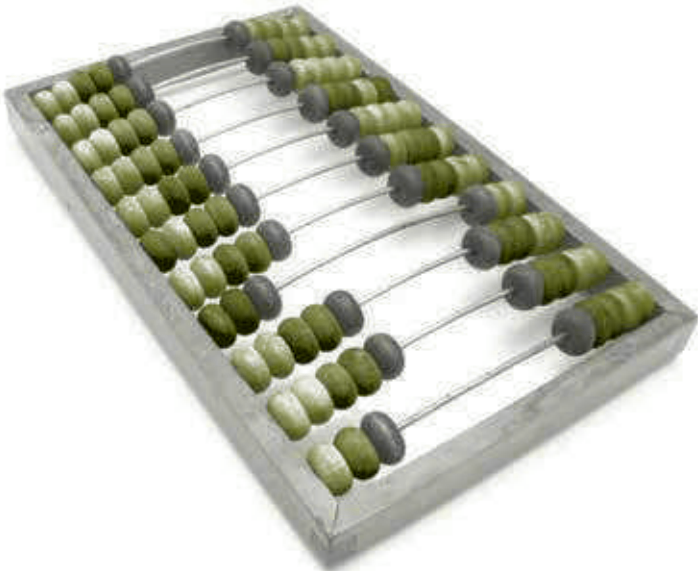


Faysal Financial Sector Opportunity Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
JS Bank Limited
Allied Bank Limited
Soneri Bank Limited
HBL Microfinance Bank limited
U- Microfinance Bank limited
Khushhali Bank Limited
Zarai Taraqati Bank Limited
United 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 Financial Sector Opportunity Fund seeks to provide a competitive rate of return to its investors by investing in money market and debt instruments with major exposure in financial sector.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL FINANCIAL SECTOR OPPORTUNITY 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 Financial Sector Opportunity 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, 2024



A.F. FERGUSON & CO.

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 Financial Sector Opportunity Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068-KAb3tE0B

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>

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	15,894,546,379	10,184,145,179
Investments	5	352,980,000	701,677,983
Receivable against sale of units		23,903,667	246,000,000
Deposits, prepayments and other receivables		496,316,837	246,741,033
Total assets		<u>16,767,746,883</u>	<u>11,378,564,195</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	6	77,479,603	27,384,029
Payable to Central Depository Company of Pakistan Limited - Trustee	7	1,138,889	836,139
Payable to the Securities and Exchange Commission of Pakistan	8	1,007,715	2,146,435
Accrued expenses and other liabilities	9	59,422,874	48,935,363
Total liabilities		139,049,081	79,301,966
Net assets		<u>16,628,697,802</u>	<u>11,299,262,229</u>
Unit holders' Fund (as per the statement attached)		<u>16,628,697,802</u>	<u>11,299,262,229</u>
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		<u>158,905,764</u>	<u>109,190,972</u>
		----- (Rupees) -----	
Net asset value per unit		<u>104.65</u>	<u>103.48</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	----- (Rupees) -----		----- (Rupees) -----	
Income				
Interest on Term Finance Certificates	5,467,955	1,048,430	5,398,685	521,854
Income on Market Treasury Bills	3,221,375	25,648,860	3,221,375	20,925,775
Interest on Pakistan Investment Bonds	61,462,203	-	61,462,203	-
Profit on GoP Ijarah Sukuk Certificates	1,785,467	-	1,785,467	-
Income from Sukuks	69,665,789	19,509,589	21,063,762	19,509,589
Profit on balances with banks	1,351,456,660	684,773,237	715,478,030	412,892,810
Realised gain / (loss) on sale of investments - net	17,306,925	(91,219)	17,318,226	(12,150)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	(1,037,400)	367,200	(111,885)
Total income	<u>1,509,328,974</u>	<u>730,824,172</u>	<u>826,094,948</u>	<u>453,725,993</u>
Expenses				
Remuneration of Faysal Asset Management Limited - Management Company	6.1	42,315,087	16,042,669	23,746,420
Sindh sales tax on remuneration of the Management Company	6.2	5,500,961	2,085,547	3,087,034
Allocated expenses	6.3	28,888,279	-	16,914,935
Selling and marketing expenses	6.4	45,056,291	18,705,949	25,006,296
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	4,709,491	3,310,807	2,536,848
Sindh sales tax on remuneration of the Trustee	7.2	612,234	430,405	329,286
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	4,709,491	882,882	2,536,848
Auditor's remuneration		319,648	152,168	166,090
Fees and subscription		171,493	167,440	85,675
Legal and professional charges		86,600	39,560	52,627
Transaction charges		743,966	178,332	426,371
Printing charges		4,968	17,112	2,484
Bank charges		49,228	38,588	17,626
Total expenses		<u>133,167,737</u>	<u>42,051,459</u>	<u>74,908,540</u>
Net income for the period before taxation		<u>1,376,161,237</u>	<u>688,772,713</u>	<u>751,186,408</u>
Taxation	12	-	-	-
Net income for the period after taxation		<u>1,376,161,237</u>	<u>688,772,713</u>	<u>751,186,408</u>
Earnings per unit	13			
Allocation of net income for the period				
Net income for the period after taxation		1,376,161,237	688,772,713	
Income already paid on units redeemed		(458,709,683)	(451,838,386)	
		<u>917,451,554</u>	<u>236,934,327</u>	
Accounting income available for distribution				
- Relating to capital gains		16,269,525	-	
- Excluding capital gains		901,182,029	236,934,327	
		<u>917,451,554</u>	<u>236,934,327</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	1,376,161,237	688,772,713	751,186,408	425,395,109
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,376,161,237</u>	<u>688,772,713</u>	<u>751,186,408</u>	<u>425,395,109</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period (audited)	11,179,658,286	119,603,943	11,299,262,229	3,595,716,303	17,554,409	3,613,270,712
Issuance of 301,558,475 (2022: 203,924,641) units						
- Capital value (at net asset value per unit at beginning of the period)	31,205,270,993	-	31,205,270,993	20,969,570,816	-	20,969,570,816
- Element of income	627,311,738	-	627,311,738	841,669,602	-	841,669,602
Total proceeds on issuance of units	31,832,582,731	-	31,832,582,731	21,811,240,418	-	21,811,240,418
Redemption of 251,843,683 (2022: 133,791,601) units						
- Capital value (at net asset value per unit at beginning of the period)	(26,060,784,317)	-	(26,060,784,317)	(13,757,790,346)	-	(13,757,790,346)
- Element of loss	(156,389,299)	(458,709,683)	(615,098,983)	(289,597,571)	(451,838,386)	(741,435,957)
Total payments on redemption of units	(26,217,173,616)	(458,709,683)	(26,675,883,299)	(14,047,387,917)	(451,838,386)	(14,499,226,303)
Total comprehensive income for the period	-	1,376,161,237	1,376,161,237	-	688,772,713	688,772,713
Interim distribution declared at Rs. 10.36 per unit	(467,155,087)	(736,270,008)	(1,203,425,095)	(563,877,761)	(186,955,077)	(750,832,838)
Net assets at end of the period (un-audited)	<u>16,327,912,313</u>	<u>300,785,488</u>	<u>16,628,697,802</u>	<u>10,795,691,043</u>	<u>67,533,659</u>	<u>10,863,224,702</u>
Undistributed income brought forward						
- Realised income		119,648,043			17,400,745	
- Unrealised (loss) / income		(44,100)			153,664	
		<u>119,603,943</u>			<u>17,554,409</u>	
Distributions during the period		(736,270,008)			(186,955,077)	
Accounting income available for distribution						
- Relating to capital gains	16,269,525			-		
- Excluding capital gains	901,182,029			236,934,327		
	<u>917,451,554</u>			<u>236,934,327</u>		
Undistributed income carried forward		<u>300,785,488</u>			<u>67,533,659</u>	
Undistributed income carried forward						
- Realised income		301,822,888			67,598,384	
- Unrealised loss		(1,037,400)			(64,725)	
		<u>300,785,488</u>			<u>67,533,659</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>103.48</u>			<u>102.83</u>	
Net asset value per unit at the end of the period		<u>104.65</u>			<u>103.19</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

		Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
		1,376,161,237	688,772,713
Adjustments for non-cash and other items:			
	Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	64,725
		1,037,400	64,725
		1,377,198,637	688,837,438
Decrease / (Increase) in assets			
	Investments	347,660,583	(748,276,241)
	Deposits, prepayments and other receivables	(249,575,804)	(140,722,489)
		98,084,779	(888,998,730)
Increase in liabilities			
	Payable to Faysal Asset Management Limited - Management Company	50,095,574	16,790,647
	Payable to Central Depository Company of Pakistan Limited - Trustee	302,750	605,593
	Payable to the Securities and Exchange Commission of Pakistan	(1,138,720)	717,808
	Accrued expenses and other liabilities	10,487,511	57,337,676
		59,747,115	75,451,724
	Net cash generated from / (used in) operating activities	1,535,030,531	(124,709,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Receipts against issuance of units	32,054,679,064	21,811,240,418
	Payments against redemption of units	(26,675,883,299)	(14,419,236,391)
	Dividend paid	(1,203,425,095)	(750,832,838)
	Net cash generated from financing activities	4,175,370,669	6,641,171,189
	Net increase in cash and cash equivalents during the period	5,710,401,200	6,516,461,621
	Cash and cash equivalents at the beginning of the period	10,184,145,179	3,581,507,206
	Cash and cash equivalents at the end of the period	4	10,097,968,827

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Financial Sector Opportunity Fund (the Fund) was established under a Trust Deed executed between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on May 28, 2013 and was approved by the 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, 2008). The Management Company has been licensed by Securities and Exchange Commission of Pakistan (SECP) to act as an asset management company under the NBFC Rules and NBFC Regulations, 2008 through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at West Wing, 7th Floor, Faysal House, ST-02, Shahrah-e-Faisal, Karachi, Pakistan.

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 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-end income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. 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 06, 2013 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide a competitive rate of return to its investors by investing in money market and debt instruments with major exposure in financial sector.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Moreover, PACRA has maintained the stability rating of the Fund at 'AA-(f)' dated October 18, 2023 (2022: 'AA-(f)' dated October 18, 2022).
- 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 VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

2

The disclosures made in these condensed interim financial statements are 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, 2023.

- 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, 2023.

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 year ended June 30, 2023.

- 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements 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 standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
4	BALANCES WITH BANKS		
	Balance with banks in savings accounts	15,894,546,379	10,184,145,179
		<u>15,894,546,379</u>	<u>10,184,145,179</u>
4.1	These include a balance of Rs. 12.822 million (June 30, 2023: Rs. 31.055 million) maintained with Faysal Bank Limited (a related party) that carries profit at 11.00% (June 30, 2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 18.10% to 24.00% (June 30, 2023: 12.50% to 23.00%) per annum.		

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
5	INVESTMENTS		
	At fair value through profit or loss		
	Term Finance Certificates	100,000,000	1,677,983
	Sukuks Certificate	252,980,000	700,000,000
	Government securities - Market Treasury Bills	-	-
	Government securities - Pakistan Investment Bonds	-	-
	GoP Ijarah Sukuk Certificates	-	-
		<u>352,980,000</u>	<u>701,677,983</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

5.1 Term Finance Certificates (TFCs)

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Matured during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of		
								Carrying value	Market value	Unrealised diminution	Net assets of the Fund	Total investments of the Fund	
													(Rupees)
Commercial banks													
KashF Foundation - TFC II (AAA, PACRA, Traded) (Face value of 100,000 per certificate)	Quarterly	October 10, 2026	3 months KIBOR plus base rate of 1.5%	1,000	-	-	1,000	100,000,000	100,000,000	-	0.60%	28.33%	
Investment banks / investment companies													
Jahangir Siddiqui & Company Limited TFC XI (AA+, PACRA, Non Traded)	Semi-annually	September 6, 2023	6 months KIBOR plus base rate of 1.4%	2,000	-	2,000	-	-	-	-	-	-	
Total as at December 31, 2023									<u>100,000,000</u>	<u>100,000,000</u>	<u>-</u>		
Total as at June 30, 2023									<u>1,722,083</u>	<u>1,677,983</u>	<u>(44,100)</u>		

5.2 Sukuk Certificates

Name of the security	Maturity date	Rate of return per annum	As at July 1, 2023	Purchased during the period	Matured during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of		
							Carrying value	Market value	Unrealised diminution	Net assets of the Fund	Total investments of the Fund	
												(Rupees)
Power generation and distribution												
K-Electric Limited - Short Term Sukuk XVI (A1+, PACRA) Face value of 1,000,000 per certificate	October 11, 2023	6 months KIBOR plus base rate of 0.30%	500	-	500	-	-	-	-	-	-	
K-Electric Limited - Short Term Sukuk XVII (A1+, VIS) Face value of 1,000,000 per certificate	November 18, 2023	6 months KIBOR plus base rate of 0.45%	-	200	200	-	-	-	-	-	-	
Miscellaneous												
ABHI (Pvt.) Limited - Short Term Sukuk I (A1+, PACRA) Face value of 1,000,000 per certificate	November 13, 2023	6 months KIBOR plus base rate of 2.75%	200	200	400	-	-	-	-	-	-	
OBS AGP (Pvt.) Limited - Sukuk (A+, VIS) Face value of 1,000,000 per certificate	November 29, 2030	3 months KIBOR plus base rate of 1.6%	-	49	-	49	49,000,000	49,000,000	-	0.29%	13.88%	
Hub Power Holdings Limited - Sukuk (A1+, PACRA) Face value of 1,000,000 per certificate	November 12, 2025	6 months KIBOR plus base rate of 2.5%	-	2,000	-	2,000	205,017,400	203,980,000	(1,037,400)	1.23%	57.79%	
Total as at December 31, 2023									<u>254,017,400</u>	<u>252,980,000</u>	<u>(1,037,400)</u>	
Total as at June 30, 2023									<u>700,000,000</u>	<u>700,000,000</u>	<u>-</u>	

5.3 Government securities - Market Treasury Bills

Particulars	Issue date	Face value				Balance as at December 31, 2023			Percentage in relation to			
		As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments of the Fund		
											(Rupees)	
Market Treasury Bills - 12 months	October 19, 2023	-	500,000,000	500,000,000	-	-	-	-	-			
Total as at December 31, 2023									<u>-</u>	<u>-</u>	<u>-</u>	
Total as at June 30, 2023									<u>-</u>	<u>-</u>	<u>-</u>	

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.4 Government securities - Pakistan Investment Bonds

Name of the security	Interest payments / principal redemptions	Issue date	Coupon rate	Tenor	Face value			Balance as at December 31, 2023			Percentage in relation to			
					As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	total investments of the Fund	
											(Rupees)		%	
Pakistan Investment Bonds	Semi-annually / At maturity	September 21, 2023	24.79%	5 years	-	2,600,000,000	2,600,000,000	-	-	-	-	-	-	-
Pakistan Investment Bonds	Semi-annually / At maturity	October 19, 2023	22.85%	5 years	-	750,000,000	750,000,000	-	-	-	-	-	-	
Total as at December 31, 2023											-		-	
Total as at June 30, 2023											-		-	

5.5 GoP Ijarah Sukuk Certificates

Name of the security	Interest payments / principal redemptions	Issue date	Maturity date	Profit rate	Number of certificates				Balance as at December 31, 2023			Percentage in relation to		
					As at July 01, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	total investments of the Fund	
											(Rupees)		%	
GoP Ijarah sukuk certificates - 30 - VRR	Semi-annually / At maturity	April 17, 2023	April 17, 2024	Weighted average 6 months T-Bills	-	5,000	5,000	-	-	-	-	-	-	
GoP Ijarah sukuk certificates - 40 - VRR	Semi-annually / At maturity	December 04, 2023	December 04, 2024	Weighted average 6 months T-Bills	-	250	250	-	-	-	-	-	-	
GoP Ijarah sukuk certificates - 41 - VRR	Semi-annually / At maturity	December 04, 2023	December 04, 2026	Weighted average 6 months T-Bills	-	750	750	-	-	-	-	-	-	
GoP Ijarah sukuk certificates - 42 - VRR	Semi-annually / At maturity	December 04, 2023	December 04, 2028	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-	
Total as at December 31, 2023											-		-	
Total as at June 30, 2023											-		-	

Note

5.6 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
(Rupees)			
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	352,980,000	701,677,983
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	(354,017,400)	(701,722,083)
		<u>(1,037,400)</u>	<u>(44,100)</u>

6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee payable	6.1	13,145,196	5,919,570
Sindh sales tax payable on remuneration of the Management Company	6.2	1,708,875	769,544
Allocated expenses payable	6.3	30,993,712	2,104,775
Selling and marketing expense payable	6.4	30,878,940	18,056,122
Sales load payable		752,880	534,018
		<u>77,479,603</u>	<u>27,384,029</u>

6.1 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 rates ranging from 0.50% to 1.00% (June 30, 2023: 0.30% to 0.60%) of the average annual net assets of the Fund.

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

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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6.2 During the period, an amount of Rs. 5,501 million (December 31, 2022: 2,086 million) was charged on account of Sindh sales tax on remuneration of the Management Company levied through Sindh sales tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).

6.3 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).

Accordingly, the Management Company based on its discretion has charged allocated expenses at the rates ranging from 0.00% to 0.50% (June 30, 2023: 0.07% to 0.32%)

6.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rates ranging from 0.45% to 0.95% (June 30, 2023: 0.35% to 0.60%) of the average annual net assets of the Fund while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	7.1	1,007,866	739,946
Sindh sales tax payable on remuneration of the Trustee	7.2	131,023	96,193
		<u>1,138,889</u>	<u>836,139</u>

7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (June 30, 2023: 0.075%) per annum of the average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the period.

