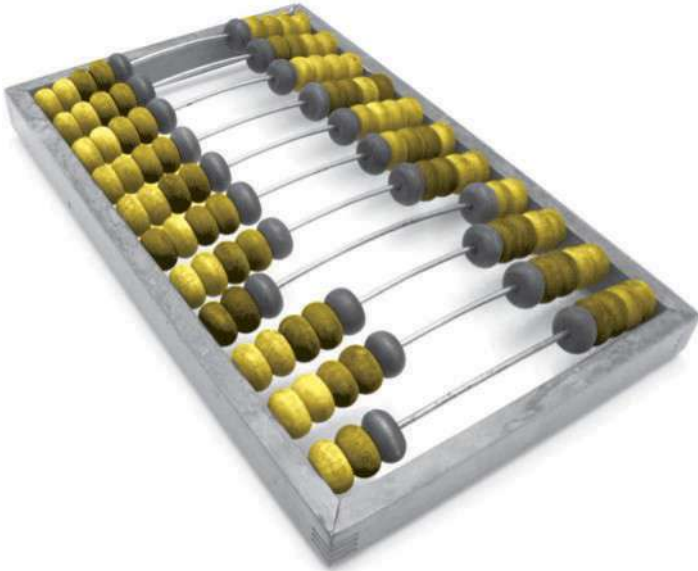


Faysal Funds

Islamic Stock Fund

Condensed Interim Financial Statements
For The Half Year Ended December 31, 2022 (Un-audited)



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Faysal Funds

Faysal Islamic Stock Fund

FUND INFORMATION

Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Nadir Rahman, Director

Mr. Ali Waqar, Director

Ms. Samia Zuberi, Director

Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer

Mr. Khaldoon Bin Latif

Chief Financial Officer

Mr. Faisal Ali Khan

Company Secretary of the Management Company

Muhammad Umer Ilyas

Audit Committee

Mr. Nadir Rahman, Chairman

Mr. Mian Salman Ali, Member

Syed Fraz Muhammad Zaidi, Member

HR Committee

Ms. Samia Zuberi, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

Risk Committee

Mr. Mian Salman Ali, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

Mr. Ali Waqar, Member

Trustee to the Fund

Central Depository Company of Pakistan Limited

CDC House, 99B, Block B, SMCHS,

Main Sharah-e-Faisal, Karachi.

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

IT Minds Limited

Central Depository Company of Pakistan Limited

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

Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Faysal Bank Limited

Meezan Bank Limited

MISSION AND VISION

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

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

MISSION STATEMENT

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

**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.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL ISLAMIC 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 Islamic 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, 2022 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 22, 2023



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Islamic Stock Fund** (the Fund) as at December 31, 2022 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 ended December 31, 2022. 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 quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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 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.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Shahbaz Akbar**
Dated: February 28, 2023
Karachi
UDIN: RR202210068yzVLrmQ0p

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>

**FAYSAL ISLAMIC STOCK FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2022**

	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	----- (Rupees) -----	----- (Rupees) -----
Assets		
Balances with banks	4 60,883,427	83,184,008
Investments	5 363,604,000	381,310,543
Deposits, profit and other receivable	3,522,976	3,765,707
Preliminary expenses and floatation costs	6 744,432	891,877
Receivable from Faysal Asset Management Limited - Management Company	7 25,000	776,927
Receivable against sale of investments	-	41,521,694
Receivable against sale of units	39,994,956	-
Total assets	468,774,791	511,450,756
Liabilities		
Payable to Faysal Asset Management Limited - Management Company	8 2,299,835	3,027,318
Payable to Central Depository Company of Pakistan Limited - Trustee	9 83,629	99,126
Payable to the Securities and Exchange Commission of Pakistan	10 44,525	129,138
Accrued expenses and other liabilities	11 2,592,863	2,867,460
Total liabilities	5,020,852	6,123,042
Net assets	<u>463,753,939</u>	<u>505,327,714</u>
Unit holders' fund (as per the statement attached)	<u>463,753,939</u>	<u>505,327,714</u>
Contingencies and commitments	12	
	----- (Number of units) -----	
Number of units in issue	<u>4,477,081</u>	<u>4,796,590</u>
	----- (Rupees) -----	
Net asset value per unit	<u>103.58</u>	<u>105.35</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

