliant open-ended asset allocation 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 the Trustee of the Fund. The Fund was launched on September 9, 2015
- 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 and to earn competitive riba free return by investing in various Shariah Compliant asset classes / instruments based on the market outlook.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned a 2-star rating to Faysal Islamic Asset Allocation Fund as of August 30, 2019. VIS Credit Rating Company limited has awarded an "AM3+" asset manager rating to the Management Company as of June 24, 2019.

2 BASIS OF PREPARATION

2.1 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.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements

Notes to and forming part of the Condensed Interim Financial Statements

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

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.

2.2 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.

2.3 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 standards, interpretations and 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 impact of these amendments on the financial statements of the Fund.

2.3.1 There are certain other 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.

2.4 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.

2.5 Accounting convention

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

2.6 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)

5.1 Shari'ah compliant listed equity securities - fair value through profit or loss (un-audited)

Name of investee company	Note	Number of shares				As at December 31, 2019	Cost as at December 31, 2019	Market value as at December 31, 2019	Unrealised gain / (loss) on revaluation	Investment as % of -----		
		As at July 1 2019	Purchased during the period	Bonus / right shares received	Disposed off during the period					Net assets	Total investments	Investee company paid up capital
(Rupees)												
Oil and gas marketing companies												
Hascod Petroleum Limited		1,100	20,000	-	6,500	14,600	613,829	392,740	(221,089)	0.37%	0.43%	0.0081%
Sui Northern Gas Pipelines Limited	5.4	91,000	235,000	-	276,000	50,000	3,912,254	3,808,500	(103,754)	3.54%	4.18%	0.0079%
Pakistan State Oil Company Limited		-	50,000	3,000	53,000	-	-	-	0.00%	0.00%	0.0000%	
							4,526,083	4,201,240	(324,843)	3.91%	4.61%	
Oil and gas exploration companies												
Mari Petroleum Company Limited	5.4	9,350	5,000	935	3,585	11,700	15,408,324	15,328,170	(80,154)	14.25%	16.82%	0.0096%
Pakistan Oil Fields Limited	5.4	31,100	34,000	-	51,900	13,200	5,523,241	5,896,704	373,463	5.48%	6.47%	0.0047%
Oil & Gas Development Company Limited		127,400	246,500	-	338,900	35,000	5,087,127	4,981,200	(105,927)	4.63%	5.47%	0.0081%
Pakistan Petroleum Limited		39,500	330,100	12,900	368,000	14,500	1,857,449	1,988,530	131,081	1.85%	2.18%	0.0006%
							27,876,141	28,194,604	318,463	26.21%	30.94%	
Chemical												
ICI Pakistan Limited		700	150	-	-	850	819,465	573,623	(245,842)	0.53%	0.63%	0.0092%
Engro Polymer & Chemicals Limited	5.4	575,000	576,000	-	851,000	300,000	9,337,485	9,963,000	625,515	9.26%	10.93%	0.0330%
Lotte Chemical Pakistan Limited		350,000	1,282,500	-	1,632,500	-	-	-	0.00%	0.00%	0.0000%	
							10,156,950	10,536,623	379,672	9.79%	11.56%	
Cement												
Cherat Cement Company Limited	-	157,500	-	157,500	-	-	-	-	0.00%	0.00%	0.0000%	
D.G Khan Cement Company Limited	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%	0.0000%	
Kohat Cement Company Limited	-	136,000	-	136,000	-	-	-	-	0.00%	0.00%	0.0000%	
Lucky Cement Limited	-	60,000	-	50,000	10,000	4,220,000	4,284,000	64,000	3.98%	4.70%	0.1083%	
Maple Leaf Cement Factory Limited	-	440,000	-	440,000	-	-	-	-	0.00%	0.00%	0.0000%	
Maple Leaf Cement Factory Limited - LoR	-	210,000	-	210,000	-	-	-	-	0.00%	0.00%	0.0000%	
							4,220,000	4,284,000	64,000	3.98%	4.70%	
Industrial Engineering												
Amreli Steel Limited	-	115,000	-	115,000	-	-	-	-	0.00%	0.00%	0.0000%	
International Steel Limited	-	246,000	-	246,000	-	-	-	-	0.00%	0.00%	0.0000%	
							-	-	0.00%	0.00%		
Fertilizer												
Engro Corporation Limited	45,900	174,300	-	200,200	20,000	6,569,294	6,905,000	335,706	6.42%	7.58%	0.0038%	
						6,569,294	6,905,000	335,706	6.42%	7.58%		
Foods & Personal Care Products												
At-Tahur Limited	-	201,000	-	-	201,000	4,331,525	4,210,950	(120,575)	3.91%	4.62%	0.0384%	
						4,331,525	4,210,950	(120,575)	3.91%	4.62%		
Textile composite												
Nishat Mills Limited	29,900	18,600	-	48,500	-	-	-	-	0.00%	0.00%	0.0000%	
						-	-	-	0.00%	0.00%		
Power generation and distribution												
The Hub Power Company Limited	-	180,500	-	66,000	114,500	10,033,137	10,686,575	655,438	9.94%	11.73%	0.011%	
K-Electric Limited	-	300,000	-	100,000	200,000	934,000	874,000	(60,000)	0.81%	0.96%	0.02%	
						10,967,137	11,560,575	595,438	10.75%	12.69%		
Pharmaceuticals												
AGP Limited	12,000	70,000	-	12,000	70,000	5,868,230	6,954,500	1,086,270	6.46%	7.63%	0.03%	
The Searle Company Limited	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%	0.00%	
						5,868,230	6,954,500	1,086,270	6.46%	7.63%		
Commercial banks												
Mezzan Bank Limited	82,500	90,000	-	22,500	150,000	12,173,160	14,269,514	2,096,354	13.26%	15.66%	0.0128%	
						12,173,160	14,269,514	2,096,354	13.26%	15.66%		
December 31, 2019						86,688,520	91,119,006	4,430,486	84.70%	100.00%		
June 30, 2019						113,288,650	95,123,493	(18,145,157)				