7.2 During the period, an amount of Rs. 0.612 million (December 31, 2022: Rs. 0.430 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	8.1	<u>1,007,715</u>	<u>2,146,435</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to "Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage payable		511,286	186,409
Auditors' remuneration payable		249,878	328,210
Fee and subscription payable		299,647	158,254
Zakat payable		103,929	103,929
Withholding tax payable		57,095,716	47,005,499
Legal and professional charges payable		305,540	218,940
Printing charges payable		88,166	94,087
Provision for Federal Excise Duty and related		-	-
Sindh sales tax on management fee and sales load	9.1	768,712	768,712
Other liabilities		-	71,323
		<u>59,422,874</u>	<u>48,935,363</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a civil petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.769 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value per unit of the Fund as at December 31, 2023 would have been higher by Re. 0.005 per unit (June 30, 2023: Re. 0.007 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

11 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.12% (December 31, 2022: 0.95%) which includes 0.17% (December 31, 2022: 0.08%) representing government levies on the Fund such as sales taxes and annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

12 TAXATION

The income of the fund 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, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 14.1 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 being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 14.2** 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.
- 14.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 14.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 14.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 14.6** 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 / year end are as follows:

Transactions during the period	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	42,315,087	16,042,669
Sindh sales tax on remuneration of the Management Company	5,500,961	2,085,547
Selling and marketing expenses	45,056,291	18,705,949
Allocated expenses	28,888,279	
Issuance of 10,976 (December 31, 2022: 9,176,786) units	1,164,786	965,694,702
Redemption of 10,968 (December 31, 2022: 8,869,512) units	1,138,348	930,116,088
Dividend paid	2,804	763,304
Faysal Bank Limited - Group Company / Associated Company		
Profit on balances with bank	2,580,490	2,071,168
Directors, their close family members and Key Management Personnel of the Management Company		
Issuance of 470 (December 31, 2022: 98,847) units	34,067	10,889,193
Redemption of Nil (December 31, 2022: 177,632) units	-	19,304,845
Dividend paid	15,502	39
Faysal Asset Management Limited - Staff Gratuity Fund		
Issuance of 303,270 (December 31, 2022: Nil) units	32,353,218	-
Redemption of 261,621 (December 31, 2022: Nil) units	27,955,691	-
Dividend paid	14,418	-
Faysal Asset Management Limited - Employees Provident Fund		
Issuance of 358,968 (December 31, 2022: Nil) units	38,291,495	-
Redemption of 333,770 (December 31, 2022: Nil) units	35,664,992	-
Dividend paid	18,589	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	4,709,491	3,310,807
Sindh sales tax on remuneration of the Trustee	612,234	430,405
CDC Trustee Faysal Savings Growth Fund		
Market treasury bills - purchased	-	399,672,400
Unit holders with more than 10% unit holding		
Issuance of 67,354,855 (December 31, 2022: 15,733,871) units	6,797,150,608	1,674,948,045
Redemption of 34,260,689 (December 31, 2022: Nil) units	3,625,408,422	-
Dividend Paid	304,506,272	53,449,554

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Amounts / balances outstanding as at period / year end:	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited)
Faysal Asset Management Limited - Management Company		
Remuneration payable to Management Company	13,145,196	5,919,570
Sindh sales tax payable on remuneration of the Management Company	1,708,875	769,544
Allocated expenses payable	30,993,712	2,104,775
Selling and marketing expense payable	30,878,940	18,056,122
Sales load payable	752,880	534,018
Outstanding 8 (30 June 2023: Nil) units	837	-
Faysal Asset Management Limited - Staff Gratuity Fund		
Outstanding 115,427 (June 30, 2023: 73,778) units	12,079,436	7,634,547
Faysal Asset Management Limited - Employees Provident Fund		
Outstanding 128,338 (June 30, 2023: 103,140) units	13,430,572	10,672,927
Faysal Bank Limited (Group / Associated Company)		
Balance in savings account	12,822,206	31,055,202
Profit receivable on bank balance	2,209,000	2,783
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	1,007,866	739,946
Sindh sales tax payable on remuneration of the Trustee	131,023	96,193
Security deposit	100,000	100,000
Directors, their close family members and Key Management Personnel of the Management Company		
Outstanding: 1,957 (June 30, 2023: 1,487) units	204,800	153,875
Unit holders with more than 10% unit holding		
Outstanding: 69,314,292 (June 30, 2023: 20,671,660) units	7,253,740,687	2,139,103,377

15 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 at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

15.1 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).

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

9

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

As at December 31, 2023 (Un-audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Term Finance Certificates	-	100,000,000	-	100,000,000
Sukuks Certificates	-	252,980,000	-	252,980,000
	-	<u>352,980,000</u>	-	<u>352,980,000</u>
As at June 30, 2023 (Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Term Finance Certificates	-	1,677,983	-	1,677,983
Sukuks Certificates	-	700,000,000	-	700,000,000
	-	<u>701,677,983</u>	-	<u>701,677,983</u>

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

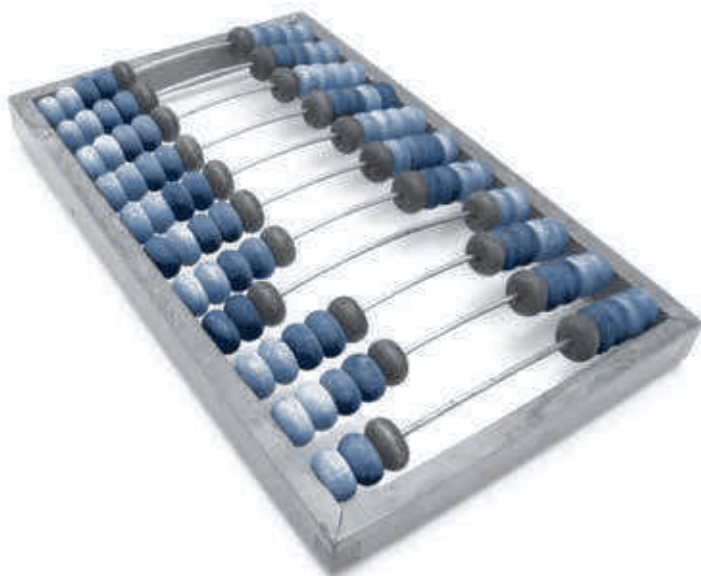
Chief Executive Officer

Director

Faysal Income & Growth Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
MCB (Islamic Banking)
JS Bank Limited
Allied Bank Limited
Soneri Bank Limited
HBL Microfinance Bank limited
U- Microfinance Bank limited
Khushhali Bank Limited
Zarai Taraqati 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 Income & Growth Fund seeks to provide its risk-averse investors an opportunity to earn a consistent market based income with a conservative risk profile while maintaining security of principal as its prime objective.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL INCOME & GROWTH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Income & Growth Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, 2024



A.F. FERGUSON & CO.

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 Income and Growth Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068p5WTsCVJA

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) 32415007/32427238/32424740; <www.pwc.com/pk>

Statement of Assets and Liabilities

As at December 31, 2023

	Note	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----
Assets			
Balances with banks	4	466,070,029	3,133,537,276
Investments	5	606,234,083	754,603,725
Receivable against sale of units		1,564	-
Advances, deposits and other receivables		59,222,733	131,757,625
Total assets		1,131,528,409	4,019,898,626
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	6	7,011,982	815,503
Payable to Central Depository Company of Pakistan Limited - Trustee	7	281,906	332,406
Payable to the Securities and Exchange Commission of Pakistan	8	249,318	1,408,009
Payable against redemption of units		780	264,774
Accrued expenses and other liabilities	9	34,383,399	166,589,764
Total liabilities		41,927,385	169,410,456
Net assets		1,089,601,024	3,850,488,170
Unit holders' fund (as per statement attached)		1,089,601,024	3,850,488,170
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		9,948,863	35,339,686
		----- (Rupees) -----	
Net asset value per unit		109.52	108.96

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		----- (Rupees) -----			
Income					
Profit on balances with banks		486,505,296	467,687,280	267,197,531	266,983,554
Interest on Pakistan Investment Bonds		88,354,239	-	88,354,239	-
Interest on term finance certificates		26,038,379	29,755,298	16,561,212	15,401,428
Profit on commercial papers		-	617,257	-	617,257
Profit on sukuk certificates		35,311,836	16,355,479	2,122,569	16,355,479
Interest on Market Treasury Bills		3,221,375	-	3,221,375	-
Profit on GoP Ijarah sukuk certificates		1,242,564	-	1,242,564	-
Realised gain on sale of investments - net		13,828,970	2,036,301	13,833,011	2,036,301
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	(18,015,600)	(534,670)	(27,463,000)	(516,861)
Total income		636,487,059	515,916,945	365,069,501	300,877,158
Operating expenses					
Remuneration of Faysal Asset Management Limited - Management Company	6.1	26,455,959	12,199,611	18,444,560	7,357,092
Sindh Sales Tax on remuneration of the Management Company	6.2	3,439,275	1,585,949	2,397,793	956,417
Selling and marketing expenses	6.3	137,383	5,987,295	137,383	4,579,724
Accounting and operational expenses	6.4	2,299,266	-	619,545	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	2,051,436	2,344,101	1,196,751	1,335,238
Sindh Sales Tax on remuneration of the Trustee	7.2	266,687	304,733	155,364	172,901
Annual fee to the Securities and Exchange Commission of Pakistan	0	2,051,436	624,724	1,196,751	355,694
Auditors' remuneration		441,612	372,048	222,262	186,024
Transaction charges		701,597	284,187	558,785	284,187
Legal and professional charges		131,492	79,120	65,696	39,560
Fees and subscription		193,520	188,416	96,678	94,208
Provision against non-performing term finance certificates	5.1.1	5,400,000	-	-	-
Bank charges		14,890	2,298	6,708	2,185
Printing charges		4,968	17,112	2,484	8,556
Other expenses		136,357	-	136,357	-
Total operating expenses		43,725,878	23,989,594	25,237,117	15,371,786
Net income from operating activities		592,761,181	491,927,351	339,832,384	285,505,372
Net income for the period before taxation		592,761,181	491,927,351	339,832,384	285,505,372
Taxation	12	-	-	-	-
Net income for the period after taxation		592,761,181	491,927,351	339,832,384	285,505,372
Earnings per unit	13				
Allocation of net income for the period					
Net income for the period after taxation		592,761,181	491,927,351		
Income already paid on units redeemed		(285,983,368)	(13,847,317)		
		<u>306,777,813</u>	<u>478,080,034</u>		
Accounting income available for distribution					
- Relating to capital gains		-	1,501,631		
- Excluding capital gains		<u>306,777,813</u>	<u>476,578,403</u>		
		<u>306,777,813</u>	<u>478,080,034</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	2022	December 31, 2023	2022
Net income for the period after taxation	592,761,181	491,927,351	339,832,384	285,505,372
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>592,761,181</u>	<u>491,927,351</u>	<u>339,832,384</u>	<u>285,505,372</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period (audited)	3,742,287,320	108,200,850	3,850,488,170	4,775,983,037	55,383,968	4,831,367,005
Issuance of 105,897,850 units (2022: 30,687,992 units)						
- Capital value (at net asset value per unit at the beginning of the period)	11,538,259,094	-	11,538,259,094	3,286,070,202	-	3,286,070,202
- Element of income	538,026,453	-	538,026,453	149,163,305	-	149,163,305
Total proceeds on issuance of units	12,076,285,547	-	12,076,285,547	3,435,233,507	-	3,435,233,507
Redemption of 131,288,673 units (2022: 4,607,062 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(14,304,754,300)		(14,304,754,300)	(493,324,212)	-	(493,324,212)
- Element of loss	(383,893,235)	#####	(669,876,603)	(3,920,664)	(13,847,317)	(17,767,981)
Total payments on redemption of units	(14,688,647,535)	#####	(14,974,630,903)	(497,244,876)	(13,847,317)	(511,092,193)
Total comprehensive income for the period	-	592,761,181	592,761,181	-	491,927,351	491,927,351
Interim distribution of Rs 9.67 per unit (date of declaration: November 17, 2023)	(142,679,455)	#####	(385,290,121)	-	-	-
Interim distribution of Rs 1.90 per unit (date of declaration: December 22, 2023)	(11,531,464)	(58,481,386)	(70,012,850)	-	-	-
Net income for the period less distribution	(154,210,919)	291,669,129	137,458,210	-	491,927,351	491,927,351
Net assets at the end of the period (un-audited)	<u>975,714,413</u>	<u>113,886,611</u>	<u>1,089,601,024</u>	<u>7,713,971,668</u>	<u>533,464,002</u>	<u>8,247,435,670</u>
Undistributed income brought forward						
- Realised income		102,308,104			55,675,392	
- Unrealised income / (loss)		5,892,746			(291,424)	
		<u>108,200,850</u>			<u>55,383,968</u>	
Accounting income available for distribution						
- Relating to capital gains		-			1,501,631	
- Excluding capital gains		306,777,813			476,578,403	
		<u>306,777,813</u>			<u>478,080,034</u>	
Distribution during the period		#####			-	
Undistributed income carried forward		<u>113,886,611</u>			<u>533,464,002</u>	
Undistributed income carried forward						
- Realised income		131,902,211			533,998,672	
- Unrealised (loss) / income		(18,015,600)			(534,670)	
		<u>113,886,611</u>			<u>533,464,002</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>108.96</u>			<u>107.08</u>
Net asset value per unit at the end of the period			<u>109.52</u>			<u>115.84</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		592,761,181	491,927,351
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6	18,015,600	534,670
		610,776,781	492,462,021
Decrease / (increase) in assets			
Investments		130,354,042	(546,278,179)
Receivable against sale of units		(1,564)	-
Advances, deposits and other receivables		72,534,892	(212,661,883)
		202,887,370	(758,940,062)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		6,196,479	5,735,725
Payable to Central Depository Company of Pakistan Limited - Trustee		(50,500)	241,815
Payable to the Securities and Exchange Commission of Pakistan		(1,158,691)	(19,828)
Payable against redemption of units		(263,994)	-
Accrued expenses and other liabilities		(132,206,365)	3,212,980
		(127,483,071)	9,170,692
Net cash generated from / (used in) operating activities		686,181,080	(257,307,349)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		12,076,285,547	3,435,233,507
Payments made against redemption of units		(14,974,630,903)	(511,092,193)
Dividend paid		(455,302,971)	-
Net cash (used in) / generated from financing activities		(3,353,648,327)	2,924,141,314
Net (decrease) / increase in cash and cash equivalents during the period		(2,667,467,247)	2,666,833,965
Cash and cash equivalents at the beginning of the period		3,133,537,276	4,445,590,680
Cash and cash equivalents at the end of the period	4	466,070,029	7,112,424,645

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Income & Growth Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed executed under the Trust Act, 1882, entered into on April 27, 2005 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.

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 April 13, 2022 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 is categorised as an 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from October 10, 2005 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments. In particular, the aim is to minimize interest rate risk through duration management and default risk portfolio diversification. The investment objective and policies are more fully explained in Fund's Offering Document.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Further, Pakistan Credit Rating Agency Limited has assigned a rating of 'A(f)' to the Fund dated October 18, 2023 (June 30, 2023: 'A(f)' dated April 17, 2023).
- 1.6 The title to the assets of the Fund is 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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

2

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 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, 2023.

- 2.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2023.

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

- 3.1 The accounting policies adopted and all the methods of computation 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 year ended June 30, 2023.

- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires 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 the condensed interim financial statements, the significant judgments made by 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, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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 standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have been not detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
4	BALANCES WITH BANKS	Note	
	Balances with banks in savings accounts	4.1	<u>466,070,029</u> <u>3,133,537,276</u>

- 4.1 These include a balance of Rs. 113.26 million (June 30, 2023: Nil) maintained with Faysal Bank Limited (a related party) that carries profit at 11.00% (June 30, 2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 10.00% to 22.00% (June 30, 2023: 10.00% to 23.00%) per annum.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
5	INVESTMENTS	Note	
	Financial assets 'at fair value through profit or loss'		
	Term finance certificates	5.1	206,234,083 254,603,725
	Government securities - Pakistan Investment Bonds	5.2	- -
	Government securities - Market Treasury Bills	5.3	- -
	GoP Ijarah sukuk certificates	5.4	- -
	Sukuk certificates	5.5	<u>400,000,000</u> <u>500,000,000</u>
		<u>606,234,083</u>	<u>754,603,725</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

5.1 Term finance certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July	Purchased	Sold /	As at	Carrying value	Market value as	Unrealised	Percentage in	
				1, 2023	during the period	matured during the period	December 31, 2023	as at December 31, 2023	at December 31, 2023	appreciation as at December 31, 2023	net assets of the Fund	total market value of investments
				----- (Number of certificates) -----			----- (Rupees) -----			----- % -----		
MICROFINANCE BANKS												
Khushhali Microfinance Bank Limited* (B, VIS, non-traded) (note 5.1.1) (Face value of 100,000 per certificate)	Semi-annually	March 19, 2026	6 months KIBOR plus base rate of 2.05%	500	-	-	500	18,564,083	18,564,083	-	1.70%	3.06%
COMMERCIAL BANKS												
JS Bank Limited (A+, PACRA, non-traded) (Face value of 99,780 per certificate)	Semi-annually	December 29, 2024	6 months KIBOR plus base rate of 1.40%	250	-	250	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION												
TPL Corp Limited (AA-, PACRA, non-traded) (Face value of 100,000 per certificate)	Quarterly / Semi-annually commencing from December 28, 2024	June 28, 2027	3 months KIBOR plus base rate of 2.50%	2,000	-	-	2,000	205,685,600	187,670,000	(18,015,600)	17.22%	30.96%
Total as at December 31, 2023								<u>224,249,683</u>	<u>206,234,083</u>	<u>(18,015,600)</u>	<u>18.92%</u>	<u>34.02%</u>
Total as at June 30, 2023								<u>248,710,979</u>	<u>254,803,725</u>	<u>5,892,746</u>		

* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

5.1.1 Investments - impaired

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Faysal Asset Management Limited (the Management Company) classified Faysal Income and Growth Fund (the Fund) as an 'Aggressive Fixed Income Scheme' in accordance with the said Circular. As at December 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

5.1.1.1 Following investments of the Fund are in term finance certificates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of	
					Net assets	Total assets
				----- (Rupees) -----		----- % -----
Khushhali Microfinance Bank Limited (note 5.1.1.1)	Non-traded sukuk certificates	50,477,850	31,913,767	18,564,083	1.70%	1.64%
Total - December 31, 2023		<u>50,477,850</u>	<u>31,913,767</u>	<u>18,564,083</u>	<u>1.70%</u>	<u>1.64%</u>

5.1.1.2 On April 7, 2023, term finance certificates of Khushhali Microfinance Bank Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 31.913 million has also been held as provision. The face value of these term finance certificates is Rs. 50 million as at December 31, 2023.