FAYSAL ISLAMIC STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
		----- (Rupees) -----		----- (Rupees) -----	
Income					
Profit on balances with banks		2,192,032	875,599	1,146,328	316,336
Dividend income		26,252,746	18,927,343	19,578,075	8,672,293
Net realised gain / (loss) on sale of investments		3,383,545	(106,336,024)	791,494	(101,999,320)
		<u>31,828,323</u>	<u>(86,533,082)</u>	<u>21,515,897</u>	<u>(93,010,691)</u>
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(17,079,381)	(1,372,844)	(13,430,882)	46,857,788
Total income / (loss)		<u>14,748,942</u>	<u>(87,905,926)</u>	<u>8,085,015</u>	<u>(46,152,903)</u>
Expenses					
Remuneration of Faysal Asset Management Limited - Management Company	8.1	4,921,564	7,146,842	2,109,225	3,345,490
Sindh Sales Tax on remuneration of the Management Company	8.2	639,803	929,090	274,199	434,914
Selling and marketing expenses	8.3	3,341,206	6,124,057	1,653,803	1,039,324
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	445,493	714,684	220,507	334,549
Sindh Sales Tax on remuneration of the Trustee	9.2	57,914	92,909	28,666	43,491
Annual fee of the Securities and Exchange Commission of Pakistan	10.1	44,549	71,468	22,050	33,454
Auditors' remuneration		280,048	278,760	140,024	137,908
Transaction charges		1,576,216	2,446,065	997,141	1,298,353
Legal and professional charges		79,120	79,120	39,560	40,664
Shariah advisory fee		55,246	50,416	27,232	32,384
Settlement and bank charges		5,300	355,748	3,613	351,390
Fees and subscription		13,800	13,800	6,900	13,800
Printing charges		17,112	17,112	8,556	10,396
Amortisation of preliminary expenses and flotation costs	6.1	147,445	146,648	73,324	73,324
Annual rating fee		(188,705)	95,128	(188,705)	13,524
Reimbursement of expenses by the Management Company	0	(525,000)	(1,200,000)	(25,000)	900,000
Total expenses		<u>10,911,111</u>	<u>17,361,847</u>	<u>5,391,095</u>	<u>8,102,965</u>
Net income / (loss) from operating activities		<u>3,837,831</u>	<u>(105,267,773)</u>	<u>2,693,920</u>	<u>(54,255,868)</u>
Reversal of provision of Sindh Workers' Welfare Fund		-	4,291,343	-	-
Net income / (loss) for the period before taxation		<u>3,837,831</u>	<u>(100,976,430)</u>	<u>2,693,920</u>	<u>(54,255,868)</u>
Taxation	14	-	-	-	-
Net income / (loss) for the period after taxation		<u>3,837,831</u>	<u>(100,976,430)</u>	<u>2,693,920</u>	<u>(54,255,868)</u>
Earnings per unit	15				
Allocation of net income for the period					
Net income for the period after taxation		3,837,831	-	-	-
Income already paid on units redeemed		-	-	-	-
		<u>3,837,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		3,837,831	-	-	-
		<u>3,837,831</u>	<u>-</u>	<u>-</u>	<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

**FAYSAL ISLAMIC STOCK FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	<u>Half year ended December 31,</u>		<u>Quarter ended December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	----- (Rupees) -----		----- (Rupees) -----	
Net income / (loss) for the period after taxation	3,837,831	(100,976,430)	2,693,920	(54,255,868)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>3,837,831</u>	<u>(100,976,430)</u>	<u>2,693,920</u>	<u>(54,255,868)</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

