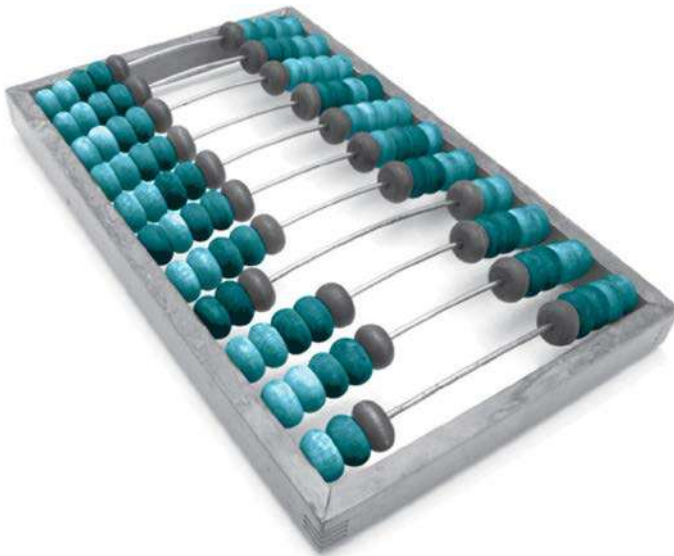


# Faysal Funds

## Islamic Financial Planning Fund-II

Condensed Interim Financial Statements

For The Period July 15, 2022 to December 31, 2022 (Un-audited)



## **CONTENTS**

Fund Information	02
Mission Statement	03
Trustee Report to the Unit Holders	04
Independent Auditor's Report to the Unit Holders	05
Condensed Interim Statement of Assets and Liabilities	06
Condensed Interim Income Statement	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Movement in Unit Holders' Fund	09
Condensed Interim Cash Flow Statement	10
Notes to the Condensed Interim Financial Statements	11

# Faysal Funds

## Faysal Islamic Financial Planning Fund -II

### 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.

2<sup>nd</sup> 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 Shakra-e-Faisal, Karachi.

#### Bankers to the Fund

Faysal 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 Financial Planning Fund that aims to generate returns on investment as per the respective Allocation Plans by investing in Collective Investment Scheme in line with the risk tolerance, returns & basic needs of the investor.

**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 FINANCIAL PLANNING FUND-II**

**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 Financial Planning Fund-II (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 period from July 15, 2022 to 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 Financial Planning Fund II** (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 period from July 15, 2022 to 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 quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the period from July 15, 2022 to 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: RR2022100680ElpoyXjt

**FAYSAL ISLAMIC FINANCIAL PLANNING FUND-II**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2022**

	Note	December 31, 2022 <b>Faysal Sharia Capital Preservation Plan-X</b> (Rupees)
<b>Assets</b>		
Balances with banks	4	11,870,470
Investments	5	1,322,249,972
Advance tax, profit and other receivables	6	9,245,908
Preliminary expenses and floatation costs	7	1,338,209
<b>Total assets</b>		<u>1,344,704,559</u>
<b>Liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	8	9,453,888
Payable to Central Depository Company of Pakistan Limited - Trustee	9	90,948
Payable to the Securities and Exchange Commission of Pakistan	10	125,566
Accrued expenses and other liabilities	11	449,784
<b>Total liabilities</b>		<u>10,120,186</u>
<b>Net assets</b>		<u>1,334,584,373</u>
<b>Unit holders' fund (as per the statement attached)</b>		<u>1,334,584,373</u>
<b>Contingencies and commitments</b>	12	<b>(Number of units)</b>
<b>Number of units in issue</b>		<u>12,934,453</u>
		<b>(Rupees)</b>
<b>Net asset value per unit</b>		<u>103.18</u>

The annexed notes from 1 to 21 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 FINANCIAL PLANNING FUND-II**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD FROM JULY 15, 2022 TO DECEMBER 31, 2022**