Movement of provision	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
----- (Rupees) -----			
Balance at the July 1		26,513,767	-
Charge for the period / year		<u>5,400,000</u>	<u>26,513,767</u>
Balance as at December 31		<u>31,913,767</u>	<u>26,513,767</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

4

5.2 Government securities - Pakistan Investment Bonds

Name of the security	Issue date	Tenor	Coupon rate	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation/ (diminution) as at December 31, 2023	Percentage in relation to	
				As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023				net assets of the Fund	total market value of investment
				(Rupees)							%	
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	350,000,000	350,000,000	-	-	-	-	-	
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	500,000,000	500,000,000	-	-	-	-	-	
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	400,000,000	400,000,000	-	-	-	-	-	
Pakistan Investment Bonds	October 19, 2023	5 years	22.85%	-	500,000,000	500,000,000	-	-	-	-	-	
Pakistan Investment Bonds	October 19, 2023	5 years	22.85%	-	250,000,000	250,000,000	-	-	-	-	-	
Total as at December 31, 2023							-	-	-	-	-	
Total as at June 30, 2023							-	-	-	-	-	

5.3 Government securities - Market Treasury Bills

Issue date	Tenor	Face value				Balance as at December 31, 2023			Market value as percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation/ (diminution) as at December 31, 2023	net assets of the fund	total investments of the fund
		(Rupees)				%				
October 19, 2023	12 Months	-	500,000,000	500,000,000	-	-	-	-	-	
Total as at December 31, 2023							-	-	-	-
Total as at June 30, 2023							-	-	-	-

5.4 GoP Ijarah sukuk certificates

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Percentage in relation to	
					(Number of certificates)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	Net assets of the Fund	Total market value of investments	
									%				
GoP Ijarah Sukuk	Semi-annually	April 17, 2023	April 17, 2024	Weighted average	-	5,000	5,000	-	-	-	-	-	-
Certificates - XXX - VRR	/ At maturity	2023	2024	6 months T-Bills	-	-	-	-	-	-	-	-	-
Total as at December 31, 2023							-	-	-	-	-	-	-
Total as at June 30, 2023							-	-	-	-	-	-	-

5.5 Sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Percentage in relation to	
				(Number of certificates)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	net assets of the Fund	total market value of investments	
								%				
TECHNOLOGY & COMMUNICATION												
Pakistan Telecommunication Company Limited	At maturity	June 20, 2024	6 months KIBOR plus base rate of 0.02%	-	400	-	400	400,000,000	400,000,000	-	36.71%	65.98%
PPSTS-1 (A-1+, VIS)	(Face value of 1,000,000 per certificate)											
Power Generation & Distribution												
K-Electric Limited PPSTS-16 (A-1+, VIS)	At maturity	October 11, 2023	6 months KIBOR plus base rate of 0.30%	500	-	500	-	-	-	-	-	-
(Face value of 1,000,000 per certificate)												
Total as at December 31, 2023							-	400,000,000	400,000,000	-	36.71%	65.98%
Total as at June 30, 2023							-	500,000,000	500,000,000	-	-	-

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
5.6 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net			
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	606,234,083	754,603,725
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	<u>(624,249,683)</u>	<u>(748,710,979)</u>
		<u>(18,015,600)</u>	<u>5,892,746</u>

5.7 Investments - non-compliance

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Faysal Asset Management Limited (Management Company) classified Faysal Income & Growth Fund (the Fund) as an 'Aggressive Fixed Income Scheme' in accordance with the said Circular.

5.7.1 As per Schedule XIX of the NBFC Regulations, the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the issued capital of a company. As at December 31, 2023 the following investment exceeds 10% of the total net assets of the Fund.

Name of Investment	Type of investment	Exposure as a % of Net Assets	Allowed Exposure Limit	Excess Exposure
TPL Corporation Limited	Term finance certificate	17.22%	10.00%	7.22%
Pakistan Telecommunication Company Limited	Sukuk certificate	36.71%	10.00%	26.71%

5.7.2 As per Schedule XIX of the NBFC Regulations, the exposure of collective investment scheme to any one sector as per classification of the stock exchange shall not exceed an amount equal to 25% of the total net assets of the collective investment scheme. As at December 31, 2023 investment in following sector exceeds 25% of total net assets of the Fund.

Name of Investment Sector	Type of investment	Exposure as a % of Net Assets	Allowed Exposure Limit	Excess Exposure
Technology & Communication Sector	Term finance certificate & Sukuk certificate	53.93%	25.00%	28.93%

6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable	6.1	5,018,650	-
Sindh Sales Tax payable on remuneration of the Management Company	6.2	652,425	-
Selling and marketing expenses payable	6.3	137,383	800,467
Accounting and operational charges payable	6.4	619,544	-
Sales load payable		<u>583,980</u>	<u>15,036</u>
		<u>7,011,982</u>	<u>815,503</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

6

- 6.1 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 its remuneration at rates ranging from 0% to 1.55% (June 30, 2023: 0% to 0.50%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.
- 6.2 During the period, an amount of Rs. 3.445 million (December 31, 2022: Rs.1.586 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).
- 6.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at rates ranging from 0% to 0.05% (June 30, 2023: 0% to 0.35%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.
- 6.4 During the period 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 as it may decide. Therefore, the Management Company, based on its discretion (duly authorised by the Board of Directors), has charged allocated expenses to the Fund at the rates ranging from 0% to 0.2% (June 30, 2023: Nil).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Remuneration payable	7.1	249,474
	Sindh Sales Tax payable on remuneration of the Trustee	7.2	32,432
		<u>281,906</u>	<u>332,406</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provision of the Trust Deed at the rate of 0.075% (June 30, 2023: 0.075%) per annum of average annual net assets of the Fund. Accordingly the Fund has charged trustee fee at the above mentioned rate during the period.
- 7.2 During the period, an amount of Rs. 0.267 million (December 31, 2022: Rs. 0.305 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% (June 30, 2023: 13%).

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	8.1	249,318
		<u>249,318</u>	<u>1,408,009</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to "Aggressive Fixed Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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9	Note	December 31,	June 30,
		2023	2023
		(Un-audited)	(Audited)
		-----	-----
		(Rupees)	
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty on remuneration of the Management Company	9.1	4,050,717
	Auditors' remuneration payable		397,972
	Legal and professional charges payable		351,374
	Fees and subscription payable		340,204
	Printing charges payable		237,150
	Zakat payable		35,211
	Capital gain tax payable		28,708,852
	Transaction charges payable		261,919
			<u>166,589,764</u>

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 4.051 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2023 would have been higher by Re 0.407 (June 30, 2023: Re 0.115) per unit.

10 CONTINGENCIES AND COMMITMENTS

- 10.1** During the year ended June 30, 2021, Faysal Income & Growth Fund (FIGF) had received a show cause notice for the tax year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR had raised objection on claiming of "income already paid on units redeemed" as part of distribution and has thereby challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR was of the view that the amount of "Cash Dividend" paid can only be treated as part of distribution and according to his view the amount of "income already paid on units redeemed" is not a "Cash Dividend". The Management Company through its tax advisor has submitted the response in respect of objections raised by the ACIR. During the year ended June 30, 2023 year, the ACIR then raised a tax demand of Rs. 24.293 million vide an order dated July 29, 2022 whereby ACIR rejected the Fund's claim for tax exemption on alleged failure to distribute at least 90% of its accounting income to its unit holders and misinterpreted the amount of Rs. 30.075 million of "element of income" which is a transaction of capital nature, as distributable income while arriving at this conclusion. The Management Company through its tax advisor had filed an appeal against the above order with the Commissioner Appeals (Inland) Revenue (CIRA). On January 13, 2023, CIRA passed an order whereby it has given decision in favour of the Fund.
- 10.2** During the year ended June 30, 2021, Faysal Income & Growth Fund (FIGF) had received a show cause notice from the Additional Commissioner (Inland) Revenue (ACIR) in respect of tax year 2017 whereby the ACIR has raised objections on claiming of "Element of income / loss of capital gains (losses) including in prices of units issued less those in units redeemed - net" while arriving at the declared accounting income and has challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. During the year ended June 30, 2022, the ACIR has raised a tax demand of Rs 18.612 million from FIGF in respect of the tax year 2017. The Management Company had filed an appeal with the Commissioner (Inland) Revenue Appeals (CIRA) against the demand raised by ACIR and has also obtained stay against recovery of impugned tax demand. CIRA passed an order dated February 28, 2022 whereby CIRA remanded back the matter to the authorities for re-adjudication.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

8

In the above case, the Management Company contends that the practice being followed by it is as per the applicable regulations and in line with the industry practice. Based on the advice of the tax advisor and merits of the case, the Management Company believes that the matter will be decided in the favour of the Fund and accordingly, no provision has been recognised in these financial statements.

10.3 There were no other contingencies or commitments outstanding as at December 31, 2023 and June 30, 2023.

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on the current period results is 1.60% (December 31, 2022: 0.77%) which includes 0.21% (December 31, 2022: 0.09%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

12 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% 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year 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 ended June 30, 2024 to the unit holders in the manner as explained above no provision for taxation has been made in these financial statements during the year.

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.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 14.1** Related parties / connected persons include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 14.2** 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. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 14.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 14.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 14.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 14.6** 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:

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Transactions during the period	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	26,455,959	12,199,611
Sindh Sales Tax on remuneration of the Management Company	3,439,275	1,585,949
Selling and marketing expenses	137,383	5,987,295
Accounting and operational expenses	2,299,266	-
Units issued: Nil units (December 31, 2022: 83,567 units)	-	9,236,621
Units redeemed: Nil units (December 31, 2022: 83,567 units)	-	9,260,020
Faysal Bank Limited - Group Company		
Profit on savings account	242,432	281,555
Bank charges	4,025	850
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,051,436	2,344,101
Sindh Sales Tax on remuneration of the Trustee	266,687	304,733
Settlement charges	34,672	-
Unit holders with more than 10% unit holding		
Units issued: 34,280,559 units (December 31, 2022: 26,860,706 units)	3,890,885,692	3,000,000,000
Units redeemed: 56,351,558 units (December 31, 2022: 2,608,118 units)	6,320,045,478	288,362,415
Dividend paid	224,522,561	-
	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	
Amounts / balances outstanding as at period / year end		
Faysal Asset Management Limited - Management Company		
Remuneration payable	5,018,650	-
Sindh Sales Tax payable on remuneration of the Management Company	652,425	-
Selling and marketing expenses payable	137,383	800,467
Accounting and operational charges payable	619,544	-
Sales load payable	583,980	15,036
Faysal Bank Limited - Group Company		
Balance with bank	113,258,694	3,139,236
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	249,474	294,165
Sindh Sales Tax payable on remuneration of the Trustee	32,432	38,241
Security deposit	100,000	100,000
Unit holders with more than 10% unit holding		
Units in issue: 5,904,392 units (June 30, 2023: 27,975,351 units)	646,650,193	3,048,194,245

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

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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15.1 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).

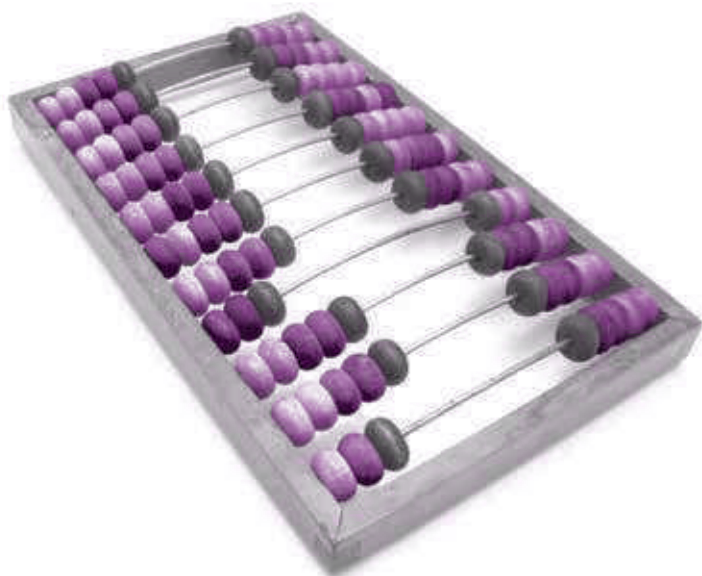
As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

(Un-audited)			
As at December 31, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'			
Term finance certificates	-	206,234,083	-
Commercial papers	-	-	-
Sukuk certificates	-	400,000,000	-

Faysal Money Market Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
Allied Bank Limited
United Bank Limited
Zarai Taraqjati 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 Money Market Fund endeavors to provide maximum possible preservation of capital and a reasonable rate of return via investing in money market securities having good credit quality rating and liquidity.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 8,
S.M.C.H.S., Main Shohra-e-Faisal
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 14326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL MONEY MARKET 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 Money Market 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Baduddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2024



A.F. FERGUSON & CO.

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 Money Market Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068llcAysHBWz

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
Sate Life Building No. 1-C, Lt. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32413007/32427938/32424740; <usa@pwc.com/pk>

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Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----
Assets			
Balances with banks	4	714,414,351	111,190,073
Investments	5	-	1,151,624,400
Advances, deposits and other receivables		32,056,613	15,631,632
Total assets		<u>746,470,964</u>	<u>1,278,446,105</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	6	5,631,627	2,614,396
Payable to Central Depository Company of Pakistan Limited - Trustee	7	41,482	67,661
Payable to the Securities and Exchange Commission of Pakistan	8	49,910	600,333
Payable against redemption of units		436,937	-
Dividend payable		11,457	11,457
Accrued and other liabilities	9	20,478,954	21,229,965
Total liabilities		<u>26,650,367</u>	<u>24,523,812</u>
Net assets		<u>719,820,597</u>	<u>1,253,922,293</u>
Unit holders' fund (as per statement attached)		<u>719,820,597</u>	<u>1,253,922,293</u>
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		<u>6,342,015</u>	<u>12,223,742</u>
		----- (Rupees) -----	
Net asset value per unit		<u>113.5003</u>	<u>102.5809</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Income				
Profit on Market Treasury Bills	117,515,063	185,974,471	48,179,283	121,070,893
Profit on balances with banks	18,776,465	55,736,957	10,944,683	12,794,523
Profit on letters of placement	-	18,395,124	-	125,342
Profit on commercial papers	-	19,647,615	-	4,749,856
Profit on sukuk certificates	-	47,588,153	-	6,499,766
Realised (loss) / gain on sale of investments - net	(1,618,859)	1,685,865	(1,562,981)	147,080
Unrealised appreciation / (diminution) on remeasurement of investments classified as financial asset at fair value through profit or loss - net	5.2	-	2,257,381	(134,599)
Total income	134,672,669	331,285,566	57,426,386	147,419,806
Operating expenses				
Remuneration of Faysal Asset Management Limited - Management Company	6.1	4,314,408	5,821,901	2,048,448
Sindh Sales Tax on remuneration of the Management Company	6.2	560,873	756,847	266,298
Allocated expenses	6.3	1,221,407	-	523,661
Selling and marketing expenses	6.4	4,451,657	8,183,062	2,009,950
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	335,885	1,207,338	144,005
Sindh Sales Tax on remuneration of the Trustee	7.2	43,665	156,954	18,721
Auditors' remuneration		377,550	301,576	191,095
Annual fee of the Securities and Exchange Commission of Pakistan	0	458,027	439,033	196,372
Fee and subscription		215,442	209,392	107,644
Legal and professional charges		65,977	39,560	32,847
Bank charges		7,065	11,650	3,205
Transaction charges		95,308	196,243	27,600
Printing charges		4,967	17,112	2,482
Total operating expenses		12,152,231	17,340,668	5,572,328
Net income from operating activities		122,520,438	313,944,898	51,854,058
Net income for the period before taxation		122,520,438	313,944,898	51,854,058
Taxation	11	-	-	-
Net income for the period after taxation		122,520,438	313,944,898	51,854,058
Allocation of net income for the period				
Net income for the period after taxation		122,520,438	313,944,898	
Income already paid on units redeemed		(56,583,461)	(64,963,725)	
		<u>65,936,977</u>	<u>248,981,173</u>	
Accounting income available for distribution				
- Relating to capital gains		-	3,943,246	
- Excluding capital gains		65,936,977	245,037,927	
		<u>65,936,977</u>	<u>248,981,173</u>	

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

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----			
Net income for the period after taxation	122,520,438	313,944,898	51,854,058	139,447,886
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>122,520,438</u>	<u>313,944,898</u>	<u>51,854,058</u>	<u>139,447,886</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees)-----			------(Rupees)-----		
Net assets at beginning of the period (audited)	1,194,023,425	59,898,868	1,253,922,293	6,894,077,741	55,514,579	6,949,592,320
Issuance of 6,243,523 (2022: 70,159,699) units						
- Capital value (at ex-net asset value per unit)	640,466,259	-	640,466,259	7,170,945,659	-	7,170,945,659
- Element of income	20,780,305	-	20,780,305	56,211,159	-	56,211,159
Total proceeds on issuance of units	661,246,564	-	661,246,564	7,227,156,818	-	7,227,156,818
Redemption of 12,125,250 (2022: 100,578,103) units						
- Capital value (at ex-net asset value per unit)	(1,243,819,100)	-	(1,243,819,100)	#####	-	#####
- Element of income	(17,466,137)	(56,583,461)	(74,049,598)	(3,696,028)	(64,963,725)	(68,659,753)
Total payments on redemption of units	(1,261,285,237)	(56,583,461)	(1,317,868,698)	#####	(64,963,725)	#####
Total comprehensive income for the period	-	122,520,438	122,520,438	-	313,944,898	313,944,898
First interim distribution of Rs. 1.0662 per unit (date of declaration: July 28, 2022)	-	-	-	(18,443,793)	(43,604,684)	(62,048,477)
Second interim distribution of Rs. 1.1468 per unit (date of declaration: August 27, 2022)	-	-	-	(6,874,545)	(36,918,593)	(43,793,138)
Third interim distribution of Rs. 1.1388 per unit (date of declaration: September 24, 2022)	-	-	-	(7,784,826)	(37,836,430)	(45,621,256)
Fourth interim distribution of Rs. 1.3193 per unit (date of declaration: October 26, 2022)	-	-	-	(5,920,801)	(42,301,013)	(48,221,814)
Fifth interim distribution of Rs. 1.2711 per unit (date of declaration: November 26, 2022)	-	-	-	(6,640,202)	(37,362,583)	(44,002,785)
Sixth interim distribution of Rs. 1.1433 per unit (date of declaration: December 24, 2022)	-	-	-	(6,756,521)	(36,390,160)	(43,146,681)
Net assets at end of the period (un-audited)	593,984,752	125,835,845	719,820,597	3,785,140,571	70,082,289	3,855,222,860
Undistributed income brought forward						
- Realised income		61,397,128			55,514,579	
- Unrealised income		(1,498,260)			-	
		59,898,868			55,514,579	
Distributions during the period		-			(234,413,463)	
Accounting income available for distribution						
- Relating to capital gains		-			3,943,246	
- Excluding capital gains	65,936,977			245,037,927		
	65,936,977			248,981,173		
Undistributed income carried forward	125,835,845			70,082,289		
Undistributed income carried forward						
- Realised income		125,835,845			67,824,908	
- Unrealised gain		-			2,257,381	
		125,835,845			70,082,289	
			(Rupees)			(Rupees)
Net asset value per unit at beginning of the period			102.5809			102.2089
Net asset value per unit at end of the period			113.5003			102.5992

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

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

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended December 31,	
	2023	2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	122,520,438	313,944,898
	<u>122,520,438</u>	<u>313,944,898</u>
Decrease / (increase) in assets		
Investments	1,151,624,400	1,935,352,377
Advances, deposits and other receivables	(16,424,981)	56,619,416
	<u>1,135,199,419</u>	<u>1,991,971,793</u>
Increase / (decrease) in liabilities		
Payable to Faysal Asset Management Limited - Management Company	3,017,231	670,719
Payable to Central Depository Company of Pakistan Limited - Trustee	(26,179)	(157,590)
Payable to the Securities and Exchange Commission of Pakistan	(550,423)	(1,465,702)
Payable against redemption of units	-	-
Accrued and other liabilities	(751,011)	(1,797,520)
	<u>1,689,618</u>	<u>(2,750,093)</u>
Net cash generated from operating activities	<u>1,259,409,475</u>	<u>2,303,166,598</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units net of refund of capital	661,246,564	7,174,736,130
Payments made against redemption of units	(1,317,431,761)	(10,349,237,025)
Dividends paid	-	(234,413,463)
Net cash used in financing activities	<u>(656,185,197)</u>	<u>(3,408,914,358)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>603,224,278</u>	<u>(1,105,747,760)</u>
Cash and cash equivalents at beginning of the period	111,190,073	4,977,791,724
Cash and cash equivalents at end of the period	<u>14</u> <u>714,414,351</u>	<u>3,872,043,964</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Money Market Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on April 22, 2009 between Faysal Asset Management Limited (FAML) as the Management Company and the 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 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on April 14, 2022, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

- 1.2 The Fund has been categorised as a 'Money Market Scheme', by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. 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 December 13, 2010 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide a reasonable rate of return along with maximum possible preservation of capital via investing in money market and debt securities having good credit quality rating and liquidity. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA(f)" stability rating to Faysal Money Market Fund as of October 18, 2023 (June 30, 2023: "AA(f)" as of April 17, 2023).
- 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.