FAYSAL ISLAMIC STOCK FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half Year ended December 31, 2022			Half Year ended December 31, 2021		
	Capital value	Accumulated loss	Total	Capital value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period (audited)	610,691,589	(105,363,875)	505,327,714	675,053,457	69,755,417	744,808,874
Issuance of 11,701,803 units (2021: 2,666,862 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,232,784,941	-	1,232,784,941	366,080,147	-	366,080,147
- Element of (loss) / income	12,866,746	-	12,866,746	(23,964,576)	-	(23,964,576)
Total proceeds on issuance of units	1,245,651,687	-	1,245,651,687	342,115,571	-	342,115,571
Redemption of 12,021,312 units (2021: 2,927,004 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,266,445,191)	-	(1,266,445,191)	(401,789,839)	-	(401,789,839)
- Element of (loss) / income	(24,618,102)	-	(24,618,102)	36,685,374	-	36,685,374
Total payments on redemption of units	(1,291,063,293)	-	(1,291,063,293)	(365,104,465)	-	(365,104,465)
Total comprehensive income / (loss) for the period	-	3,837,831	3,837,831	-	(100,976,430)	(100,976,430)
Net assets at the end of the period (unaudited)	565,279,983	(101,526,044)	463,753,939	652,064,563	(31,221,013)	620,843,550
Accumulated (loss) / income brought forward						
- Realised (loss) / income	(38,063,296)			1,375,633		
- Unrealised (loss) / income	(67,300,579)			68,379,784		
	(105,363,875)			69,755,417		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	3,837,831			-		
	3,837,831			-		
Net loss for the period after taxation		-		(100,976,430)		
Accumulated loss carried forward	(101,526,044)			(31,221,013)		
Accumulated loss carried forward						
- Realised loss	(84,446,663)			(29,848,169)		
- Unrealised loss	(17,079,381)			(1,372,844)		
	(101,526,044)			(31,221,013)		
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>105.35</u>			<u>137.27</u>
Net asset value per unit at the end of the period			<u>103.58</u>			<u>120.19</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

**FAYSAL ISLAMIC STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,	
		2022	2021
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before taxation		3,837,831	(100,976,430)
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	17,079,381	1,372,844
Amortisation of preliminary expenses and floatation costs	6	147,445	146,648
Reversal of provision of Sindh Workers' Welfare Fund		-	(4,291,343)
		17,226,826	(2,771,851)
		<u>21,064,657</u>	<u>(103,748,281)</u>
Decrease / (increase) in assets			
Investments - net		42,148,856	(11,901,955)
Deposits, advances and other receivables		242,731	16,231
Receivable from Faysal Asset Management Limited - Management Company		751,927	(1,200,000)
		43,143,514	(13,085,724)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(727,483)	(2,843,973)
Payable to Central Depository Company of Pakistan Limited - Trustee		(15,497)	9,499
Payable to the Securities and Exchange Commission of Pakistan		(84,613)	(38,871)
Accrued expenses and other liabilities		(274,597)	1,115,049
		(1,102,190)	(1,758,296)
		<u>63,105,981</u>	<u>(118,592,301)</u>
Net cash generated from / (used in) operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		1,205,656,731	348,955,781
Payments against redemption of units		(1,291,063,293)	(364,076,415)
Net cash used in financing activities		<u>(85,406,562)</u>	<u>(15,120,634)</u>
Net decrease in cash and cash equivalents during the period		(22,300,581)	(133,712,935)
Cash and cash equivalents at the beginning of the period		83,184,008	136,462,317
Cash and cash equivalents at the end of the period	4	<u><u>60,883,427</u></u>	<u><u>2,749,382</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

FAYSAL ISLAMIC STOCK FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Stock Fund (the Fund) is an open end mutual fund established through a Trust Deed under the Trust Act, 1882, entered into on February 25, 2019 between Faysal Asset Management Limited (FAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. This was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The investment activities and administration of the Fund are managed by the Management Company.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 9, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed by the SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as a 'Shariah Compliant Open Ended Equity Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from July 24, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to provide long term capital growth by investing primarily in Shariah compliant listed equity securities, with prudent and professional management.

1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated 12 December ,2022 (June 30, 2022: 'AM2+' dated December 31, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

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 for interim financial reporting 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 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 the 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

- 2.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies applied and the methods of computations of balances used 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 period from July 24, 2020 to June 30, 2022.

- 3.2 The preparation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2022.

- 3.3 **Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period**

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022. 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.