Notes to and forming part of the Condensed Interim Financial Statements

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

5.2 Sukuk Certificates (un-audited)

Name of security	Number of Certificates				Carrying Value as at December 31, 2019	----- Investment as % of -----		
	As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at December 31, 2019		Net assets	Total investments	Investee company paid up capital
The Hub Power Company Limited	4,000	-	4,000	-	-	-	-	-

Rupees

5.3 All shares have nominal value of Rs.10 each except for the shares of K-Electric Limited which have nominal value of Rs.3.5 each.

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

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019
	----- (Number of shares) -----		----- (Rupees) -----	
AGP Limited	15,000	-	1,490,250	-
Engro Corporation Limited	20,000	30,000	6,905,000	7,968,000
Engro Polymer and Chemicals Limited	186,000	100,000	6,177,060	2,696,000
Mari Petroleum Limited	4000	4000	5,240,400	4,037,320
Pakistan Oilfield Limited	13,000	-	5,807,360	-
Pakistan Petroleum Limited	14,500	-	1,988,530	-
Sui Nothern Gas Pipelines Limited	-	91000	-	6,323,590
Lotte Chemical Pakistan Limited	-	300000	-	4,575,000
Oil & Gas Development Company Limited	-	115000	-	15,121,350
	<u>31,500</u>	<u>4,000</u>	<u>13,036,290</u>	<u>4,037,320</u>

5.5 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 judgment 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

Notes to and forming part of the Condensed Interim Financial Statements

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

to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. In the current period, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High 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 no withholding of the bonus shares. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over the period of five years in accordance with the requirements set out in the Trust Deed of the Fund.

7	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	December 31,	June 30,
			2019	2019
			(Un-audited)	(Audited)
			----- (Rupees) -----	
	Remuneration of the Management Company	7.1	250,933	309,104
	Sindh sales tax on remuneration of the Management Company	7.2	32,649	40,181
	Allocated expenses to be reimburse to the Management Company		77,650	126,416
			<u>361,232</u>	<u>475,701</u>

7.1 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.

7.2 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.