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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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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, 2023.

- 2.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 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, 2023.

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 year ended June 30, 2023.

- 3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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, 2024. 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.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
4	BALANCES WITH BANKS		
	Balances with banks in savings accounts	4.1	<u>714,414,351</u>
			<u>111,190,073</u>
4.1	These savings accounts carry mark-up at rates ranging from 11.00% to 22.00% (June 30, 2023: 7% to 19.8%) per annum. Deposits in savings accounts also include Rs. 5.76 million (June 30, 2023: Rs. 1.423 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.		

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
5	INVESTMENTS		
	At fair value through profit or loss		
	Market Treasury Bills	5.1	-
			<u>1,151,624,400</u>
			<u>-</u>
			<u>1,151,624,400</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.1 Market Treasury Bills

Issue date	Tenor	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) as at December 31, 2023	Percentage in relation to	
		As at July 01, 2023	Purchased during the period	Matured / Sold during the period	As at December 31, 2023				Net assets of the Fund	Total market value of investments
(Rupees)										
May 4, 2023	3 months	500,000,000	-	500,000,000	-	-	-	-	-	
June 15, 2023	3 months	700,000,000	1,225,000,000	1,925,000,000	-	-	-	-	-	
June 22, 2023	3 months	-	1,425,000,000	1,425,000,000	-	-	-	-	-	
August 10, 2023	3 months	-	250,000,000	250,000,000	-	-	-	-	-	
September 7, 2023	3 months	-	225,000,000	225,000,000	-	-	-	-	-	
September 21, 2023	3 months	-	1,265,000,000	1,265,000,000	-	-	-	-	-	
October 5, 2023	3 months	-	400,000,000	400,000,000	-	-	-	-	-	
November 30, 2023	3 months	-	300,000,000	300,000,000	-	-	-	-	-	
October 20, 2022	12 months	-	100,000,000	100,000,000	-	-	-	-	-	
Total as at December 31, 2023						-	-	-	-	
Total as at June 30, 2023						1,153,122,660	1,151,624,400	(1,498,260)	-	

5.2 Unrealised diminution on remeasurement of investments classified as financial asset at fair value through profit or loss'	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
(Rupees)			
Market value of investments	5.1	-	1,151,624,400
Less: carrying value of investments	5.1	-	1,153,122,660
		<u>-</u>	<u>(1,498,260)</u>

6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable	6.1	667,160	653,214
Sindh Sales Tax payable on remuneration of the Management Company	6.2	86,731	84,918
Allocated expenses payable	6.3	1,221,407	-
Selling and marketing expenses payable	6.4	3,656,329	1,876,264
		<u>5,631,627</u>	<u>2,614,396</u>

6.1 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 rates ranging from 0.6% to 1% (June 30, 2023: 0.25% to 0.60%) of the average annual net assets of the Fund.

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

6.2 During the period, an amount of Rs. 0.561 million (December 31, 2022: Rs. 0.757 million) has been charged at the rate of 13% (June 30, 2023: 13%) on management fee levied through the Sindh Sales Tax on Services Act, 2011.

6.3 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).

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.2% (June 30, 2023: Nil) of the average annual net assets of the Fund.

6.4 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) up to a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the overall return, the annual plan and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rate 0.6% to 0.85% (June 30, 2023: 0.35% to 0.60%) of the average annual net assets.

7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Remuneration payable	7.1	36,710	59,877
	Sindh Sales Tax on remuneration payable	7.2	4,772	7,784
			<u>41,482</u>	<u>67,661</u>

7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% to 0.075% during the period ended December 31, 2023 (June 30, 2023: 0.055%) per annum of net assets of the Fund.

7.2 During the period, an amount of Rs. 0.04 million (December 31, 2022: Rs. 0.157 million) was charged on account of sales tax at the rate of 13% (June 30, 2023: 13%) on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Annual fee payable	8.1	49,910	600,333

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

Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to "Money Market Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

9	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Accrued liabilities		1,918,066	2,816,818
	Auditors' remuneration payable		336,712	416,541
	Transaction charges payable		47,008	179,545
	Fee and subscription payable		166,321	-
	Legal and professional charges payable		2,243,124	2,503,966
	Printing charges payable		130,335	135,829
	Withholding and capital gain tax payable		1,477,474	1,017,353
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.1	14,159,914	14,159,914
			<u>20,478,954</u>	<u>21,229,966</u>

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a civil petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 14.16 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund would have been higher by Re. 2.23272 (June 30, 2023: Re. 1.1584) per unit.

10 CONTINGENCIES AND COMMITMENTS

- 10.1 During the year ended June 30, 2022, an income tax order dated June 3, 2022 was passed for tax year 2017 through which a tax demand of Rs. 22,468,952 was raised by the concerned Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR) by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001. The order was passed by misconstruing that the Fund allegedly distributed less than 90% of its income to its unitholders which is the sole criterion for income tax exemption claim under clause (99). Whilst reaching this conclusion, the ACIR misinterpreted that amount of Rs. 39,965,974 is 'element of income', whereas actually this amount represents 'Net element of loss'.

The Management Company had filed an appeal with the Commissioner (Inland) Revenue Appeals (CIRA) against the demand raised by ACIR. CIRA passed an order dated September 30, 2022 whereby it decided the appeal in favour of the Fund.

- 10.2 There were no other material contingencies or commitments outstanding as at December 31, 2023 and June 30, 2023.

11 TAXATION

The income of the Fund is exempt from 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 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 year 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, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

12 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 cumulative weighted average number of outstanding units for calculating EPU is not practicable.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on the current period results is 2.00% (December 31, 2022: 0.79%) which includes 0.18% (December 31, 2022: 0.06%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

6

	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
14 CASH AND CASH EQUIVALENTS		
Bank balances	714,414,351	168,948,464
Market Treasury Bills - having original maturity of 3 months or less	-	3,703,095,500
	<u>714,414,351</u>	<u>3,872,043,964</u>

15 TRANSACTIONS & BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 15.2** Transactions with connected persons are executed on an arm's length basis and 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. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them at period / year end are as follows:

	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Transactions during the period		
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	4,314,408	5,821,901
Sindh sales tax on remuneration of the Management Company	560,873	756,847
Allocated expenses	1,221,407	-
Selling and marketing expenses	4,451,657	8,183,062
Units issued: 646 units (December 31, 2022: 1,178,622 units)	81,982	120,734,239
Units redeemed: 646 units (December 31, 2022: 3,895,971 units)	68,461	399,300,792
Faysal Bank Limited (Group company / Associated company)		
Profit on balances with bank	751,007	1,062,536
Bank charges	5,910	4,566
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	335,885	1,207,338
Sindh Sales Tax on remuneration of the Trustee	43,665	156,954
Settlement charges	9,450	2,260
Faysal Asset Management Limited-Staff Gratuity Fund		
Units issued: Nil units (December 31, 2022: 372,841 units)	-	38,521,136
Units redeemed: 73,313 units (December 31, 2022: 359,521 units)	8,136,491	37,157,974

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Transactions during the period		
Faysal Asset Management Limited-Staff Provident Fund		
Units issued: Nil units (December 31, 2022: 493,597 units)	-	50,985,492
Units redeemed: 102,918 units (December 31, 2022: 461,844 units)	11,422,109	47,734,825
Directors and key management personnel of the Management Company		
Units issued: Nil units (December 31, 2022:16 units)	-	1,590
Unit holders with more than 10% unit holding		
Units issued: 947,205 units (December 31, 2022: 1,820,825 units)	100,009,344	186,495,433
Units redeemed: 1,887,412 units (December 31, 2022: 2,013,257 units)	202,988,597	206,045,374
Amounts / balances outstanding as at period / year end	December 31, 2023	June 30, 2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration payable	667,160	653,214
Sindh Sales Tax payable on remuneration of the Management Company	86,731	84,918
Allocated expenses payable	1,221,407	-
Selling and marketing expenses payable	3,656,329	1,876,264
Faysal Bank Limited (Group company / Associated company)		
Balance with bank	5,759,915	1,420,130
Profit receivable on savings account	64,546	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	36,710	59,877
Sindh Sales Tax payable on remuneration of the Trustee	4,772	7,784
Security deposit	100,000	100,000
Faysal Asset Management Limited-Staff Gratuity Fund		
Units in issue: Nil units (June 30, 2023 : 73,313 units)	-	7,520,556
Faysal Asset Management Limited-Staff Provident Fund		
Units in issue: Nil units (June 30, 2023 : 102,918 units)	-	105,577,451
Directors and key management personnel of the Management Company		
Units in issue: 11 units (June 30, 2023: 11 units)	1,209	1,128
Unit holders with more than 10% unit holding		
Units in issue: 3,059,832 units (June 30, 2023: 4,000,038 units)	406,574,924	463,907,264

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

16 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.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted prices (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

(Un-audited)			
As at December 31, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'			
Market Treasury Bills	-	-	-
	-	-	-

(Audited)			
As at June 30, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'			
Market Treasury Bills*	-	1,151,624,400	-
	-	1,151,624,400	-
	-	-	1,151,624,400

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

17 GENERAL

17.1 Figures have been rounded off to the nearest rupee.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

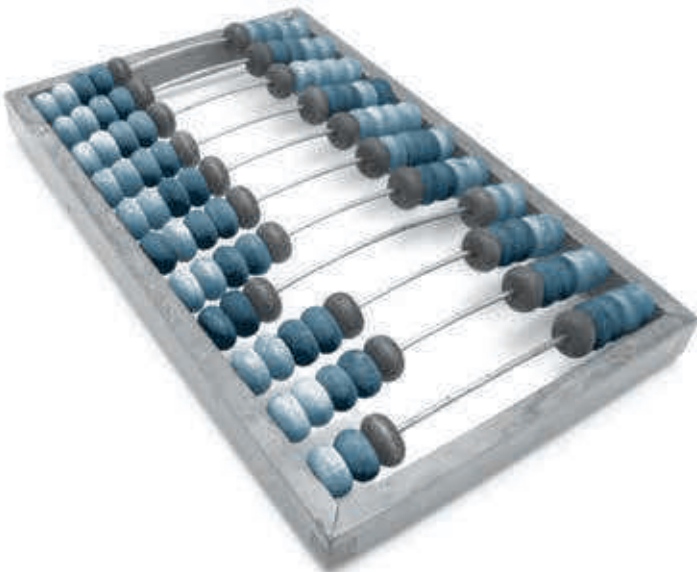
Chief Executive Officer

Director

Faysal MTS Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
Allied Bank Limited
JS Bank Limited
Zarai Taraqiyati Bank Limited
Soneri 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 MTS Fund (FMTSF) endeavours to provide investors competitive returns primarily through investment into MTS market.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shafr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL MTS 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 MTS 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 27, 2024.



A.F. FERGUSON & CO.

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 MTS Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024

Karachi

UDIN: RR202310068splMuehCU

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) 32415007/32427918/32424740; <www.pwc.com/pk>

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	70,023,098	518,406,283
Investments	5	145,572,148	287,906,100
Prepayments, deposits and other receivables		64,091,469	40,699,928
Receivable against sale of units		35,633	-
Receivable against Margin Trading System (MTS)		1,376,890,089	709,805,970
Total assets		<u>1,656,612,437</u>	<u>1,556,818,281</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	6	9,896,793	6,065,381
Payable to Central Depository Company of Pakistan Limited - Trustee	7	124,444	112,149
Payable to the Securities and Exchange Commission of Pakistan	8	110,514	334,463
Accrued expenses and other liabilities	9	10,308,520	10,137,985
Total liabilities		<u>20,440,271</u>	<u>16,649,978</u>
Net assets		<u>1,636,172,166</u>	<u>1,540,168,303</u>
Unit holders' fund (as per statement attached)		<u>1,636,172,166</u>	<u>1,540,168,303</u>
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		<u>14,242,765</u>	<u>14,967,659</u>
		----- (Rupees) -----	
Net asset value per unit		<u>114.88</u>	<u>102.90</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees)			----- (Rupees)		
Net assets at the beginning of the period (audited)	1,505,212,101	34,956,202	1,540,168,303	1,854,170,565	20,878,925	1,875,049,490
Issuance of 11,266,530 units (2022: 972,283 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,159,325,937	-	1,159,325,937	99,075,638	-	99,075,638
- Element of income	69,543,032	-	69,543,032	6,075,666	-	6,075,666
Total proceeds on issuance of units	1,228,868,969	-	1,228,868,969	105,151,304	-	105,151,304
Redemption of 11,991,424 units (2022: 5,235,167 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,233,917,530)	-	(1,233,917,530)	(533,463,517)	-	(533,463,517)
- Element of loss	(27,655,886)	(53,930,690)	(81,586,576)	(2,832,727)	(22,781,494)	(25,614,221)
Total payments on redemption of units	(1,261,573,416)	(53,930,690)	(1,315,504,106)	(536,296,244)	(22,781,494)	(559,077,738)
Total comprehensive income for the period	-	182,639,000	182,639,000	-	134,590,725	134,590,725
Net assets at the end of the period (un-audited)	<u>1,472,507,654</u>	<u>163,664,512</u>	<u>1,636,172,166</u>	<u>1,423,025,625</u>	<u>132,688,156</u>	<u>1,555,713,781</u>
Undistributed income brought forward						
- Realised income		35,333,893			20,891,547	
- Unrealised loss		(377,691)			(12,622)	
		<u>34,956,202</u>			<u>20,878,925</u>	
Accounting income available for distribution						
- Relating to capital gains		-			17,943	
- Excluding capital gains		128,708,310			111,791,288	
		<u>128,708,310</u>			<u>111,809,231</u>	
Undistributed income carried forward		<u>163,664,512</u>			<u>132,688,156</u>	
Undistributed income carried forward						
- Realised income		163,655,243			132,682,387	
- Unrealised income		9,269			5,769	
		<u>163,664,512</u>			<u>132,688,156</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>102.90</u>			<u>101.90</u>
Net asset value per unit at the end of the period			<u>114.88</u>			<u>110.04</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	(Rupees)			
Income				
Income on government securities - Market Treasury Bills	19,595,131	11,956,780	9,436,810	8,211,192
Income on commercial papers	-	942,562	-	942,562
Income from Margin Trading System (MTS)	156,641,611	115,726,398	79,880,782	55,658,759
Profit on balances with banks	30,383,782	23,719,112	15,043,573	11,945,797
Realised (loss) / gain on sale of investments - net	(13,898)	12,174	-	5,982
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	9,269	5,769	(26,732)
Total income	<u>206,615,895</u>	<u>152,362,795</u>	<u>104,334,433</u>	<u>76,663,069</u>
Expenses				
Remuneration of Faysal Asset Management Limited - Management Company	6.1	6,852,925	4,655,191	3,658,816
Sindh sales tax on remuneration of the Management Company	6.2	890,880	605,175	475,646
Allocated expenses	6.3	1,656,164	-	836,934
Selling and marketing charges	6.4	5,039,608	3,766,376	2,199,720
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	621,062	663,477	313,851
Sindh sales tax on remuneration of the Trustee	7.2	80,738	86,694	40,722
Annual fee to the Securities and Exchange Commission of Pakistan Auditors' remuneration	8.1	621,508	176,927	313,851
Legal and professional charges		409,627	271,768	206,705
Fees and subscription		76,611	39,560	43,153
Transaction charges		193,582	182,344	96,721
Bank charges		7,523,992	7,294,333	3,851,413
Printing charges and other expenses		5,230	13,113	3,479
		4,968	17,112	2,484
Total operating expenses		<u>23,976,895</u>	<u>17,772,070</u>	<u>12,043,495</u>
Net income from operating activities		<u>182,639,000</u>	<u>134,590,725</u>	<u>92,290,938</u>
Net income for the period before taxation		<u>182,639,000</u>	<u>134,590,725</u>	<u>92,290,938</u>
Taxation	13	-	-	-
Net income for the period after taxation		<u>182,639,000</u>	<u>134,590,725</u>	<u>92,290,938</u>
Earnings per unit	14			
Allocation of net income for the period				
Net income for the period after taxation		182,639,000	134,590,725	
Income already paid on units redeemed		(53,930,690)	(22,781,494)	
		<u>128,708,310</u>	<u>111,809,231</u>	
Accounting income available for distribution				
- Relating to capital gains		-	17,943	
- Excluding capital gains		128,708,310	111,791,288	
		<u>128,708,310</u>	<u>111,809,231</u>	

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	182,639,000	134,590,725	92,290,938	67,163,925
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>182,639,000</u>	<u>134,590,725</u>	<u>92,290,938</u>	<u>67,163,925</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Note	Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		182,639,000	134,590,725
Adjustments for:			
Unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(9,269)	(5,769)
		182,629,731	134,584,956
(Increase) / decrease in assets			
Investments		287,915,369	305,770,037
Prepayments, deposits and other receivables		(23,391,541)	(1,206,879)
Receivable against Margin Trading System (MTS)		(667,084,119)	201,628,047
		(402,560,291)	506,191,205
(Increase) / decrease in liabilities			
Payable to Faysal Asset Management Limited - Management Company		3,831,412	1,063,162
Payable to Central Depository Company of Pakistan Limited - Trustee		12,295	(39,760)
Payable to the Securities and Exchange Commission of Pakistan		(223,949)	(682,273)
Accrued expenses and other liabilities		170,535	(11,535,255)
		3,790,293	(11,194,126)
Net cash (used in) / generated from operating activities		(216,140,267)	629,582,035
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		1,228,833,336	105,151,304
Payments made against redemption of units		(1,315,504,106)	(559,077,738)
Net cash used in financing activities		(86,670,770)	(453,926,434)
Net (decrease) / increase in cash and cash equivalents during the period		(302,811,037)	175,655,601
Cash and cash equivalents at the beginning of the period		518,406,283	52,404,288
Cash and cash equivalents at the end of the period	12	215,595,246	228,059,889

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal MTS Fund (the Fund) is an open-end collective investment scheme constituted under a trust deed entered into on November 17, 2015 between Faysal Asset Management Limited (FAML) 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.