- 3.4 **Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective**

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. 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.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	-----
4 BALANCES WITH BANKS			
Savings accounts	4.1	<u>60,883,427</u>	<u>83,184,008</u>

- 4.1 These savings accounts carry mark-up at rates ranging from 6.50% to 16.00% (June 30, 2022: 2.50% to 15.50%) per annum. Deposits in savings accounts also include Rs. 2.033 million (June 30, 2022: Rs. 58.423 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 16.00% (June 30, 2022: 15.50%) per annum.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	-----
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	<u>363,604,000</u>	<u>381,310,543</u>

5.1 Listed equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless stated other wise.

Name of the investee company	Note	Number of shares				Balance as at December 31, 2022			Investment as a percentage of		
		As at July 1, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2022	Carrying value	Market value	Unrealised (diminution) / appreciation on re-measurement of investments	net assets	total investments
		Number of shares held				Rupees			Percentage		
CHEMICAL											
Lotte Chemical Pakistan Limited	-	677,000	-	337,000	340,000	10,853,511	8,806,000	(2,047,511)	1.90%	2.42%	0.40%
									1.90%	2.42%	0.40%
COMMERCIAL BANKS											
Meezan Bank Limited	624,609	132,163	47,772	182,880	621,664	64,725,082	61,880,435	(2,844,647)	13.34%	17.02%	0.04%
Bank Islami Pakistan Limited	-	414,000	-	-	414,000	6,348,591	5,531,040	(817,551)	1.19%	1.52%	0.03%
									14.54%	18.54%	0.07%
CEMENT											
Cherat Cement Company Limited	6.1.2	-	88,000	-	88,000	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	-	8,540	-	-	8,540	521,367	441,006	(80,361)	0	0	0
Flying Cement Company Limited	97,150	-	-	-	97,150	697,537	569,299	(128,238)	0.12%	0.16%	0.03%
Lucky Cement Limited	6.1.2	-	134,814	-	134,500	314	153,684	(13,458)	0.03%	0.04%	0.00%
									0.25%	0.32%	0.03%
POWER GENERATION AND DISTRIBUTION											
K-Electric Limited	-	400,000	-	40,000	360,000	1,092,158	972,000	(120,158)	0.21%	0.27%	0.00%
The Hub Power Company Limited	258,350	1,002,000	-	573,000	687,350	49,830,255	43,358,038	(6,472,217)	9.35%	11.92%	0.05%
									9.56%	12.19%	0.06%
TECHNOLOGY AND COMMUNICATION											
Avanceon Limited	-	265,000	-	265,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	83,871	128,500	-	76,916	135,455	52,679,810	65,550,739	12,870,929	14.13%	18.03%	0.10%
Octopus Digital Limited	47,805	-	-	47,000	805	57,405	45,603	(11,801)	0.01%	0.01%	0.00%
Trg Pakistan Limited - Class 'A'	582,400	-	-	582,400	-	-	-	-	0.00%	0.00%	0.00%
									14.14%	18.04%	0.10%
OIL & GAS MARKETING COMPANIES											
Mari Petroleum Company Limited	17,690	18,200	-	6,300	29,590	50,982,221	45,774,546	(5,207,675)	9.87%	12.59%	0.01%
Oil & Gas Development Company Limited	218,000	392,000	-	420,500	189,500	15,225,665	15,095,570	(130,095)	3.26%	4.15%	0.00%
Pakistan Oilfields Limited	85,582	41,916	-	39,001	88,497	35,145,833	34,766,046	(379,786)	7.50%	9.56%	0.00%
Pakistan State Oil Company Limited	112,500	62,500	-	85,000	90,000	16,060,136	12,959,100	(3,101,036)	2.79%	3.56%	0.00%
Pakistan Petroleum Limited	156,500	389,000	-	420,000	125,500	8,713,092	8,551,570	(161,522)	1.84%	2.35%	0.11%
									25.26%	32.22%	0.11%
FERTILIZER											
Engro Fertilizers Limited	444,780	100,000	-	243,981	300,799	25,938,823	23,128,435	(2,810,388)	4.99%	6.36%	0.38%
Engro Corporation Limited	70,515	82,500	-	107,371	45,644	12,082,492	11,959,184	(123,308)	2.58%	3.29%	0.06%
									4.99%	6.36%	0.38%
REFINERY											
Attock Refinery Limited	140,000	130,000	-	270,000	-	-	-	-	-	-	-
National Refinery Limited	-	17,000	-	17,000	-	-	-	-	-	-	-
									0.00%	0.00%	0.00%
GLASS & CERAMICS											
Tariq Glass Industries Limited	208,118	10,000	41,527	52,008	207,637	17,353,699	13,521,321	(3,832,378)	2.92%	3.72%	0.15%
									2.92%	3.72%	0.15%
PROPERTIES											
TPL Properties Limited	-	700,739	70,073	150,000	620,812	12,222,020	10,553,841	(1,668,179)	2.28%	2.90%	0.45%
									2.28%	2.90%	0.45%
Total as at December 31, 2022					4,363,257	380,683,381	363,604,000	(17,079,381)			
Total as at June 30, 2022					448,611,122	381,310,543	(67,300,579)				