Note	For the period From July 15, 2022 to December 31, 2022	For the quarter ended December 31, 2022
<b>Faysal Sharia Capital Preservation Plan-X</b>		
------(Rupees)-----		
<b>Income</b>		
Profit on balances with banks	14,430,090	5,908,121
Dividend income	31,711,427	14,836,723
Back end load	2,029,442	908,975
Capital gain on sale of investments - net	24,838,910	17,503,379
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.1 (4,781,388)	(8,054,355)
<b>Total income</b>	<b>68,228,481</b>	<b>31,102,842</b>
<b>Expenses</b>		
Remuneration of Faysal Asset Management Limited - Management Company	8.1 2,769,140	1,319,577
Sindh Sales Tax on remuneration of the Management Company	8.2 359,988	171,545
Allocated expenses	8.3 10,452,052	7,464,010
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 439,533	240,773
Sindh Sales Tax on remuneration of the Trustee	9.2 57,139	31,300
Annual fee of the Securities and Exchange Commission of Pakistan	10.1 125,566	68,777
Auditors' remuneration	279,140	151,064
Fees and subscriptions	12,808	6,931
Legal and professional charges	73,005	39,494
Shariah advisory fee	50,301	23,079
Amortisation of preliminary expenses and floatation cost	7.1 402,487	217,817
Bank charges	2,116	225
Printing charges	15,836	8,570
<b>Total expenses</b>	<b>15,039,111</b>	<b>9,743,163</b>
<b>Net income for the period before taxation</b>	<b>53,189,370</b>	<b>21,359,679</b>
Taxation	14 -	-
<b>Net income for the period after taxation</b>	<b>53,189,370</b>	<b>21,359,679</b>
<b>Earnings per unit</b>	15	
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	53,189,370	
Income already paid on units redeemed	(1,579,966)	
	<u>51,609,404</u>	
<b>Accounting income available for distribution</b>		
- Relating to capital gains	24,838,910	
- Excluding capital gains	26,770,494	
	<u>51,609,404</u>	

The annexed notes from 1 to 21 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 FINANCIAL PLANNING FUND-II  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD FROM JULY 15, 2022 TO DECEMBER 31, 2022**

	For the period from July 15, 2022 to December 31, 2022	For the quarter ended December 31, 2022
	<b>Faysal Sharia Capital Preservation Plan-X</b>	
	----- <b>(Rupees)</b> -----	
<b>Net income for the period after taxation</b>	53,189,370	21,359,679
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>53,189,370</u>	<u>21,359,679</u>

The annexed notes from 1 to 21 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 FINANCIAL PLANNING FUND-II**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD FROM JULY 15, 2022 TO DECEMBER 31, 2022**

For the period from July 15, 2022 to December 31, 2022		
Faysal Sharia Capital Preservation Plan-X		
Capital value	Undistributed income	Total
------(Rupees)-----		
Issuance of 13,933,375 units		
- Capital value (at par value per unit at the beginning of the period)	1,393,337,482	1,393,337,482
- Element of income	-	-
Total proceeds on issuance of units	1,393,337,482	1,393,337,482
Redemption of 998,921 units		
- Capital value (at par value per unit at the beginning of the period)	(99,892,148)	(99,892,148)
- Element of income	(1,579,966)	(1,579,966)
Total payments on redemption of units	(99,892,148)	(101,472,114)
Interim distribution of Re. 0.79 per unit (date of declaration: August 18, 2022)	-	(10,470,365)
Total comprehensive income for the period	-	53,189,370
<b>Net assets at the end of the period</b>	<b><u>1,293,445,334</u></b>	<b><u>1,334,584,373</u></b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	24,838,910	
- Excluding capital gains	26,770,494	
	<u>51,609,404</u>	
Distributions during the period	(10,470,365)	
Undistributed income carried forward	<u>41,139,039</u>	
<b>Undistributed income carried forward</b>		
- Realised income	41,139,039	
- Unrealised loss	-	
	<u>41,139,039</u>	
		<b>(Rupees)</b>
Net asset value per unit at the end of the period		<u>103.1800</u>

The annexed notes from 1 to 21 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 FINANCIAL PLANNING FUND-II  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD FROM JULY 15, 2022 TO DECEMBER 31, 2022**

	Note	For the period from July 15, 2022 to December 31, 2022 Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation		53,189,370
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and flotation costs		
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	7.1 5.1	402,487 4,781,388 5,183,875
		58,373,245
<b>Increase in assets</b>		
Advance tax, profit and other receivables		(9,245,908)
Investments - net		(1,327,031,360)
Preliminary expenses and floatation costs paid		(1,740,696)
		(1,338,017,964)
<b>Increase in liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company		9,453,888
Payable to Central Depository Company of Pakistan Limited - Trustee		90,948
Payable to the Securities and Exchange Commission of Pakistan		125,566
Accrued expenses and other liabilities		449,784
		10,120,186
<b>Net cash used in operating activities</b>		(1,269,524,533)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received against issuance of units		1,393,337,482
Payments made against redemption of units		(101,472,114)
Dividend paid		(10,470,365)
<b>Net cash generated from financing activities</b>		1,281,395,003
<b>Cash and cash equivalents at the end of the period</b>	4	11,870,470

The annexed notes from 1 to 21 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 FINANCIAL PLANNING FUND-II**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD FROM JULY 15, 2022 TO DECEMBER 31, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Faysal Islamic Financial Planning Fund II (the Fund) is an open-ended mutual fund established through a Trust Deed entered into on May 19, 2020 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

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).