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - THE TRUSTEE	Note	December 31,	June 30,
			2019	2019
			(Un-audited)	(Audited)
			----- (Rupees) -----	
	Remuneration payable to the Trustee		25,094	54,202
	Sindh sales tax on remuneration of the Trustee	8.1	3,263	7,046
			<u>28,357</u>	<u>61,248</u>

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

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2019	2019
			(Un-audited)	(Audited)
			----- (Rupees) -----	
	Annual fee	9.1	<u>15,447</u>	<u>315,528</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

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

	Note	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
----- (Rupees) -----			
10 ACCRUED AND OTHER LIABILITIES			
Transaction charges payable		669,143	153,765
Accrued liabilities		1,293,434	831,001
Withholding tax and zakat payable		318,480	-
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	1,824,332	1,493,304
Provision for indirect taxes and duties	10.2	680,669	680,669
		<u>4,786,058</u>	<u>3,158,739</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have 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. 1.23 per unit (June 30, 2019: Re 0.53 per unit).

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

Notes to and forming part of the Condensed Interim Financial Statements

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

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 September 9, 2015 till June 30, 2016 amounting to Rs 0.681 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund would have been higher by Re 0.4593 (June 30, 2019: Re 0.2441) per unit.

11 CONTINGENCIES AND COMMITMENTS

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

12 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.

13 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these condensed interim financial statements as in the opinion of the management, determination of weighted average outstanding number of units for calculating EPU is not practicable.

14 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 2.64% which include 0.39% representing government levy, Sindh Workers' Welfare Fund and the SECP fee, etc. The size is within the prescribed regulatory limit of 4.5%.

Notes to and forming part of the Condensed Interim Financial Statements

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

15 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 unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute at least 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.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 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 owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

16.2 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 (Un-audited)	December 31, 2018 (un-audited)
	----- (Rupees) -----	
16.3 Details of transactions with related parties / connected persons during the period are as follows:		
Faysal Asset Management Limited (Management Company)		
Remuneration of Faysal Asset Management Limited		
- the Management company	1,544,708	4,150,123
Sindh sales tax on remuneration to the Management Company	200,840	539,515
Allocated expenses	77,235	207,672
Central Depository Company of Pakistan Limited		
- the Trustee		
Remuneration to the Trustee	154,470	415,051
Sales tax on remuneration of the Trustee fee	20,081	53,957
Settlement charges	39,087	51,425
Faysal Bank Limited (group company)		
Return on PLS saving account	271,369	1,922,868
Bank charges	-	589

Notes to and forming part of the Condensed Interim Financial Statements

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

	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
16.4 Amounts / balances outstanding as at period / year end :	----- (Rupees) -----	
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited		
Limited - the Management Company	250,933	309,104
Sindh sales tax on remuneration of the Management Company	32,649	40,181
Allocated expenses	77,650	126,416
Central Depository Company of Pakistan Limited - (the Trustee)		
Remuneration payable to the Trustee	25,094	54,201
Sales tax payable on remuneration of the Trustee	3,263	7,047
Security deposit	100,000	100,000
Unit holder holding 10% or more units		
Units in issue: 677,313 (June 30, 2019: 677,313) units	49,166,150	43,734,439
Faysal Bank Limited (group company)		
Return receivable on PLS saving account	62,256	69,063
Bank balance	3,573,796	1,433,922

17 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.

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.
- 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).

Notes to and forming part of the Condensed Interim Financial Statements

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

- 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:

	December 31, 2019 (un-audited)			Total
	Level 1	Level 2	Level 3	
ASSETS	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Shari'ah compliant listed equity securities	91,119,006	-	-	91,119,006

	June 30, 2019 (audited)			Total
	Level 1	Level 2	Level 3	
ASSETS	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Shari'ah compliant listed equity securities	95,123,493	-	-	95,123,493

18 GENERAL

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 income statement	Half year ended December 31, 2019	Quarter ended December 31, 2018
		----- (Rupees) -----	

Brokerage Charges	Transaction costs	540,055	433,217
Settlement charges, federal excise duty and capital value tax	Transaction costs	209,578	197,802

Reclassification from the condensed interim statement of assets and liabilities	Reclassified to the condensed interim statement of assets and liabilities	Half year ended June 30, 2019
		---- (Rupees) ----

Accrued and other liabilities	Payable to the Securities and Exchange Commission of Pakistan	315,528
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19 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 بتدریج سرمایہ کاری اور برآمدی معیشت میں بہتری آئے گی۔ ہمیں یقین ہے کہ مارکیٹ دہرے ہندسے کی منفعت CY2020 میں فراہم کرے گی۔