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 November 30, 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 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 is categorised as an 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from April 09, 2016 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide competitive returns primarily through investment in Margin Trading System (MTS) market.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a 'AA-(f)' stability rating to fund as of October 18, 2023 (2022: 'AA-(f)' stability as of October 14, 2022).
- 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 VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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The disclosures made in these condensed interim financial statements are 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, 2023.

- 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, 2023.

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 year ended June 30, 2023.

- 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
4	BALANCES WITH BANKS		
	Savings accounts	4.1	<u>70,023,098</u>
			<u>518,406,283</u>
4.1	These savings accounts carry mark-up at the rates ranging between 10.00% to 21.99% (June 30, 2023: 10.00% and 22.10%) per annum. Deposits in savings accounts also include Rs. 20.08 million (June 30, 2023: Rs. 14.43 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.		
		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
5	INVESTMENTS		
	At fair value through profit or loss		
	Government securities - Market Treasury Bills	5.1	<u>145,572,148</u>
			<u>287,906,100</u>
		<u>145,572,148</u>	<u>287,906,100</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.1 Government securities - Market Treasury Bills

Particulars	Issue date	Face value				Balance as at December 31, 2023			Percentage in relation to	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation on re-measurement	Net assets of the Fund	Total market value of investment
		Rupees								
Market Treasury Bills - 03 Months	15-Jun-23	100,000,000	-	100,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	15-Jun-23	200,000,000	-	200,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	22-Jun-23	-	100,000,000	100,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	21-Sep-23	-	78,000,000	78,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	21-Sep-23	-	100,000,000	100,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	30-Nov-23	-	150,000,000	-	150,000,000	145,562,879	145,572,148	9,269	8.90	100.00
Total as at December 31, 2023						<u>145,562,879</u>	<u>145,572,148</u>	<u>9,269</u>		
Total as at June 30, 2023						<u>288,283,791</u>	<u>287,906,100</u>	<u>(377,691)</u>		

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

5.2 As per Circular No. 7 of 2009 issued by the Securities and Exchange Commission of Pakistan (SECP), for a collective investment scheme classified as an 'Income Scheme', atleast 25% of the net assets shall be invested in cash and near cash instruments. However, the Fund held an average exposure of 22.80% in cash and near cash instruments during the month ended December 31, 2023.

The above exposure is in deficit of the required limit prescribed by the SECP and therefore, disclosure for breach of exposure limit is being made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

5.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Market value of investments	5.1	145,572,148	287,906,100
Less: carrying value of investments	5.1	145,562,879	288,283,791
		<u>9,269</u>	<u>(377,691)</u>
6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Remuneration payable to the Management Company	6.1	1,009,151	918,686
Sindh sales tax on remuneration payable to the Management Company	6.2	131,190	119,429
Allocated expenses payable	6.3	1,656,164	-
Selling and marketing expenses payable	6.4	4,220,377	2,810,503
Sales load payable		2,879,911	2,216,763
		<u>9,896,793</u>	<u>6,065,381</u>

6.1 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 its remuneration at the rates ranging from 0.70% to 2.10% (2022: 0.45% to 0.60%) of the average annual net assets of the Fund.

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

6.2 During the period, an amount of Rs. 0.89 million (2022: Rs. 0.61 million) was charged on account of sales tax at the rate of 13% (2022: 13%) on management fee levied through the Sindh Sales Tax on Services Act, 2011.

6.3 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).

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

4

The Management Company, on its discretion, has charged Rs. 1.66 million (2022: Nil) on account of allocated expenses of the Fund.

- 6.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at rates ranging from 0.40% to 0.80% (2022: 0.25% to 0.70%) of the average annual net assets of the Fund during the period ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Remuneration of the Trustee	7.1	110,127	99,247
	Sindh sales tax payable on remuneration of the Trustee	7.2	14,317	12,902
			<u>124,444</u>	<u>112,149</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.075% (June 30, 2023: 0.075%) per annum of the average annual net assets of the Fund.

- 7.2 During the period, an amount of Rs. 0.081 million (2022: 0.087 million) was charged on account of sales tax at the rate of 13% (2022: 13%) on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Annual fee payable	8.1	110,514	334,463

- 8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income, Money Market, Capital Protected, Commodity Scheme, Fixed Rate/Return Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees) -----	-----
	Accrued liabilities		273,894	28,159
	Auditors' remuneration payable		369,076	476,229
	Brokerage expenses payable		3,920	-
	Settlement charges payable		7,369,110	6,514,849
	Printing charges payable		21,478	26,548
	Legal and professional charges payable		286,470	309,370
	Withholding and capital gain tax payable		1,918,334	2,716,592
	Provision for Federal Excise Duty and related			
	Sindh Sales Tax on management fee	9.1	66,238	66,238
			<u>10,308,520</u>	<u>10,137,985</u>

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

5

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from April 8, 2016 till June 30, 2016 amounting to Rs. 0.06 million (June 30, 2023: 0.06 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value of the Fund as at December 31, 2023 would have been higher by Rs. 0.005 (June 30, 2023: Rs. 0.004) per unit.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no contingencies outstanding as at December 31, 2023 and June 30, 2023.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
10.2 Commitments		
Margin Trading System (MTS) transactions entered into by the Fund which have not been settled as at period / year end:		
Sale transactions	<u>247,367,684</u>	<u>65,949,093</u>

11 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.89% (2022: 2.01%) which includes 0.19% (2022: 0.10%) representing government levies on the Fund such as sales taxes, federal excise duties and annual fee payable to the SECP, etc. This ratio is within the maximum prescribed limit of 3.00% under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

	<u>Half year ended December 31,</u>	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
12 CASH AND CASH EQUIVALENTS		
Balances with banks	70,023,098	128,510,489
Market Treasury Bills - having original maturity of 3 months or less	<u>145,572,148</u>	<u>99,549,400</u>
	<u>215,595,246</u>	<u>228,059,889</u>

13 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, 2024 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.

14 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 cumulative weighted average number of outstanding units for calculating EPU is not practicable.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** 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% units of the Fund at period end.
- 15.2** 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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** The details of transactions carried out by the Fund with connected persons / related parties during the period and balances with them as at period / year end are as follows:

Transactions during the period	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	6,852,925	4,655,191
Sindh Sales Tax on remuneration of the Management Company	890,880	605,175
Selling and marketing expenses	5,039,608	3,766,376
Allocated expenses	1,656,164	-
Issuance of 719 units (2022: 310,680 units)	76,142	32,948,622
Redemption of 718 units (2022: 310,680 units)	76,500	33,984,167
Faysal Bank Limited - (Group / Associated Company)		
Profit on savings account	508,030	440,261
Bank charges	5,230	3,299
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	621,062	663,477
Sindh sales tax on remuneration of the Trustee	80,738	86,694
Settlement charges	1,931,515	1,153,436
Faysal Asset Management Limited-Staff Gratuity Fund		
Units issued: 103,704 units (2022: 1,857 units)	11,636,491	201,535
Faysal Asset Management Limited-Staff Provident Fund		
Units issued: 110,820 units (2022: 5,472 units)	12,422,109	593,864
Directors, their close family members and Key Management Personnel of the Management Company		
Issuance of 2 units (2022: 251 units)	207	26,346

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Amounts / balances outstanding as at period / year end	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	-----
Faysal Asset Management Limited - Management Company		
Remuneration payable to the Management Company	1,009,151	918,686
Sindh Sales Tax payable on remuneration of the Management Company	131,190	119,429
Selling and marketing expenses payable	4,220,377	2,810,503
Sales load payable	2,879,911	2,216,763
Outstanding 5 (June 30, 2023: 4) units - at net asset value	574	412
Faysal Bank Limited - (Group / Associated Company)		
Balance in savings account	20,081,909	14,234,179
Profit receivable on savings account	132,195	183,280
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	110,127	99,247
Sindh Sales Tax payable on remuneration of the Trustee	14,317	12,902
Security deposit	100,000	100,000
Faysal Asset Management Limited-Staff Gratuity Fund		
Outstanding 105,881 units (June 30, 2023: 2,177 units)	12,163,334	224,013
Faysal Asset Management Limited-Staff Provident Fund		
Outstanding 117,235 units (June 30, 2023: 6,415 units)	13,467,652	660,104
Directors, their close family members and Key Management Personnel of the Management Company		
Units in issue: 2 units (June 30, 2023: Nil units)	230	-
Unit holders with more than 10% unit holding		
Outstanding 2,473,573 units (June 30, 2023: 2,473,573 units)	284,157,635	254,530,662

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023.

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

16 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.

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: 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).

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

As at December 31, 2023				
(Un-audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	145,572,148	-	145,572,148
Receivable against MTS*	-	1,376,890,089	-	1,376,890,089
	-	1,522,462,237	-	1,522,462,237
As at June 30, 2023				
(Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	287,906,100	-	287,906,100
Receivable against MTS*	-	709,805,970	-	709,805,970
	-	997,712,070	-	997,712,070

* The carrying value of these balances approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

17 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

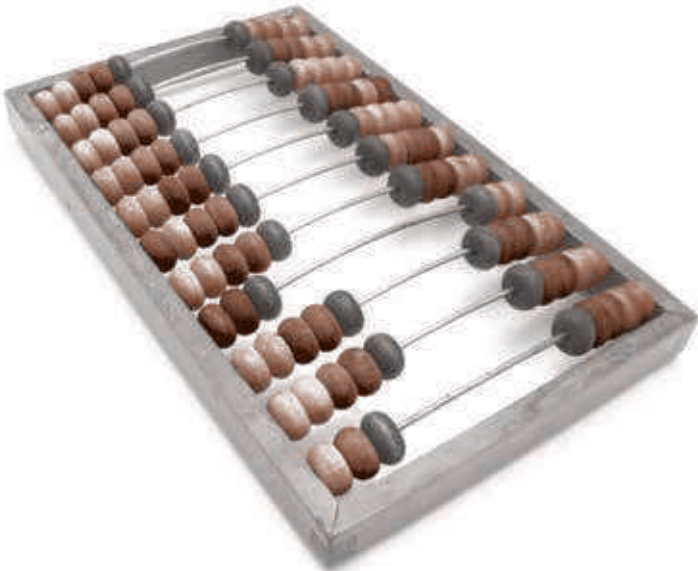
Chief Executive Officer

Director

Faysal Savings Growth Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
MCB (Islamic Banking)
JS Bank Limited
Allied Bank Limited
Soneri Bank Limited
HBL Microfinance Bank limited
U- Microfinance Bank limited
Khushhali Bank Limited
Zarai Taraqati 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 Savings Growth Fund seeks to provide investors a consistent income stream with maximum preservative of capital.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block-B
S.M.C.H.S. Mari Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL SAVINGS GROWTH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Savings Growth Fund (the Fund), are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

For the purpose of information, we would like to draw the attention of the unit holders towards Direction No. 37 of 2016 wherein the collective investment scheme is required not to place funds of more than 25% of net assets with all microfinance banks, non-bank finance companies and Mudarabas. In this regard, the Fund was non-compliant with the said requirement from August 24, 2023 to October 16, 2023 with maximum exposure of 57.68% of the net assets during the period of breach. The said non-compliance has also been reported to the Securities and Exchange Commission of Pakistan.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2024





A.F. FERGUSON & CO.

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 Savings Growth Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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.

Afferguents

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Shahbaz Akbar**
Dated: February 26, 2024
Karachi
UDIN: RR202310068y5VjsUIAu

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, J.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>

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	1,495,097,696	252,963,659
Investments	5	236,541,858	509,059,899
Deposits, prepayments and other receivables		<u>40,789,291</u>	<u>60,491,025</u>
Total assets		<u>1,772,428,845</u>	<u>822,514,583</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	6	5,780,091	3,235,179
Payable to Central Depository Company of Pakistan Limited - Trustee	7	69,973	109,326
Payable to the Securities and Exchange Commission of Pakistan	8	61,771	450,390
Accrued expenses and other liabilities	9	<u>29,335,888</u>	<u>37,718,566</u>
Total liabilities		<u>35,247,723</u>	<u>41,513,461</u>
Net assets		<u>1,737,181,122</u>	<u>781,001,122</u>
Unit holders' fund (as per statement attached)		<u>1,737,181,122</u>	<u>781,001,122</u>
Contingencies and commitments	10	----- (Number of units) -----	
Number of units in issue		<u>16,217,131</u>	<u>7,499,096</u>
		----- (Rupees) -----	
Net asset value per unit		<u>107.12</u>	<u>104.15</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	(Rupees)		(Rupees)	
Income				
Profit on balances with banks	86,306,711	86,232,357	45,471,392	43,838,723
Income on Term Finance Certificates	19,881,603	29,512,304	9,487,726	14,949,797
Profit on Sukuk Certificates	6,394,514	24,120,539	589,728	11,509,934
Income on Market Treasury Bills	2,725,779	55,520,038	2,725,779	26,200,513
Income on Pakistan Investment Bonds	5,633,158	3,894,809	2,815,030	1,952,993
Income on Letter of Placements	-	3,745,206	-	-
Profit on GoP Ijarah Sukuks	1,374,092	3,939,978	1,374,092	3,939,978
Realised gain / (loss) on sale of investments	324,020	(1,476,512)	825,720	(493,413)
	122,639,877	205,488,719	63,289,467	101,898,525
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	(12,769,705)	(3,537,072)	(19,782,956)
		(3,537,072)	(19,782,956)	(3,740,220)
Total income		109,870,172	43,506,511	98,158,305
Expenses				
Remuneration of Faysal Asset Management Limited - Management Company	6.1	7,051,561	20,027,557	3,710,160
Sindh sales tax on remuneration of the Management Company	6.2	916,703	2,603,582	482,321
Selling and marketing expenses	6.3	3,820,844	3,337,926	2,099,145
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	403,953	1,001,378	207,476
Sindh sales tax on remuneration of the Trustee	7.2	52,514	130,180	26,907
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	403,953	267,034	207,476
Auditors' remuneration		502,594	403,512	250,348
Legal and professional charges		175,433	79,120	107,372
Fees and subscription		215,441	209,392	107,643
Transaction charges		291,697	238,306	200,714
Settlement and bank charges		14,841	10,788	14,067
Printing charges		4,968	17,112	2,484
Total expenses		13,854,502	28,325,887	7,416,113
Net income from operating activities		96,015,670	173,625,760	36,090,398
Net income for the period before taxation		96,015,670	173,625,760	36,090,398
Taxation	12	-	-	-
Net income for the period after taxation		96,015,670	173,625,760	36,090,398
Earnings per unit	13			
Allocation of net income for the period				
Net income for the period after taxation		96,015,670	173,625,760	
Income already paid on units redeemed		(29,238,835)	(29,120,335)	
		66,776,835	144,505,425	
Accounting income available for distribution				
- Relating to capital gains		-	-	
- Excluding capital gains		66,776,835	144,505,425	
		66,776,835	144,505,425	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December, 31	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	96,015,670	173,625,760	36,090,398	84,273,693
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>96,015,670</u>	<u>173,625,760</u>	<u>36,090,398</u>	<u>84,273,693</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period (audited)	744,740,748	36,260,374	781,001,122	2,314,814,677	68,742,197	2,383,556,874
Issuance of 50,599,377 units (2022: 9,607,062 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,269,925,115	-	5,269,925,115	989,143,137	-	989,143,137
- Element of income	177,354,689	-	177,354,689	19,848,150	-	19,848,150
Total proceeds on issuance of units	5,447,279,803	-	5,447,279,803	1,008,991,287	-	1,008,991,287
Redemption of 41,881,342 units (2022: 10,176,847 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(4,361,941,768)	-	(4,361,941,768)	(1,047,808,179)	-	(1,047,808,179)
- Element of loss	(147,011,261)	(29,238,835)	(176,250,096)	(7,013,176)	(29,120,335)	(36,133,511)
Total payments on redemption of units	(4,508,953,030)	(29,238,835)	(4,538,191,865)	(1,054,821,355)	(29,120,335)	(1,083,941,690)
Total comprehensive income for the period	-	96,015,670	96,015,670	-	173,625,760	173,625,760
Final cash distribution for the year ended June 30, 2023 @ Rs. 6.71 per unit (declared on November 16, 2023)	(14,752,429)	(34,171,180)	(48,923,609)	-	-	-
	(14,752,429)	61,844,490	47,092,061	-	173,625,760	173,625,760
Net assets at the end of the period (un-audited)	<u>1,668,315,093</u>	<u>68,866,029</u>	<u>1,737,181,122</u>	<u>2,268,984,609</u>	<u>213,247,622</u>	<u>2,482,232,231</u>
Undistributed income brought forward						
- Realised income		32,980,544			67,258,652	
- Unrealised income		3,279,830			1,483,545	
		<u>36,260,374</u>			<u>68,742,197</u>	
Distribution made during the period		(34,171,180)			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		66,776,835			144,505,425	
		<u>66,776,835</u>			<u>144,505,425</u>	
Undistributed income carried forward		<u>68,866,029</u>			<u>213,247,622</u>	
Undistributed income carried forward						
- Realised income		81,635,734			216,784,694	
- Unrealised loss		(12,769,705)			(3,537,072)	
		<u>68,866,029</u>			<u>213,247,622</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>104.15</u>			<u>102.96</u>
Net asset value per unit at the end of the period			<u>107.12</u>			<u>109.93</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Note	Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		96,015,670	173,625,760
Adjustments for:			
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	12,769,705	3,537,072
		108,785,375	177,162,832
Decrease / (increase) in assets			
Investments - net		259,748,336	(407,378,284)
Deposits, prepayments and other receivables		19,701,734	(29,577,948)
		279,450,070	(436,956,232)
Decrease in liabilities			
Payable to Faysal Asset Management Limited - Management Company		2,544,912	(151,458)
Payable to Central Depository Company of Pakistan Limited - Trustee		(39,353)	(3,288)
Payable to the Securities and Exchange Commission of Pakistan		(388,619)	(283,435)
Accrued expenses and other liabilities		(8,382,678)	(2,038,766)
		(6,265,738)	(2,476,947)
Net cash generated from / (used in) operating activities		381,969,707	(262,270,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		5,432,527,375	1,008,991,287
Payments against redemption of units		(4,538,191,865)	(1,083,941,690)
Dividend paid		(34,171,180)	-
Net cash generated from / (used in) financing activities		860,164,330	(74,950,403)
Net increase / (decrease) in cash and cash equivalents during the period		1,242,134,037	(337,220,750)
Cash and cash equivalents at the beginning of the period		252,963,659	1,649,208,381
Cash and cash equivalents at the end of the period	4	1,495,097,696	1,311,987,631

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited) For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Savings Growth Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on December 28, 2006 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.

During the year ended June 30, 2021, Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trusts Act. Accordingly, on April 14, 2022 the above-mentioned Trust Deed has 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 an open end 'Income 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 May 7, 2007 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to generate competitive returns by investing primarily in debt and fixed income instruments having investment grade credit rating. The investment objectives and policies are explained in the Fund's offering document.