During the year ended June 30, 2021, the Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the Fund was required to be registered under the Sindh Trust Act. Accordingly, on November 16, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

**1.2** The Fund has been categorised as an open ended 'Shari'ah compliant fund of funds 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 under pre - IPO at a par value of Rs 100 per unit.

**1.3** Faysal Sharia Capital Preservation Plan - X under Faysal Islamic Financial Planning Fund II is a Shari'ah compliant plan which commenced its operations from July 15, 2022 with an objective to earn a potentially competitive return through dynamic asset allocation between Islamic income / money market, Islamic equity collective investment scheme and Islamic banks deposits by using Constant Proportion Portfolio Insurance (CPPI) methodology, while aiming to providing capital preservation of the initial investment value at maturity of the plan based on the fund manager's outlook on the assets' classes. The initial maturity of this plan is two years from the close of the subscription period (i.e. July 15, 2022). Units will be subject to front end load and back end / contingent load.

**1.4** The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 30, 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

**1.5** 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.

**1.6** These are the first condensed interim financial statements of the Fund for the period from July 15, 2022 to December 31, 2022. Therefore, comparative figures, have not been included.

**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. 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 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 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 accounting and reporting standards that are effective in the current period**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on / 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 financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

## **2.4 Critical accounting estimates and judgments**

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

The estimates and judgments that have a significant effect on these condensed interim financial statements of the Fund relate to taxation (notes 3.14 and 12).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective 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.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below:

### **3.1 Cash and cash equivalents**

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

### **3.2 Financial assets**

#### **3.2.1 Classification and subsequent measurement**

##### **3.2.1.1 Debt instruments**

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

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

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

### 3.2.2 Subsequent measurement

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

#### Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

### 3.2.3 Impairment

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

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

### 3.2.4 Regular way contracts

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

### 3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the condensed interim income statement.

### 3.2.7 Derecognition

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

### 3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the condensed interim income statement.

### 3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the condensed interim statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Net Asset Value per unit**

The Net Asset Value (NAV) per unit as disclosed in the condensed interim statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

### **3.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### **3.8 Distributions to unit holders**

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

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

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.10 Revenue recognition**

- Realised gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on savings accounts is recognised on an accrual basis.
- Back-end load income is recognised at the date at which the transaction takes place.
- Dividend income is recognised when the right to receive the dividend is established.

### **3.11 Expenses**

All expenses including management fee and trustee fee are recognised in the condensed interim income statement on an accrual basis.

### **3.12 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 a period of 2 years in accordance with the requirements set out in the trust deed of the Fund.

### 3.13 Foreign currency translation

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

### 3.14 Taxation

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.15 Earnings per unit

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

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

			<b>(Un-audited) December 31, 2022</b>
			<b>Faysal Sharia Capital Preservation Plan-X (Rupees)</b>
<b>4</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>	
	Savings accounts	4.1	<u>11,870,470</u>

4.1 These savings accounts carry mark-up at rates ranging from 14.75% to 16.00% per annum. Deposits in savings accounts also include Rs. 11.715 million maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 16.00%.

			<b>(Un-audited) December 31, 2022</b>
			<b>Faysal Sharia Capital Preservation Plan-X (Rupees)</b>
<b>5</b>	<b>INVESTMENTS</b>	<b>Note</b>	
	<b>At fair value through profit or loss</b>		
	Units of open-ended mutual funds	5.1	<u>1,322,249,972</u>

### 5.1 Units of open-ended mutual funds

Name of the security	Number of units				As at December 31, 2022			Market value as a percentage of	
	As at July 1, 2022	Purchased during the period	Redeemed during the period	As at December 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
					------(Rupees)-----				
Faysal Halal Amdani Fund	-	70,542,016	70,542,016	-	-	-	-	-	-
Faysal Islamic Cash Fund	-	145,007,134	137,592,064	7,415,070	741,507,000	741,507,000	-	56.08	55.56
Faysal Islamic Dedicated Equity Fund	-	12,454,949	6,512,628	5,942,321	585,524,360	580,742,972	(4,781,388)	43.92	43.51
<b>As at December 31, 2022</b>					<u>1,327,031,360</u>	<u>1,322,249,972</u>	<u>(4,781,388)</u>	<u>100.00</u>	<u>99.08</u>