فنڈ کی کارکردگی

1HFY20 کے دوران فنڈ نے اپنے بیچ مارک 13.12 فیصد کے مقابلے میں 12.42 فیصد منفعت فراہم کی۔ مدت کے دوران آپ کے فنڈ کی سرمایہ کاری 51.69 فیصد سے بڑھ کر 81.33 فیصد ہو گئی اور جس میں تیل و گیس اور کیمیکل کی کمپنیوں میں بھاری سرمایہ کاری کی گئی جبکہ بجلی بنانے اور تقسیم شعبے، تجارتی بینکوں، دوسرا کمپنیوں اور فریٹ لائزر 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 شورش راہے میں کمی، MCSI کا ملنے والا مارکیٹ کا اسٹیٹس اور IMF کی برائے پہلی سہ ماہی کی کارکردگی جس میں بڑے پیمانے پر تزیلات زر، بڑھتے ہوئے زرمبادلہ کے ذخائر اور روپے میں استحکام کی وجہ سے بہترین اختتام ہوا۔

فنڈ کی رینٹنگ

پاکستان کریڈٹ رینٹنگ ایجنسی لمیٹڈ (PACRA) نے 30 اگست 2019 کو "2-Star" قابل مدتی رینٹنگ سے FIAAF کو نوازا ہے۔

اعتراف

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

برائے و خجانب

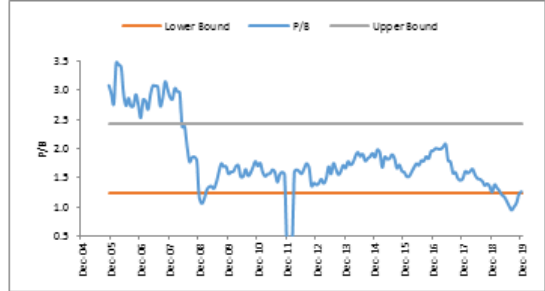
ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 31 جنوری 2020

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 (V) $9-6 \times$ P/E اور (6) $1-0 \times$ کے P/B کے ساتھ رواں مارکیٹ کی موجودہ سرمایہ کاری 50.3 بلین یو ایس ڈالر یا GDP کا 20 فیصد رہی۔



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 ہوگئی اور 2) ٹریڈری 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 بینکوں نے انڈیکس کی بحالی میں سب سے زیادہ معاونت کی جس کے بعد کھاد 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 56.6 بلین یو ایس ڈالر رہا جبکہ SPLY (گزشتہ سال اسی مدت) میں اس کے برعکس FIPI کا بیرونی بہاؤ 537 بلین 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/B اور P/E) اس کی نچلی سطح کے گرد گھوم رہی ہیں جبکہ CY22 میں 7.0x کی حامل P/E کی اوسطاً منفعت بڑھ کر 10-15 فیصد ہو جائے گی۔

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

چنانچہ پاکستان کے آزا تجارتی معاہدہ کا دوسرا مرحلہ ستمبر 2019 سے نافذ ہو گیا ہے۔ اسی دوران دسمبر 2019 میں سہ ماہی CAD جی ڈی پی کا 1.06 فیصد یا 661 بلین یو ایس ڈالر یعنی قابو میں رہا جس کی وجہ سے 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 پرم سے 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 مینامار 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 سیمنٹ 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۔



میںجمنٹ کمپنی کے ڈائریکٹران کی رپورٹ

فیصل اسلامک ایسٹ ایلیویشن فنڈ (FIAAF) کی منتظم کمپنی فیصل ایسٹ میںجمنٹ لمیٹڈ کے ڈائریکٹران FIAAF کے 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		شش ماہی مختتمہ 31 دسمبر		
2018	2019	2018	2019	
روپے بلین میں				
0.264	23.403	(31.919)	20.277	کل آمدن
(3.342)	(2.364)	(6.962)	(4.057)	کل اخراجات
(3.079)	21.039	(38.881)	16.220	خالص آمدنی قبل از ٹیکس
-	-	-	-	ٹیکس
(3.079)	21.039	(38.881)	16.220	مدت کی خالص آمدنی بعد از ٹیکس
72.55	72.59	72.55	72.59	NAV فی یونٹ (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 عرب 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 روپو گروپ 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 وسطاً 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 ضمنی 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 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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