1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM2++' dated December 20, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Moreover, PACRA has maintained the stability rating of the Fund at 'AA-(f)' dated October 18, 2023 (2022: 'AA-(f)' dated October 14, 2022).

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 VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are 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, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

2

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, 2023.

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 year ended June 30, 2023.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
4	BALANCES WITH BANKS		
	Balance with banks in savings accounts	4.1 <u>1,495,097,696</u>	<u>252,963,659</u>
4.1	These savings accounts carry mark-up at the rates ranging from 10.00% to 21.99% (June 30, 2023: 18.10% to 23.00%) per annum. Deposits in savings accounts also include Rs. 3.90 million (June 30, 2023: Rs. 5.01 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.		

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
5	INVESTMENTS		
	At fair value through profit or loss		
	Term Finance Certificates (TFCs)	5.1 140,752,500	183,564,900
	Sukuk Certificates	5.2 25,039,358	255,509,999
	Government securities - Pakistan Investment Bonds	5.3 48,980,000	47,465,000
	Government securities - Market Treasury Bills	5.4 -	-
	GoP Ijarah Sukuks	5.5 <u>21,770,000</u>	<u>22,520,000</u>
		<u>236,541,858</u>	<u>509,059,899</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

5.1 Term Finance Certificates (TFCs)

Name of the security	Interest payments / principal redemptions	Maturity date	Interest rate	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Market value as percentage of	
				Number of certificates					(Rupees)	net assets of the Fund	total investments of the Fund	%

INVESTMENT COMPANIES

Jahangir Siddiqui & Company Limited (AA, PACRA, non-traded) (Face value of 625 per certificate)	Semi-annually	July 18, 2023	6 months KIBOR plus base rate of 1.40%	20,000	-	20,000	-	-	-	-	-	-
--	---------------	---------------	--	--------	---	--------	---	---	---	---	---	---

Jahangir Siddiqui & Company Limited (AA, PACRA, non-traded) (Face value of 834 per certificate)	Semi-annually	September 6, 2023	6 months KIBOR plus base rate of 1.40%	20,000	-	20,000	-	-	-	-	-	-
--	---------------	-------------------	--	--------	---	--------	---	---	---	---	---	---

MISCELLANEOUS

TPL Corp Limited (AA-, PACRA) (Face value of 100,000 per certificate)	Quarterly	June 28, 2027	3 months KIBOR plus base rate of 2.50%	1,500	-	-	1,500	154,264,200	140,752,500	(13,511,700)	8.10%	59.50%
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Total as at December 31, 2023

154,264,200 140,752,500 (13,511,700)

Total as at June 30, 2023

180,313,418 183,564,900 3,251,482

5.2 Sukuk Certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profrate	As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Market value as percentage of	
				Number of certificates					(Rupees)	net assets of the Fund	total investments of the Fund	%

POWER GENERATION & DISTRIBUTION

The Hub Power Company Limited (AA+, PACRA, traded) (Face value of 25,000 per certificate)	Semi-annually	March 19, 2024	12 months KIBOR plus base rate of 1.90%	1,000	-	-	1,000	25,125,000	25,039,358	(85,642)	1.44%	10.59%
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Hub Power Holdings Limited (AA+, PACRA, non-traded) (Face value of 100,000 per certificate)	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	2,000	-	2,000	-	-	-	-	-	-
--	---------------	-------------------	--	-------	---	-------	---	---	---	---	---	---

Total as at December 31, 2023

25,125,000 25,039,358 (85,642)

Total as at June 30, 2023

251,242,450 255,509,999 4,267,549

5.3 Government securities - Pakistan Investment Bonds

Name of the security	Issue date	Interest rate	As at July 1, 2023	Purchased during the period	Matured / sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	Market value as percentage of	
			Face Value					(Rupees)	net assets of the Fund	total investments of the Fund	%

Pakistan Investment Bonds - 10 years	June 28, 2018	21.86%	50,000,000	-	-	50,000,000	47,465,000	48,980,000	1,515,000	2.82%	20.71%
--------------------------------------	---------------	--------	------------	---	---	------------	------------	------------	-----------	-------	--------

Total as at December 31, 2023

47,465,000 48,980,000 1,515,000

Total as at June 30, 2023

50,000,000 47,465,000 (2,535,000)

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.4 Government securities - Market Treasury Bills

Name of the security	Issue date	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	Market value as percentage of	
									net assets of the Fund	total investments of the Fund
						----- Face value (Rupees) -----		----- (Rupees) -----		----- % -----
Market Treasury Bills - 12 months	October 19, 2023	-	500,000,000	500,000,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	October 19, 2023	-	250,000,000	250,000,000	-	-	-	-	-	-
Total as at December 31, 2023						-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-

5.5 GoP Ijarah Sukuks

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Market value as percentage of		
												net assets of the Fund	total investments of the Fund	
												----- Rupees -----		----- % -----
GoP Ijarah Sukuk Certificates - GIS23	Semi-annually / At maturity	December 15, 2021	December 15, 2026	11.40%	250	-	-	250	22,457,363	21,770,000	(687,363)	1.25%	9.20%	
Total as at December 31, 2023									22,457,363	21,770,000	(687,363)			
Total as at June 30, 2023									24,224,201	22,520,000	(1,704,201)			

5.6 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'- net

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
Market value of investments	5.1, 5.2, 5.3,	236,541,858	509,059,899
Less: carrying value of investments	5.4 & 5.5	249,311,563	505,780,069
		<u>(12,769,705)</u>	<u>3,279,830</u>

6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	6.1	1,732,402	1,914,363
Sindh sales tax payable on remuneration of the Management Company	6.2	225,212	248,866
Selling and marketing expenses payable	6.3	3,822,477	1,071,950
		<u>5,780,091</u>	<u>3,235,179</u>

6.1 As per Regulation 61 of the NBFRC 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 its remuneration at the rate of 1.00% to 2.10% (June 30, 2023: 1.50%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 0.92 million (2022: Rs. 2.60 million) was charged on account of sales tax at the rate of 13% (2022: 13%) on management fee levied through the Sindh Sales Tax on Services Act, 2011.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 6.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at rates ranging from 0.25% to 1.10% (2022: 0.25%) of the average annual net assets of the Fund during the period ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	
	Remuneration payable to the Trustee	7.1	61,923	95,716
	Sindh sales tax payable on remuneration of the Trustee	7.2	8,050	13,610
			<u>69,973</u>	<u>109,326</u>

- 7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (June 30, 2023: 0.075%) per annum of average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the period.

- 7.2 During the period, an amount of Rs. 0.05 million (2022: 0.13 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% (2022: 13%).

8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	
	Annual fee payable	8.1	61,772	450,390

- 8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income, Money Market, Capital Protected, Commodity Scheme, Fixed Rate/Return Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	
	Brokerage payable		1,162,281	1,489,954
	Auditors' remuneration payable		454,742	587,728
	Printing charges payable		163,430	168,970
	Zakat payable		33,331	33,331
	Withholding and capital gain tax payable		7,983,771	16,300,639
	Provision for Federal Excise Duty and related sindh sales tax on management fee	9.1	18,281,365	18,281,365
	Legal and professional charges payable		415,253	445,260
	Settlement charges payable		294,138	-
	Fees and subscription payable		165,338	-
	Other liabilities		382,239	411,319
			<u>29,335,888</u>	<u>37,718,566</u>

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

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 18.28 million (June 30, 2023: Rs. 18.28 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at December 31, 2023 would have been higher by Rs. 1.13 (June 30, 2023: Rs. 2.44) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2023 based on current period results is 2.56% (2022: 2.12%) which includes 0.26% (2022: 0.22%) 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 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

12 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% 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore 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.

13 EARNINGS PER UNIT

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

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 14.1 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% units of the Fund at period end.

- 14.2 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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 14.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 14.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 14.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 14.6** 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 / year end are as follows:

Transactions during the period	Half year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	7,051,561	20,027,557
Sindh sales tax on remuneration of the Management Company	916,703	2,603,582
Selling and marketing expenses	3,820,844	3,337,926
Units issued: Nil units (2022: 7,122 units)	-	753,369
Units redeemed: Nil units (2022: 7,122 units)	-	755,078
Faysal Bank Limited - Group / Associated Company		
Profit on balances with banks	131,801	192,823
Bank charges	3,249	4,184
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	403,953	1,001,378
Sindh sales tax on remuneration of the Trustee	52,514	130,180
Settlement charges	25,859	4,868
CDC Trustee Faysal Financial Sector Opportunity Fund		
Market Treasury Bills - sold	-	399,672,400
CDC Trustee Faysal Financial Money Market Fund		
Market Treasury Bills - purchased	-	99,961,700
CDC Trustee Faysal Islamic Savings Growth Fund		
GoP Ijarah - purchased	-	458,022,000
Directors and Key Management Personnel of the Management Company		
Units redeemed: Nil units (2022: 6 units)	-	685
Unit holders holding more than 10% units		
Units issued: 35,807,167 units (2022: 6,342,799 units)	3,845,758,731	662,885,957
Units redeemed: 25,455,834 units (2022: Nil units)	2,760,994,081	-
Balances outstanding as at period / year end		
	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration payable to the Management Company	1,732,402	1,914,363
Sindh sales tax payable on remuneration of the Management Company	225,212	248,866
Selling and marketing expenses payable	3,822,477	1,071,950

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Balances outstanding as at period / year end	December 31,	June 30,
	2023 (Un-audited)	2023 (Audited)
	----- (Rupees) -----	
Faysal Bank Limited - Group / Associated Company		
Balance with bank	3,902,134	5,017,188
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	61,923	95,716
Sindh sales tax payable on remuneration of the Trustee	8,050	13,610
Security deposit	100,000	100,000
Unit holders holding more than 10% units		
Units in issue: 10,351,334 units (June 30, 2023: 2,303,416 units)	1,108,834,862	239,900,745

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023.

15 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 at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

15.1 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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

Financial assets at fair value through profit or loss	As at December 31, 2023			
	----- (Un-audited) -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Term Finance Certificates	-	140,752,500	-	140,752,500
Sukuk Certificates	-	25,039,358	-	25,039,358
Government securities - Pakistan				
Investment Bonds	-	48,980,000	-	48,980,000
GoP Ijarah	-	21,770,000	-	21,770,000
	-	236,541,858	-	236,541,858

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Financial assets at fair value through profit or loss	As at June 30, 2023			
	(Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Term Finance Certificates	-	183,564,900	-	183,564,900
Sukuk Certificates	-	255,509,999	-	255,509,999
Government securities - Pakistan				
Investment Bonds	-	47,465,000	-	47,465,000
GoP Ijarah	-	22,520,000	-	22,520,000
	-	509,059,899	-	509,059,899

16 GENERAL**16.1** Figures have been rounded off to the nearest rupee unless otherwise stated.**17 DATE OF AUTHORISATION FOR ISSUE**These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

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

Chief Financial Officer

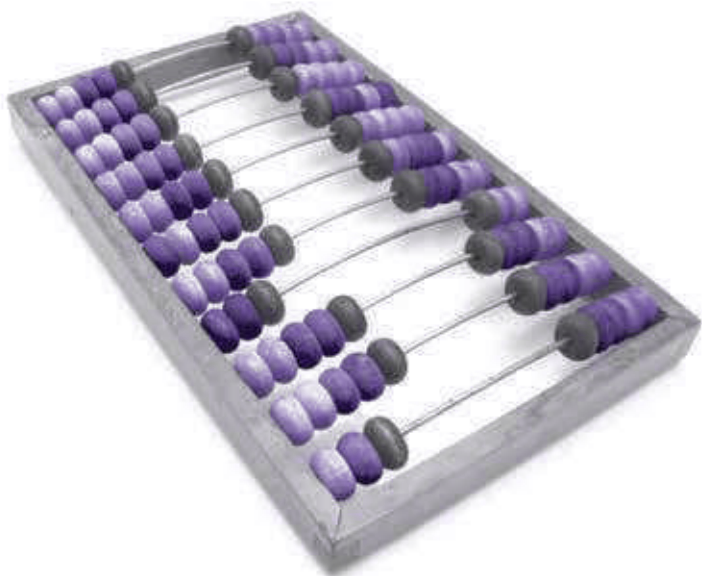
Chief Executive Officer

Director

Faysal Cash Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
Allied 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 Cash Fund endeavors to provide maximum possible preservation of capital and a reasonable rate of return via investing in money market securities having good credit quality rating and liquidity.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
 CDC House, 99-B, Block B,
 S.M.C.H.S. Main Shaheed-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 CASH 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 Cash 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, 2024.



A.F. FERGUSON & CO.

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 Cash Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068HJEKrgu7Y

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, J.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427935/32424740; <www.pwec.com/pk>

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	33,574,599	73,077,715
Investments	5	-	95,968,706
Advances, deposits and profit receivable		1,300,975	867,538
Preliminary expenses and floatation cost	6	202,050	252,650
Receivable from the Management Company	7	100,000	-
Total assets		35,177,624	170,166,609
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	294,376	190,822
Payable to Central Depository Company of Pakistan Limited - Trustee	9	2,874	6,418
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	3,416	93,312
Accrued expenses and other liabilities	11	1,584,335	1,693,264
Total liabilities		1,885,001	1,983,816
Net assets		<u>33,292,623</u>	<u>168,182,793</u>
Unit holders' fund (as per the statement attached)		<u>33,292,623</u>	<u>168,182,793</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>296,172</u>	<u>1,654,728</u>
		----- (Rupees) -----	
Net asset value per unit		<u>112.4098</u>	<u>101.6377</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Income				
Profit on balances with banks	3,413,242	7,152,217	1,715,641	4,905,655
Income on government securities	7,894,619	5,490,508	2,915,356	5,200,549
Income on commercial papers	-	12,599,611	-	1,007,969
Profit from sukuk certificates	-	24,849,835	-	2,695,038
Realised gain / (loss) on sale of investments - net	5,869	(6,460)	(30,601)	-
Unrealised gain on remeasurement of investments classified as financial asset at fair value through profit or loss ¹	-	285,551	-	285,551
Total income	<u>11,313,730</u>	<u>50,371,262</u>	<u>4,600,396</u>	<u>14,094,762</u>
Expenses				
Remuneration of Faysal Asset Management Limited - Management Company	8.1	173,583	910,877	43,274
Sindh sales tax on remuneration of the Management Company	8.2	22,568	118,414	5,628
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	28,894	200,391	11,818
Sindh Sales Tax on remuneration of the Trustee	9.2	3,729	26,050	1,509
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	39,414	72,871	16,128
Selling and marketing expenses	8.3	223,756	1,275,229	75,527
Auditors' remuneration		371,466	280,048	185,011
Transaction charges		15,940	11,342	4,704
Legal and professional charges		82,042	39,560	48,304
Fees and subscription		98,742	109,112	49,323
Bank charges		4,078	9,179	2,479
Printing charges		4,969	17,112	2,484
Amortisation of preliminary expenses and flotation cost		50,600	50,600	25,300
Accounting and operational charges	8.4	86,038	-	34,474
Reimbursement of expenses from the Management Company		(100,000)	-	(5,000)
Total expenses		<u>1,105,819</u>	<u>3,120,785</u>	<u>500,963</u>
Net income from operating activities		<u>10,207,911</u>	<u>47,250,477</u>	<u>4,099,433</u>
Net income for the period before taxation		<u>10,207,911</u>	<u>47,250,477</u>	<u>4,099,433</u>
Taxation	14	-	-	-
Net income for the period after taxation		<u>10,207,911</u>	<u>47,250,477</u>	<u>4,099,433</u>
Earnings per unit	15			
Allocation of net income for the period				
Net income for the period after taxation		10,207,911	47,250,477	
Income already paid on units redeemed		(8,248,848)	(31,632,571)	
		<u>1,959,063</u>	<u>15,617,906</u>	
Accounting income available for distribution				
- Relating to capital gains		5,869	279,091	
- Excluding capital gains		1,953,194	15,338,815	
		<u>1,959,063</u>	<u>15,617,906</u>	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	10,207,911	47,250,477	4,099,433	13,190,179
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>10,207,911</u>	<u>47,250,477</u>	<u>4,099,433</u>	<u>13,190,179</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Note	For the half year ended December 31,	
		2023	2022
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		10,207,911	47,250,477
Adjustments for:			
Amortisation of preliminary expenses and floatation costs	6.1	50,600	50,600
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss' - net		-	(285,551)
		10,258,511	47,015,526
Decrease / (increase) in assets			
Investments - net		95,968,706	793,793,936
Advances, deposits and profit receivable		(433,437)	24,159,483
Receivable from the Management Company		(100,000)	-
		95,435,269	817,953,419
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		103,554	(643,518)
Payable to Central Depository Company of Pakistan Limited - Trustee		(3,544)	(74,372)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(89,896)	(100,046)
Payable against Redemption of Units		-	(18,188)
Accrued expenses and other liabilities		(108,929)	(3,480,344)
		(98,815)	(4,316,468)
Net cash generated from operating activities		105,594,965	860,652,477
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt against issuance of units		56,862,566	1,584,523,781
Payment against redemption of units		(201,960,647)	(2,666,004,404)
Net cash (used in) / generated from financing activities		(145,098,081)	(1,081,480,623)
Net (decrease) in cash and cash equivalents during the period		(39,503,116)	(220,828,146)
Cash and cash equivalents at the beginning of the period		73,077,715	275,906,237
Cash and cash equivalents at the end of the period	4	33,574,599	55,078,091

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period (audited)	163,500,120	4,682,673	168,182,793	1,379,180,749	3,380,598	1,382,561,347
Issuance of 532,143 (2022: 15,531,020) units						
- Capital value (at net asset value per unit at the beginning of the period)	54,085,748	-	54,085,748	1,556,461,333	-	1,556,461,333
- Element of income	2,776,818	-	2,776,818	28,062,448	-	28,062,448
Total proceeds on issuance of units	56,862,566	-	56,862,566	1,584,523,781	-	1,584,523,781
Redemption of 1,890,699 (2022: 26,088,205) units						
- Capital value (at net asset value per unit at the beginning of the period)	(192,166,294)	-	(192,166,294)	(2,614,463,411)	-	(2,614,463,411)
- Element of loss	(1,545,505)	(8,248,848)	(9,794,353)	(19,908,422)	(31,632,571)	(51,540,993)
Total payments on redemption of units	(193,711,799)	(8,248,848)	(201,960,647)	(2,634,371,833)	(31,632,571)	(2,666,004,404)
Total comprehensive income for the period	-	10,207,911	10,207,911	-	47,250,477	47,250,477
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	10,207,911	10,207,911	-	47,250,477	47,250,477
Net assets at the end of the period (un-audited)	26,650,887	6,641,736	33,292,623	329,332,697	18,998,504	348,331,201
Undistributed income brought forward						
- Realised income		4,802,205			3,380,598	
- Unrealised loss		(119,532)			-	
		4,682,673			3,380,598	
Accounting income available for distribution						
- Relating to capital gains		5,869			279,091	
- Excluding capital gains		1,953,194			15,338,815	
		1,959,063			15,617,906	
Distribution during the period		-			-	
Undistributed income carried forward		6,641,736			18,998,504	
Undistributed income carried forward						
- Realised income		6,641,736			18,712,953	
- Unrealised income		-			285,551	
		6,641,736			18,998,504	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			101.6377			100.2163
Net asset value per unit at the end of the period			112.4098			107.5567

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Cash Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was registered on June 9, 2020. The investment activities and administration of the Fund are managed by the Management Company. The Management Company of the Fund has been licensed 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, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. 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 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 November 29, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.2 The Fund has been categorised as an open end money market scheme by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 issued by SECP. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from January 8, 2021 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to seek maximum possible preservation of capital and a competitive rate of return via investing primarily in money market securities.