5.1.1 Shares of K-Electric Limited having face value of Rs. 3.5 each.

5.1.2 Investments include the following shares 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.

Name of investee company	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	---- (Number of shares) ----		----- (Rupees) -----	
Engro Polymer and Chemicals Limited	-	300,000	-	26,592,000
TRG Pakistan Limited - Class 'A'	-	500,000	-	38,665,000
Engro Fertilizer Limited	200,000	-	15,378,000	-
Mari Petroleum Company Limited	5,000	-	7,734,800	-
Oil & Gas Development Company Limited	189,000	-	15,055,740	-
Systems Limited	50,000	-	24,196,500	-
	<u>444,000</u>	<u>800,000</u>	<u>62,365,040</u>	<u>65,257,000</u>
		Note	December 31, 2022	June 30, 2022
5.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net			(Un-audited)	(Audited)
			----- (Rupees) -----	
Market value of investments		5.1	363,604,000	381,310,543
Less: carrying value of investments		5.1	380,683,381	448,611,122
			<u>(17,079,381)</u>	<u>(67,300,579)</u>
6 PRELIMINARY EXPENSES AND FLOATATION COSTS				
At the beginning of the period / year			891,877	1,182,782
Less: amortisation during the period / year			(147,445)	(290,905)
At the end of the period / year			<u>744,432</u>	<u>891,877</u>
6.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund .These are being amortised over the period of five years commencing from July 24, 2020 as per the requirements set out in the Trust Deed of the Fund and the NBFC Regulations, 2008.			
7 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - 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, 2022, the Fund was in breach of the TER ratio of 4.5% as prescribed under NBFC Regulations for a collective investment scheme categorised as an equity scheme. As a result, the Fund has recorded receivable from the Management Company to comply with the TER.				
		Note	December 31, 2022	June 30, 2022
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			(Un-audited)	(Audited)
			----- (Rupees) -----	
Management remuneration payable		8.1	551,018	-
Sindh Sales Tax on remuneration of the Management Company		8.2	71,632	-
Selling and marketing expenses payable		8.3	1,654,078	2,944,210
Sales load payable			54	55
Preliminary expenses and flotation costs payable			13,053	13,053
Other payable			10,000	70,000
			<u>2,299,835</u>	<u>3,027,318</u>
8.1	As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 2% (December 31, 2021: 2%) of the average annual net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.			
	From July 1, 2022 to November 06, 2022	From November 07, 2022 to December 31, 2022		
	2.5% of net assets	1.5% of net assets		

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

- 8.2 During the period, an amount of Rs. 0.640 million (December 31, 2021: Rs. 0.929 million) was charged on account of sales tax at the rate of 13% (December 31, 2021: 13%) on management fee levied through the Sindh Sales Tax on Services Act, 2011.
- 8.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly approved by the Board of Directors) while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008. Keeping in view the maximum allowable threshold, the Management Company has charged selling & marketing expense at the rate of 1.5% of the average annual net assets of the Fund during the period ended December 31, 2022

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Remuneration payable	9.1	74,008
	Sindh Sales Tax payable on remuneration of the trustee fee	9.2	9,621
		<u>83,629</u>	<u>99,126</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the following rates:

Net Assets (Rs.)	Tariff
up to Rs 1,000 million	0.20% per annum of net assets
from Rs 1,000 million and above	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million

- 9.2 During the period, an amount of Rs. 0.058 million (30 June 2022: 0.093 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13%.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	10.1	44,525
		<u>44,525</u>	<u>129,138</u>

- 10.1 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) at the rate of 0.02% per annum of average annual net assets of the Fund.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	391,788	429,530
	Transaction charges payable	1,067,514	1,425,629
	Fees and subscription payable	9,300	188,705
	Shariah advisory fee payable	133,214	77,968
	Legal and professional charges payable	428,608	289,488
	Withholding tax payable	33,033	5,397
	Capital gain tax payable	149,277	398,673
	Printing charges payable	15,938	14,427
	Other payable	364,191	37,643
	Provision for Sindh Workers Welfare Fund	-	2,867,460
		<u>2,592,863</u>	<u>5,734,920</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 4.90% (2021: 4.86%) which includes 0.42% (2021: 0.38%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

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 as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 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.