		(Un-audited) December 31, 2022
		<b>Faysal Sharia Capital Preservation Plan-X (Rupees)</b>
<b>6</b>	<b>ADVANCE TAX, PROFIT &amp; OTHER RECEIVABLES</b>	
	Profit receivable on bank balances	6,667,822
	Advance tax	1,289,870
	Other receivable	1,288,216
		<u>9,245,908</u>
<b>7</b>	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>	
	Preliminary expenses and floatation costs incurred	1,740,696
	Less: amortisation for the period	(402,487)
	Closing balance	7.1 <u>1,338,209</u>

**7.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over two years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

		(Un-audited) December 31, 2022
		<b>Faysal Sharia Capital Preservation Plan-X (Rupees)</b>
<b>8</b>	<b>PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	
	Management remuneration payable	8.1 220,704
	Sindh Sales Tax on remuneration of the Management Company	8.2 28,668
	Preliminary expenses and floatation cost payable	7 1,740,696
	Allocated expenses payable	8.3 7,463,820
		<u>9,453,888</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 1% per annum of the average annual net assets of the Fund for the period ended December 31, 2022 for all the plans. However, no amount of remuneration is charged on that part of the net assets which have been invested in mutual funds managed by the Management Company. The remuneration is payable to the Management Company monthly in arrears.

**8.2** During the period, an amount of Rs. 0.360 million was charged on account of sales tax @ 13% on management fee levied through the Sindh Sales Tax on Services Act, 2011.

**8.3** 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund (existing and to be launched) as it may decide. The Management Company has, therefore, charged allocated expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at following rates:

From July 15, 2022 to September 26, 2022	From September 27, 2022 to November 30, 2022	From December 1, 2022 to December 31, 2022
1% of average annual net assets	2% of average annual net assets	2.5% of average annual net assets

		(Un-audited) December 31, 2022
		Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>
	Trustee fee payable	9.1 80,491
	Sindh Sales Tax on remuneration of the Trustee	9.2 10,457
		<u>90,948</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net Assets (Rs.)	Fee
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. 0.057 million was charged on account of sales tax @ 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited) December 31, 2022
		Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>
	Annual fee payable	10.1 125,566

- 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.

		(Un-audited) December 31, 2022
		Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	
	Auditors' remuneration payable	279,140
	Legal and professional charges payable	73,037
	Annual listing fee payable	12,808
	Withholding tax payable	23,022
	Printing charges payable	11,476
	Payable to Shariah Advisor	50,301
		<u>449,784</u>

**12 CONTINGENCIES AND COMMITMENTS**

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

**13 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 2.36% which includes 0.08% of government levies. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Fund 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, 2008, 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 period 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 number of outstanding 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% or more units / net assets of the Fund.
- 16.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. Transactions with connected persons are in the normal course of business, at contracted rates and 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** The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

<b>Transactions during the period:</b>	<b>(Un-audited) For the period from July 15, 2022 to December 31, 2022 Faysal Sharia Capital Preservation Plan-X (Rupees)</b>
<b>Faysal Asset Management Limited - Management Company</b>	
Remuneration of the Management Company	2,769,140
Sindh Sales tax on remuneration of the Management Company	359,988
Allocated expenses	10,452,052
<b>Faysal Bank Limited (Group company / Associated Company)</b>	
Profit on bank balance	13,992,085
Bank charges	2,116

**Transactions during the period:**

	(Un-audited) For the period from July 15, 2022 to December 31, 2022 Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration of the Trustee	439,533
Sindh Sales Tax on remuneration of the Trustee	57,139
<b>Faysal Islamic Dedicated Equity Fund - fund managed by the Management Company</b>	
Purchase of Units : 12,454,949	1,200,000,000
Redemption of Units : 6,512,628	633,000,000
<b>Faysal Islamic Cash Fund - fund managed by the Management Company</b>	
Purchase of Units : 145,007,134	14,500,713,385
Redemption of Units : 137,592,064	13,759,206,385
<b>Faysal Halal Amdani Fund - fund managed by the Management Company</b>	
Purchase of Units : 70,542,016	7,373,204,764
Redemption of Units : 70,542,016	7,379,519,300
	(Un-audited) December 31, 2022 Faysal Sharia Capital Preservation Plan-X (Rupees)
<b>Amounts / balances outstanding as at period end:</b>	
<b>Faysal Asset Management Limited - Management Company</b>	
Management remuneration payable	220,704
Sindh Sales Tax on remuneration of the Management Company	28,668
Preliminary expenses and floatation cost payable	1,740,696
Other payable	7,463,820
<b>Faysal Bank Limited (group company / associated company)</b>	
Balance with bank	11,714,551
Profit receivable on balance with bank	6,601,961
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Trustee fee payable	80,491
Sindh Sales Tax on remuneration of the Trustee	10,457
<b>Faysal Islamic Dedicated Equity Fund - fund managed by the Management Company</b>	
Outstanding units: 5,942,321	580,742,972
<b>Faysal Islamic Cash Fund - fund managed by the Management Company</b>	
Outstanding units: 7,415,070	741,507,000