1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2+' dated December 31, 2022). 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 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
- the 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 the 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 the requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 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 published audited financial statements of the Fund for the year ended 30 June 2023.

- 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 and for the period ended December 31, 2023.

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

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 financial statements for the year ended 30 June 2023.

The preparation of these condensed interim financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan requires 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, 2023. 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, 2023.

3.1 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, 2023. 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.

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

There are certain new standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. 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.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
4 BALANCES WITH BANKS			
Balance with banks in savings accounts	4.1	<u>33,574,599</u>	<u>73,077,715</u>

- 4.1 These balances in savings accounts carry interest rates ranging from 11.00% to 22.00% (June 30, 2023: 10.00% to 19.80%) per annum. Deposits in savings accounts also include Rs. 1.873 million (June 30, 2023: 51,049 million) maintained with Faysal Bank Limited, a related party, and carry interest at the rate of 11.00% (June 30, 2023: 11.00%) per annum.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
5 INVESTMENTS			
At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	<u>-</u>	<u>95,968,706</u>
		<u>-</u>	<u>95,968,706</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.1 Government securities - Market Treasury Bills

Issue date	Tenor	Profit rate	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Market value as percentage of	
			As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023				net assets of the Fund	total investments of the Fund
			(Rupees)							-----	-----
June 15, 2023	3 months	21.97%	100,000,000	-	100,000,000	-	-	-	-	-	
June 22, 2023	3 months	22.00%	-	75,000,000	75,000,000	-	-	-	-	-	
August 10, 2023	3 months	21.75%	-	75,000,000	75,000,000	-	-	-	-	-	
September 7, 2023	3 months	21.40%	-	75,000,000	75,000,000	-	-	-	-	-	
September 21, 2023	3 months	22.79%	-	54,000,000	54,000,000	-	-	-	-	-	
November 30, 2023	3 months	21.34%	-	50,000,000	50,000,000	-	-	-	-	-	
Total as at December 31, 2023						-	-	-	-	-	
Total as at June 30, 2023						96,088,238	95,968,706	(119,532)	57.06	100	

Note	December 31, 2023 (Un-audited)	December 31, 2022 (Audited)
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5.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

Market value of investments	-	95,968,706
Less: Carrying value of investments	-	(96,088,238)
	-	(119,532)

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
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6 PRELIMINARY EXPENSES AND FLOATION COST

At the beginning of the period / year		252,650	353,025
Less: amortisation during the period / year	6.1	(50,600)	(100,375)
At the end of the period / year		202,050	252,650

6.1 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 five years in accordance with the Trust Deed of the Fund and the NBFC Regulations.

Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
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7 RECEIVABLE FROM THE MANAGEMENT COMPANY

Receivable from Faysal Asset Management Limited the Management Company	7.1	100,000	-
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7.1 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, 2023, the Fund was in breach of the TER ratio of 2.00% as prescribed under NBFC Regulations for a collective investment scheme categorised as an equity scheme. As a result the Fund has recorded a receivable amounting to Rs. 100,000 from the Management Company to comply with the TER.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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8	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	----- (Rupees) -----
	Management remuneration payable	8.1	31,764	51,634
	Sindh Sales Tax payable on management fee	8.2	4,131	6,712
	Selling and marketing expense payable	8.3	172,443	132,476
	Accounting and operational charges	8.4	86,038	-
			<u>294,376</u>	<u>190,822</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 ranging from 0.05% to 0.7% (December 31, 2022: 0.25%) per annum of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 22,568 (December 31, 2022: 118,414) was charged on account of sales tax 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 authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rate ranging from 0.4% to 0.65% of average annual net assets of the Fund for the period ended December 31, 2023 (December 31, 2022: 0.35%).

8.4 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).

The Management Company, based on its discretion (duly authorised by the Board of Directors), has charged accounting and operational expenses to the Fund at the rates ranging from 0% to 0.2% (December 31, 2022: Nil).

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	----- (Rupees) -----
	Trustee fee payable	9.1	2,567	5,680
	Sindh Sales Tax payable on Trustee fee	9.2	307	738
			<u>2,874</u>	<u>6,418</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, at a percentage of average annual net assets. The rate of 0.055% was applicable during the period ended December 31, 2023 (December 31, 2022: 0.055%).

9.2 During the period, an amount of Rs. 3,729 (December 31, 2022: Rs. 26,050) 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% (December 31,

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2023 (Un-audited)	2023 (Audited)
			----- (Rupees) -----	----- (Rupees) -----
	Annual fee payable	10.1	<u>3,416</u>	<u>93,312</u>

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

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to the Money market scheme. Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES		
Transaction charges payable	13,103	16,265
Auditor's remuneration payable	234,963	320,877
Legal and professional charges payable	199,012	216,480
Fund rating fee payable	189,028	299,901
Printing charges payable	38,371	43,439
Capital gain tax and withholding tax payable	175,991	258,236
Other liabilities	733,867	538,066
	<u>1,584,335</u>	<u>1,693,264</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31 2023 based on current period results is 2.11% (December 31, 2022: 0.86%) which includes 0.13% (December 31, 2022: 0.06%) representing government levies on the Fund such as sales taxes and annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market Scheme'.

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% 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore 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.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.
- 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 of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5** Accounting and operational and 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 half year ended December 31,	
	2023 (Un-audited) ----- (Rupees) -----	2022
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	173,583	910,877
Sales tax on remuneration of the Management Company	22,568	118,414
Selling and marketing expenses	223,756	1,275,229
Accounting and operational expenses	86,038	-
Units issued: Nil (December 31, 2022: 5,642,203) units	-	569,407,641
Units redeemed: Nil (December 31, 2022: 5,642,203) units	-	585,504,208
Faysal Bank Limited (Group / Associated Company)		
Profit on balances with bank	188,573	1,390,032
Bank charges	4,078	2,075
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	28,894	200,391
Sindh Sales Tax on remuneration of the Trustee	3,729	26,050
FAML - Staff Gratuity Fund		
Units issued: Nil units (2022: 107,755 units)	-	-
Units redeemed: 63,827 units (2022: 55,437 units)	7,003,447	-
FAML - Employee Provident Fund		
Units issued: Nil units (2022: 121,702 units)	-	-
Units redeemed: 73,388 units (2022: 57,962 units)	8,052,500	-
Directors / Key management personnel of the management company		
Units issued: 2 units	231	31,387
Unit holders holding more than 10% units		
Units issued: 453,262 units (December 31, 2022: 620,518 units)	48,478,180	66,000,000
Units redeemed: 316,891 units (December 31, 2022: 19,652 units)	35,000,000	2,001,560
Balances outstanding as at period / year end	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----
Faysal Asset Management Limited - Management Company		
Management fee payable	31,764	51,634
Sindh sales tax payable on management fee	4,131	6,712
Selling and marketing expenses payable	172,443	132,476
Accounting and operational charges	86,038	-

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Balances outstanding as at period / year end	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
Faysal Bank Limited (Group / Associated Company)		
Balance with bank	1,872,707	51,048,580
Profit from deposits in Bank	43,673	180,788
Directors / Key management personnel of the management company		
Outstanding 2 units (June 30, 2023: Nil units)	225	-
FAML - Staff Gratuity Fund		
Units outstanding: Nil units (June 30, 2023: 63,827 units)	-	6,487,229
FAML - Employees Provident Fund		
Units outstanding: Nil units (June 30, 2023: 73,388 units)	-	7,458,988
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	2,567	5,680
Sindh Sales Tax payable on remuneration of the Trustee	307	738
Unitholders holding more than 10% unit holding		
Outstanding 218,747 units (June 30, 2023: 966,553 units)*	24,589,339	98,238,248

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023.

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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2023			
	----- (Un-audited) -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Government securities - Market Treasury Bills	-	-	-	-
	-	-	-	-

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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As at June 30, 2023			
(Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

Financial assets at fair value through profit or loss

Government securities - Market Treasury Bills	-	95,968,706	-	95,968,706
	-	95,968,706	-	95,968,706

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times except for the period from September 10, 2023 to September 30, 2023, October 30, 2023, November 22, 2023 to November 30, 2023 and from December 1, 2023 to December 31, 2023.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

19 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

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

Chief Financial Officer

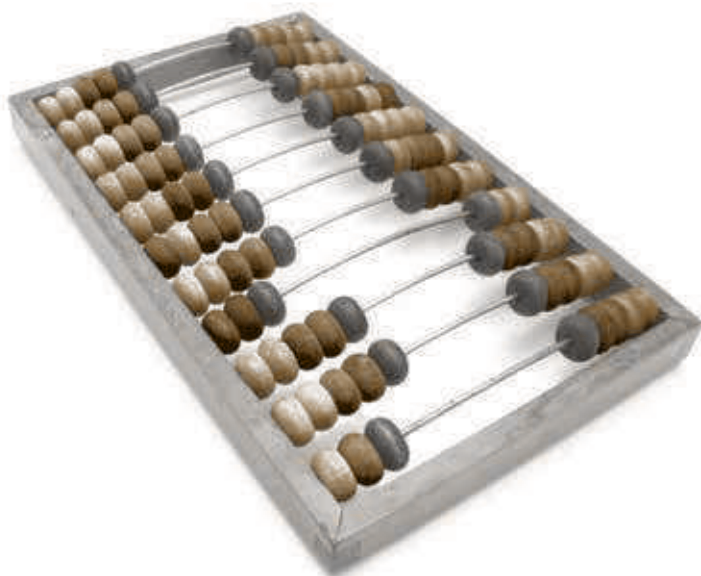
Chief Executive Officer

Director

Faysal Financial Value Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Soneri 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 Financial Value Fund is to seek long term capital appreciation by investing in money market and debt instrument with major exposure in financial sector

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shehr-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 FINANCIAL VALUE 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 Financial Value 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi; February 27, 2024



A.F. FERGUSON & CO.

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 Financial Value Fund (the Fund)** as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068EAileGt8C

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; <mail@pwc.com.pk>

Statement of Assets and Liabilities

As at December 31, 2023

	Note	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) -----
Assets			
Balances with banks	4	211,045,422	285,281,979
Investments	5	1,023,109,201	2,112,168,472
Advances, deposits, prepayments and other receivable	6	59,213,255	63,802,353
Preliminary expenses and floatation costs	7	198,644	299,292
Total assets		<u>1,293,566,522</u>	<u>2,461,552,096</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	395,956	579,588
Payable to Central Depository Company of Pakistan Limited - Trustee	9	115,738	171,767
Payable to the Securities and Exchange Commission of Pakistan	10	129,787	447,689
Payable against purchase of investments - net		18,676	-
Accrued expenses and other liabilities	11	9,531,378	36,373,861
Total liabilities		<u>10,191,535</u>	<u>37,572,905</u>
Net assets		<u>1,283,374,987</u>	<u>2,423,979,191</u>
Unit holders' fund (as per the statement attached)		<u>1,283,374,987</u>	<u>2,423,979,191</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>7,499,731</u>	<u>15,891,235</u>
		----- (Rupees) -----	
Net asset value per unit		<u>171.12</u>	<u>152.54</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Income				
Profit on balances with banks	56,308,191	56,663,561	19,432,991	28,171,415
Interest income on term finance certificates	172,931,492	99,919,360	69,145,183	43,486,081
Loss on spread transactions - net	-	(9,686,651)	-	(9,686,651)
Profit on commercial papers	-	-	-	-
Dividend income	-	14,008,000	-	13,969,250
Income on Market Treasury Bills	34,967,432	14,272,770	34,967,432	14,272,770
Other income	-	554,908	-	554,908
Realised gain / (loss) on sale of investments - net	1,994,780	(11,217,059)	1,994,780	(11,430,621)
	<u>266,201,895</u>	<u>164,514,889</u>	<u>125,540,386</u>	<u>79,337,152</u>
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	7,933,643	282,218	4,445,811
Total income	<u>274,135,538</u>	<u>164,797,107</u>	<u>129,986,197</u>	<u>79,670,430</u>
Operating expenses				
Remuneration of Faysal Asset Management Limited - Management Company	8.1	2,936,910	2,754,651	1,373,657
Sindh Sales Tax on remuneration of the Management Company	8.2	381,798	358,105	178,575
Selling and marketing expenses		-	984,612	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	880,954	826,395	411,978
Sindh Sales Tax on remuneration of the Trustee	9.2	114,524	107,431	53,447
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,115,875	220,372	521,839
Amortisation of preliminary expenses and floatation costs	7.1	100,648	100,648	50,324
Auditors' remuneration		330,805	246,008	166,274
Legal and professional charges		188,528	79,120	119,792
Fee and subscription		-	13,800	-
Other expenses		3,483	-	3,483
Bank charges		12,467	8,434	12,114
Transaction charges		470,540	177,713	289,403
Printing charges		8,974	17,112	6,489
Total operating expenses		<u>6,545,506</u>	<u>5,894,401</u>	<u>3,187,375</u>
Net income from operating activities		<u>267,590,032</u>	<u>158,902,706</u>	<u>126,798,822</u>
Net income for the period before taxation		<u>267,590,032</u>	<u>158,902,706</u>	<u>126,798,822</u>
Taxation	15	-	-	-
Net income for the period after taxation		<u>267,590,032</u>	<u>158,902,706</u>	<u>126,798,822</u>
Earnings per unit	16			
Allocation of net income for the period				
Net income for the period after taxation		267,590,032	158,902,706	
Income already paid on units redeemed		(128,154,216)	(10,584,138)	
		<u>139,435,816</u>	<u>148,318,568</u>	
Accounting income available for distribution				
- Relating to capital gain		9,928,423	-	
- Excluding capital gain		129,507,393	148,318,568	
		<u>139,435,816</u>	<u>148,318,568</u>	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	267,590,032	158,902,706	126,798,822	76,728,334
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>267,590,032</u>	<u>158,902,706</u>	<u>126,798,822</u>	<u>76,728,334</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period (audited)	2,409,618,224	14,360,967	2,423,979,191	2,150,673,896	8,536,214	2,159,210,110
Issuance of Nil units (2022: 96,695 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	12,537,503	-	12,537,503
- Element of income	-	-	-	541,950	-	541,950
Total proceeds on issuance of units	-	-	-	13,079,453	-	13,079,453
Redemption of 8,391,504 units (2022: 1,540,844 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,280,040,020)	-	(1,280,040,020)	(199,785,862)	-	(199,785,862)
- Element of loss	-	(128,154,216)	(128,154,216)	-	(10,584,138)	(10,584,138)
Total payments on redemption of units	(1,280,040,020)	(128,154,216)	(1,408,194,236)	(199,785,862)	(10,584,138)	(210,370,000)
Total comprehensive income for the period	-	267,590,032	267,590,032	-	158,902,706	158,902,706
Net assets at the end of the period (un-audited)	1,129,578,204	153,796,783	1,283,374,987	1,963,967,487	156,854,782	2,120,822,269
Undistributed income brought forward						
- Realised income / (loss)		20,404,335			(1,335,580)	
- Unrealised (loss) / income		(6,043,368)			9,871,794	
		<u>14,360,967</u>			<u>8,536,214</u>	
Accounting income available for distribution						
- Relating to capital gains		9,928,423			-	
- Excluding capital gains		129,507,393			148,318,568	
		<u>139,435,816</u>			<u>148,318,568</u>	
Undistributed income carried forward		<u>153,796,783</u>			<u>156,854,782</u>	
Undistributed income carried forward						
- Realised income		145,863,140			156,572,564	
- Unrealised income		7,933,643			282,218	
		<u>153,796,783</u>			<u>156,854,782</u>	
			(Rupees)			(Rupees)
Net asset value per unit at beginning of the period			<u>152.54</u>			<u>129.66</u>
Net asset value per unit at end of the period			<u>171.12</u>			<u>139.45</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		267,590,032	158,902,706
Adjustments for:			
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(7,933,643)	(282,218)
Amortisation of preliminary expenses and floatation costs	7.1	100,648	100,648
		<u>259,757,037</u>	<u>158,721,136</u>
Decrease / (increase) in assets			
Investments - net		1,096,992,914	73,159,098
Advances, deposits, prepayments and other receivable		4,589,098	(32,850,233)
Receivable against settlement contracts		-	(89,563,280)
		<u>1,101,582,012</u>	<u>(49,254,415)</u>
Decrease in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(183,632)	(61,857)
Payable to Central Depository Company of Pakistan Limited - Trustee		(56,029)	6,838
Payable to the Securities and Exchange Commission of Pakistan		(317,902)	(182,876)
Payable against purchase of investments - net		18,676	-
Accrued expenses and other liabilities		(26,842,483)	(19,828,220)
		<u>(27,381,370)</u>	<u>(20,066,115)</u>
Net cash generated from operating activities		<u>1,333,957,679</u>	<u>89,400,606</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		-	13,079,453
Payments against redemption and conversion of units		(1,408,194,236)	(210,370,000)
Net cash used in financing activities		<u>(1,408,194,236)</u>	<u>(197,290,547)</u>
Net decrease in cash and cash equivalents during the period		<u>(74,236,557)</u>	<u>(107,889,941)</u>
Cash and cash equivalents at the beginning of the period		285,281,979	708,795,389
Cash and cash equivalents at the end of the period	13	<u>211,045,422</u>	<u>600,905,448</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Financial Value Fund (the Fund) is an open-end mutual fund constituted under a Trust Deed entered into on October 29, 2019 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 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, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. 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 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 16, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The Fund has been categorised as an open ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from December 27, 2019 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The investment objective of the Fund is to seek long term capital appreciation through investments in equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in Constitutive documents of the Fund and allowed by the SECP.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 31, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Wherever provisions of and directives issued under the Companies Act, 2017, part VIII A 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 VIII A 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, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

2

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, 2023.

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

3.1 The accounting policies adopted and all the methods of computation 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 year ended June 30, 2023.