15 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.

16 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 16.1** Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors, their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10 percent units of the Fund at period end.
- 16.2** Transactions with connected persons essentially comprise of 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. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6** The details of transactions carried out by the Fund with connected persons and related parties during the period and balances with them as at period end are as follows:

Transactions during the period

	For the six months period ended December 31, 2022	For the six months period ended December 31, 2021
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	4,921,564	7,146,842
Sindh sales tax on remuneration of the Management Company	639,803	929,090
Selling and marketing expenses	3,341,206	6,124,057
Reimbursement of expenses by the Management Company	525,000	1,200,000
Units issued: 27,439 (December 31, 2021: 231,110 units)	2,989,429	31,888,616
Units Redeemed: 27,439 (December 31, 2021: Nil units)	2,901,351	-
Faysal Bank Limited (Group / Associated Company) *		
Profit on balance with bank	495,952	423,832
Bank charges	5,298	5,474
Units issued: 194,231 units (December 31, 2021: Nil units)	20,000,000	-
Units Redeemed: 237,688 (December 31, 2021: Nil units)	25,000,000	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	445,493	714,684
Sindh sales tax on remuneration of the Trustee	57,914	92,909
Settlement Charges		355,748
Directors and Key Management Personnel of the Management Company		
Units issued: 6,528 (2021: 22,465 units)	707,924	2,656,138
Units redeemed: 6,465 (2021: 20,419 units)	702,241	2,486,965
Unit holders holding more than 10% units		
Units issued: 998,352 (2021: 1,049,385 units)	109,619,047	132,676,954
Units redeemed: 1,589,593 (2021: 905,860 units)	168,020,202	99,517,827

* This unit holder also hold more than 10% units at period end.

Balances outstanding as at period / year end

	December 31, 2022	June 30, 2022
	(Un-audited) (Audited)	
	----- (Rupees) -----	
Amounts / balances outstanding as at period / year end		
Faysal Asset Management Limited - Management Company		
Management remuneration payable	551,018	-
Sindh Sales Tax payable on remuneration of the Management Company	71,632	-
Selling and marketing expenses payable	1,654,078	2,944,210
Preliminary expenses and flotation costs payable	13,053	13,053
Sales load payable	54	55
Other payable	10,000	70,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	74,008	87,722
Sindh Sales Tax payable on remuneration of the Trustee	9,621	11,404
Security deposit	100,000	100,000
Faysal Bank Limited (Group / Associated Company) *		
Balance with bank	2,032,596	58,422,555
Profit receivable on balance with bank	217,998	534,338
Units in issue: 930,953 (June 30, 2022: 734,808 units)	96,428,081	102,654,004

Balances outstanding as at period / year end	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
Faysal Bank Limited - Staff Provident Fund *		
Units in issue: 590,551 (June 30, 2022: 590,551 units)	61,169,273	62,214,548
Directors and Key Management Personnel of the Management Company		
Units in issue: 182 (June 30, 2022: 119 units)	18,805	12,537
Unit holder with 10% or more unit holding		
Units in issue: 1,634,929 (June 30, 2022: 3,791,130 units)	169,345,985	399,395,590

* This unit holder also hold more than 10% units at period end.

- 16.7** Other balances due to / from related parties and connected persons are included in the respective notes to these condensed interim financial statements.

17 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2022			
	----- (Un-audited) -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Listed equity securities	363,604,000	-	-	363,604,000
	<u>363,604,000</u>	<u>-</u>	<u>-</u>	<u>363,604,000</u>
	As at June 30, 2022			
	----- (Audited) -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Listed equity securities	381,310,543	-	-	381,310,543
	<u>381,310,543</u>	<u>-</u>	<u>-</u>	<u>381,310,543</u>

18 GENERAL

Figures have been rounded off to the nearest rupee.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 20, 2023 by the Board of Directors of the Management Company.

**For Faysal Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

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