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

December 31, 2022		
At amortised cost	At fair value through profit or loss	Total
Rupees		
<b>Financial assets</b>		
Balances with banks	11,870,470	-
Investments	-	1,322,249,972
Profit and other receivable	7,956,038	-
	<u>19,826,508</u>	<u>1,322,249,972</u>
	<u>1,322,249,972</u>	<u>1,342,076,480</u>
<b>Financial liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	9,453,888	-
Payable to Central Depository Company of Pakistan - Trustee	90,948	-
Accrued expenses and other liabilities	426,762	-
	<u>9,971,598</u>	<u>2,003,060</u>
	<u>9,971,598</u>	<u>7,045,922</u>

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

## 18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

**(i) Profit rate risk**

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of December 31, 2022, the Fund is exposed to such risk on its balances with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**a) Sensitivity analysis for variable rate instruments**

Presently, the Fund holds balances with banks and KIBOR based term finance certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net (loss) / income for the year and net assets of the Fund would have been higher / lower by Rs.11.870 million.

**b) Sensitivity analysis for fixed rate instruments**

As at December 31, 2022, the Fund does not hold any fixed rate instruments that expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at December 31, 2022 can be determined as follows:

December 31, 2022					
Effective profit / yield	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- Rupees -----					
<b>Financial assets</b>					
Balances with banks	15.50 % to 16.00%	11,870,470	-	-	11,870,470
Investments		-	-	1,322,249,972	1,322,249,972
Profit and other receivable		-	-	7,956,038	7,956,038
		11,870,470	-	1,330,206,010	1,342,076,480
<b>Financial liabilities</b>					
Payable to Faysal Asset Management Limited - Management Company		-	-	9,453,888	9,453,888
Payable to Central Depository Company of Pakistan - Trustee		-	-	90,948	90,948
Accrued expenses and other liabilities		-	-	426,762	426,762
		-	-	9,971,598	9,971,598
<b>On-balance sheet gap (a)</b>		11,870,470	-	1,320,234,412	1,332,104,882
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		11,870,470	-	-	-
<b>Cumulative profit rate sensitivity gap</b>		11,870,470	11,870,470	11,870,470	-

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in equity prices as at December 31, 2022 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 13.222 million and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

## 18.2 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

December 31, 2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Financial assets</b>						
Balances with banks	11,870,470	-	-	-	-	11,870,470
Investments	1,322,249,972	-	-	-	-	1,322,249,972
Profit and other receivable	7,956,038	-	-	-	-	7,956,038
	1,342,076,480	-	-	-	-	1,342,076,480
<b>Financial liabilities</b>						
Payable to Faysal Asset Management Limited - Management Company	9,453,888	-	-	-	-	9,453,888
Payable to Central Depository Company of Pakistan - Trustee	90,948	-	-	-	-	90,948
Accrued expenses and other liabilities	426,762	-	-	-	-	426,762
	9,971,598	-	-	-	-	9,971,598
	1,332,104,882	-	-	-	-	1,332,104,882

### 18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

December 31, 2022	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Balances with banks	11,870,470
Investments	1,322,249,972
Profit and other receivable	7,956,038
	1,342,076,480
	19,826,508

The maximum exposure to credit risk before any credit enhancement as at December 31, 2022 is the carrying amount of the financial assets. Investment in units of mutual funds, however, are not exposed to credit risk and have been excluded from the above analysis.

### 18.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks and profit accrued thereon is as follows:

Rating	December 31, 2022
	% of financial assets exposed to credit risk
AA	59.87%

### 18.3.3 Concentration of credit risk

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

## 19 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.

Units of mutual funds are valued using the net asset value (NAV) announced by Mutual Fund Association of Pakistan (MUFAP). The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 19.1 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, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2022			Total
	Level 1	Level 2	Level 3	
Units of open-ended mutual funds	-	1,322,249,972	-	1,322,249,972
	-	1,322,249,972	-	1,322,249,972

## 20 GENERAL

Figures have been rounded off to the nearest rupee.

## 21 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,  
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