3.2 The preparation of the condensed interim financial statements in conformity 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 the 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, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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 standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have been not detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
4	BALANCES WITH BANKS		
	Balances with bank in savings accounts	4.1	<u>211,045,422</u>
			<u>285,281,979</u>

4.1 These savings accounts carry mark-up at rates ranging from 11.00% to 22.00% (June 30, 2023: 19.75% to 22.10%) per annum. Deposits in savings accounts also include Rs. 3.612 million (June 30, 2023: Rs. 0.596 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
5	INVESTMENTS		
	At fair value through profit or loss		
	Term finance certificates	5.1	1,023,109,201
	Government securities - Market Treasury Bills	5.2	-
			<u>707,508,100</u>
		<u>1,023,109,201</u>	<u>2,112,168,472</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

5.1 Term finance certificates

Name of the security	Profit payments / principal redemptions	Date of maturity	Profit rate	As at July 1, 2023	Purchased during the period	Sold / redeemed during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of	
								Carrying value	Market value	Unrealised appreciation	net assets of the Fund	total investments of the Fund

BANKS

Askari Bank Limited TFC (AA+, PACRA, non-traded) (Face value of 1,000,000 per certificate)	Semi-annually	Perpetual	6 months KIBOR plus base rate of 1.50%	243	-	63	180	180,000,000	180,000,000	-	14.03	17.59
Askari Bank Limited - TFC - VII (AA, PACRA, traded) (Face value of 1,000,000 per certificate)	Quarterly	Mar 17, 2030	3 months KIBOR plus base rate of 1.20%	-	200	45	155	150,350,000	154,225,000	3,875,000	12.02	15.07
Bank Al Habib Limited TFC (AA+, PACRA, non-traded) (Face value of 5,000 per certificate)	Semi-annually	Perpetual	6 months KIBOR plus base rate of 1.50%	40,000	-	20,700	19,300	96,275,000	96,275,000	-	7.50	9.41
Bank Alfalah Limited TFC (AA+, PACRA, non-traded) (Face value of 5,000 per certificate)	Semi-annually	Perpetual	6 months KIBOR plus base rate of 1.50%	76,000	-	21,085	54,915	274,325,000	274,325,000	-	21.38	26.81
Habib Bank Limited - ADT 1 TFC (AA+, VIS, traded) (Face Value of 100,000 per certificate)	Semi-annually	Perpetual	6 months KIBOR + plus base rate of 1.60%	1,000	-	1,000	-	-	-	-	-	-
Soneli Bank Limited - TFC - III (A+, PACRA, traded) (Face value of 100,000 per certificate)	Semi-annually	Dec 26, 2032	6 months KIBOR + plus base rate of 1.70%	2,650	-	635	2,015	197,320,558	201,379,201	4,058,643	15.69	19.68
United Bank Limited TFC (AA+, VIS, non-traded) (Face value of 5,000 per certificate)	Quarterly	Perpetual	3 months KIBOR plus base rate of 1.55%	44,756	-	21,375	23,381	116,905,000	116,905,000	-	9.11	11.43

Total as at December 31, 2023

1,015,175,558 1,023,109,201 7,933,643

Total as at June 30, 2023

1,410,052,000 1,404,660,372 (5,391,628)

5.1.1 Term finance certificates of Askari Bank Limited, Bank Al Habib Limited, Bank Alfalah Limited, Habib Bank Limited and United Bank Limited are carried at their cost as they are not valued by MUFAP.

5.2 Government securities - Market Treasury Bills

Issue date	Tenor	Face value			Balance as at December 31, 2023			Market value as a percentage of		
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments of the Fund

April 20, 2023	3 months	300,000,000	-	300,000,000	-	-	-	-	-
June 1, 2023	3 months	225,000,000	-	225,000,000	-	-	-	-	-
June 15, 2023	3 months	200,000,000	-	200,000,000	-	-	-	-	-
September 21, 2023	3 months	-	250,000,000	250,000,000	-	-	-	-	-
October 19, 2023	12 months	-	250,000,000	250,000,000	-	-	-	-	-

Total as at December 31, 2023

- - -

Total as at June 30, 2023

708,159,840 707,508,100 (651,740)

5.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

Note	December 31, 2023	June 30, 2023
	(Un-audited)	(Audited)
	(Rupees)	(Rupees)

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Market value of investments	5.1 & 5.2	1,023,109,201	2,112,168,472
Less: carrying value of investments	5.1 & 5.2	<u>1,015,175,558</u>	<u>(2,118,211,840)</u>
		<u>7,933,643</u>	<u>(6,043,368)</u>

5.4 Investments - non-compliance

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Faysal Asset Management Limited (Management Company) classified Faysal Income & Growth Fund (the Fund) as an 'Aggressive Fixed Income Scheme' in accordance with the said Circular.

- 5.4.1 As per Schedule XIX of the NBFC Regulations, the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the issued capital of a company. As at December 31, 2023 the following investment exceeds 10% of the total net assets of the Fund.

Name of Investment	Type of investment	Exposure as a % of Net Assets	Allowed Exposure Limit	Excess Exposure
Bank Alfalah Limited	Term finance certificate	21.38%	20.00%	1.38%
Askari Bank Limited	Term finance certificate	26.04%	20.00%	6.04%

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Profit / interest receivable on:

Balances with banks		8,704,738	4,223,483
Term finance certificates		<u>47,886,809</u>	<u>56,757,275</u>
		56,391,547	60,980,758
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Security deposit with National Clearing Company of Pakistan Limited		2,500,000	2,500,000
Prepaid listing fee		75	-
Advance tax	6.1	<u>221,633</u>	<u>221,595</u>
		<u>59,213,255</u>	<u>63,802,353</u>

- 6.1 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL-II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends, profit on bank deposits and profit on debt securities amounts to Rs. 221,633 (June 30, 2023: Rs. 221,595).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on debt has been shown as other receivable as at December 31, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
7	PRELIMINARY EXPENSES AND FLOATATION COSTS	-----	-----
		(Rupees)	(Rupees)

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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At the beginning of the period / year		299,292	498,947
Less: amortisation during the period / year		<u>(100,648)</u>	<u>(199,655)</u>
At the end of the period / year	7.1	<u>198,644</u>	<u>299,292</u>

- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	8.1	341,554	500,512
Sindh Sales Tax payable on remuneration of the Management Company	8.2	44,402	69,076
Selling and marketing expenses payable		-	-
Other payable		<u>10,000</u>	<u>10,000</u>
		<u>395,956</u>	<u>579,588</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, 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 0.25% (June 30, 2023: 0.25%) of average annual net assets of the Fund, during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs 0.382 million (December 31, 2022: Rs 0.358 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	9.1	102,423	150,110
Sindh Sales Tax payable on remuneration of the Trustee	9.2	<u>13,315</u>	<u>21,657</u>
		<u>115,738</u>	<u>171,767</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 rate of 0.075% (June 30, 2023: 0.075%) per annum of the average annual net assets of the Fund. Accordingly, the Fund has charged trustee fee at the above mentioned rate during the period.

- 9.2 During the year, an amount of Rs. 0.119 million (December 31, 2022: Rs. 0.107 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable		<u>129,787</u>	<u>447,689</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to "Asset Allocation Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	223,725	312,759
Legal and professional charges payable	428,228	477,240
Capital gain tax payable	8,004,214	34,951,057
Withholding tax payable	2,099	-
Transaction charges payable	245,070	10,132
Time barred cheques	586,000	586,000
Printing charges payable	42,042	36,673
	<u>9,531,378</u>	<u>36,373,861</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

	Note	Half year ended December 31,	
		2023	2022
		(Un-audited)	
		----- (Rupees) -----	
13 CASH AND CASH EQUIVALENTS			
Balances with banks	4	211,045,422	354,966,990
Government securities - Market Treasury Bills	5.2	-	245,938,458
		<u>211,045,422</u>	<u>600,905,448</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on the current period results is 0.56% (December 31, 2022: 0.54%) which includes 0.14% (December 31, 2022: 0.07%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation Scheme'.

15 TAXATION

The income of the fund 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 year ending June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

16 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 the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 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 at period end.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 17.2 Transactions with connected persons / related parties 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. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 17.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.4 Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 17.5 Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6 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 / year end are as follows:

Transactions during the period

	Half year ended December 31,	
	2023 (Un-audited)	2022 (Un-audited)
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	2,936,910	2,754,651
Sindh sales tax on remuneration of the Management Company	381,798	358,105
Selling and marketing expenses	-	984,612

Transactions during the period

	Half year ended December 31,	
	2023 (Un-audited)	2022 (Un-audited)
	----- (Rupees) -----	
Faysal Bank Limited - Group Company / Associated Company		
Profit on balance with bank	145,918	221,994
Bank charges	12,467	678
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	880,954	826,395
Sindh sales tax on remuneration of the Trustee	114,524	107,431
Unit holders with more than 10% unit holding		
Issuance of Nil units (December 31, 2022: 71,209 units)	-	9,633,632
Redemption of 7,112,065 units (December 31, 2022: 1,492,834 units)	1,194,272,761	203,870,000

	December 31, 2023		June 30, 2023	
	(Un-audited)	(Un-audited)	(Audited)	(Audited)
	----- (Rupees) -----			
Amounts / balances outstanding as at period / year end				
Faysal Asset Management Limited - Management Company				
Management fee payable	341,554		500,512	
Sindh sales tax payable on remuneration of the Management Company	44,402		69,076	
Selling and marketing expenses payable	-		-	
Other payable	10,000		10,000	
Faysal Bank Limited				
Balance with bank	3,611,677		596,496	
Profit receivable on balance with bank	292,004		17,275	
Central Depository Company of Pakistan Limited - Trustee				
Remuneration payable to the Trustee	102,423		150,110	
Sindh sales tax payable on remuneration of the Trustee	13,315		21,657	
Unit holders with more than 10% unit holding				
Outstanding 7,464,018 units (June 30, 2023: 14,612,652 units)	1,277,242,760		2,229,013,919	

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

8

18 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 reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

18.1 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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

As at December 31, 2023				
Un-audited				
Level 1	Level 2	Level 3	Total	
-----Rupees-----				
Financial assets 'at fair value through profit or loss'				
Term finance certificates	-	1,023,109,201	-	1,023,109,201
Government securities - Market Treasury Bills	-	-	-	-
	-	1,023,109,201	-	1,023,109,201
As at June 30, 2023				
Audited				
Level 1	Level 2	Level 3	Total	
-----Rupees-----				
Financial assets 'at fair value through profit or loss'				
Term finance certificates	-	1,404,660,372	-	1,404,660,372
Government securities - Market Treasury Bills	-	707,508,100	-	707,508,100
	-	2,112,168,472	-	2,112,168,472

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

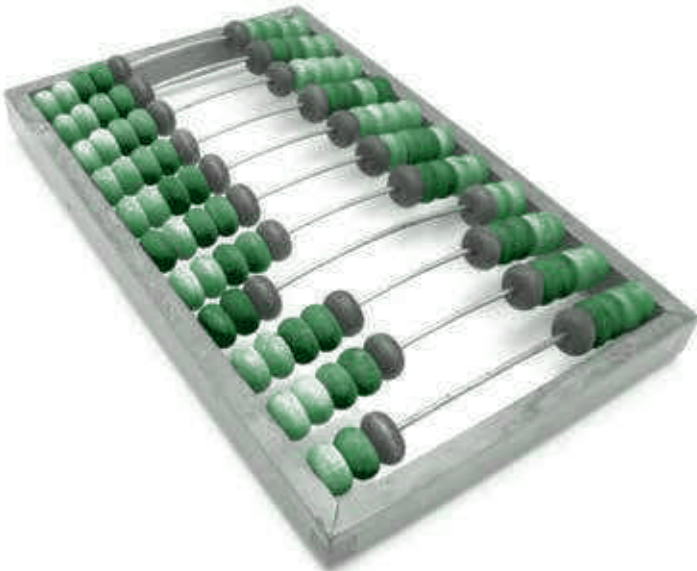
Chief Executive Officer

Director

Faysal Government Securities Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
JS Bank Limited
Allied Bank Limited
Soneri 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

The objective of the scheme is to provide competitive returns by investing primarily in Government securities.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-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 GOVERNMENT SECURITIES 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 Government Securities 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

For the purpose of information, we would like to draw the attention of the unit holders towards clause 2.2.1 of the Offering Document of the fund wherein the Fund is required to invest at least 70% of net assets in government securities on monthly average basis calculated on the end of each month. In this regard, the Fund was non-compliant with the said requirement in the month of September 2023, November 2023 and December 2023 with exposure of 30.27%, 24.41% and 55.75% respectively. The said non-compliance has also been reported to the Securities and Exchange Commission of Pakistan.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2024



A.F. FERGUSON & CO.

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 Government Securities Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068dxkHK2yso

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>

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	6,339,017	30,024,115
Investments	5	-	95,968,700
Advances, deposits and other receivables		725,605	1,552,204
Preliminary expenses and floatation costs	6	242,545	343,377
Total assets		7,307,167	127,888,396
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	226,800	134,897
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,315	6,656
Payable to the Securities and Exchange Commission of Pakistan	9	1,216	20,014
Accrued expenses and other liabilities	10	821,725	753,614
Total liabilities		1,051,056	915,181
Net assets		<u>6,256,111</u>	<u>126,973,215</u>
Unit holders' fund (as per statement attached)		<u>6,256,111</u>	<u>126,973,215</u>
Contingencies and commitments	11	----- (Number of units) -----	
Number of units in issue		<u>46,424</u>	<u>1,012,221</u>
Net asset value per unit		<u>134.76</u>	<u>125.44</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Income				
Profit on savings accounts with banks	3,720,654	2,322,929	1,114,270	369,284
Profit on government securities	6,787,648	6,131,889	2,148,011	3,106,538
Realised gain on sale of investments - net	457,416	(99,669)	457,416	-
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	-	5,772	(49,412)
Total income	<u>10,965,718</u>	<u>8,360,921</u>	<u>3,670,285</u>	<u>3,480,984</u>
Operating expenses				
Remuneration of Faysal Asset Management Limited - Management Company	7.1	260,937	112,066	120,462
Sindh Sales Tax on remuneration of the Management Company	7.2	33,922	14,569	15,661
Selling and marketing expenses	7.3	243,784	308,177	69,274
Remuneration of Central Depository Company of Pakistan Limited - - Trustee	8.1	26,020	30,843	8,028
Sindh Sales Tax on remuneration of the Trustee	8.2	3,383	4,010	1,038
Annual Fee of the Securities and Exchange Commission of Pakistan	9.1	35,482	11,206	10,947
Auditors' remuneration		339,546	214,176	169,520
Fees and subscription		98,743	103,592	49,323
Amortisation of preliminary expenses and floatation cost	6	100,832	100,832	50,416
Bank charges		2,730	14,115	1,191
Legal and professional charges		84,363	79,120	32,849
Transaction charges		18,033	4,675	9,599
Printing charges		4,968	17,110	2,484
Total expenses		<u>1,252,743</u>	<u>1,014,491</u>	<u>540,792</u>
Net income from operating activities		<u>9,712,975</u>	<u>7,346,430</u>	<u>3,129,493</u>
Reversal of provision for Sindh Workers' Welfare Fund		-	-	-
Net income for the period before taxation		<u>9,712,975</u>	<u>7,346,430</u>	<u>3,129,493</u>
Taxation	13	-	-	-
Net income for the period after taxation		<u>9,712,975</u>	<u>7,346,430</u>	<u>3,129,493</u>
Earnings per unit	14			
Allocation of net income for the period				
Net income for the period after taxation		9,712,975	7,346,430	
Income already paid on units redeemed		(9,285,104)	(4,482,895)	
		<u>427,871</u>	<u>2,863,535</u>	
Accounting income available for distribution				
- Relating to capital gains		427,871	-	
- Excluding capital gains		-	2,863,535	
		<u>427,871</u>	<u>2,863,535</u>	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	9,712,975	7,346,430	3,129,493	3,018,782
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>9,712,975</u>	<u>7,346,430</u>	<u>3,129,493</u>	<u>3,018,782</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
Net assets at the beginning of the period (audited)	119,556,382	7,416,833	126,973,215	603,660,617	6,701,020	610,361,637
Issuance of 894,775 (2022: 2,210,223) units						
- Capital value (at net asset value per unit at the beginning of the period)	112,240,552	-	112,240,552	240,693,285	-	240,693,285
- Element of income	8,024,010	-	8,024,010	7,493,625	-	7,493,625
Total proceeds on issuance of units	120,264,562	-	120,264,562	248,186,910	-	248,186,910
Redemption of 1,860,572 (2022: 6,924,943) units						
- Capital value (at net asset value per unit at the beginning of the period)	(233,390,159)	-	(233,390,159)	(754,126,293)	-	(754,126,293)
- Element of loss	(8,019,378)	(9,285,104)	(17,304,482)	(4,080,996)	(4,482,895)	(8,563,891)
Total payments on redemption of units	(241,409,537)	(9,285,104)	(250,694,641)	(758,207,289)	(4,482,895)	(762,690,184)
Total comprehensive income for the period	-	9,712,975	9,712,975	-	7,346,430	7,346,430
Net assets at the end of the period (un-audited)	<u>(1,588,593)</u>	<u>7,844,704</u>	<u>6,256,111</u>	<u>93,640,238</u>	<u>9,564,555</u>	<u>103,204,793</u>
Undistributed income brought forward						
- Realised income		7,536,367			7,258,695	
- Unrealised loss		(119,534)			(557,675)	
		<u>7,416,833</u>			<u>6,701,020</u>	
Accounting income available for distribution						
- Relating to capital gains		427,871			-	
- Excluding capital gains		-			2,863,535	
		<u>427,871</u>			<u>2,863,535</u>	
Undistributed income carried forward		<u>7,844,704</u>			<u>9,564,555</u>	
Undistributed income carried forward						
- Realised income		7,844,704			9,558,783	
- Unrealised income		-			5,772	
		<u>7,844,704</u>			<u>9,564,555</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>125.44</u>			<u>108.90</u>
Net asset value per unit at the end of the period			<u>134.76</u>			<u>115.97</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Note	Half year ended December 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		9,712,975	7,346,430
Adjustments for:			
Unrealised appreciation / (diminution) on re-measurement of investments financial assets at 'fair value through profit or loss' - net	5.4	-	(5,772)
Amortisation of preliminary expenses and floatation cost	6	100,832	100,832
		9,813,807	7,441,490
Decrease in assets			
Investments - net		95,968,700	96,174,351
Advances, deposits and other receivables		826,599	757,426
		96,795,299	96,931,777
Increase / Decrease in liabilities			
Payable to Faysal Asset Management Limited - Management Company		91,903	61,085
Payable to Central Depository Company of Pakistan Limited - Trustee		(5,341)	(4,416)
Payable to the Securities and Exchange Commission of Pakistan		(18,798)	(98,773)
Accrued expenses and other liabilities		68,111	(1,344,541)
		135,875	(1,386,645)
Net cash generated from operating activities		106,744,981	102,986,622
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		120,264,562	248,186,910
Payments made against redemption of units		(250,694,641)	(762,690,184)
Net cash used in financing activities		(130,430,079)	(514,503,274)
Net decrease in cash and cash equivalents during the period		(23,685,098)	(411,516,652)
Cash and cash equivalents at the beginning of the period		30,024,115	514,799,634
Cash and cash equivalents at the end of the period	15	6,339,017	103,282,982

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Government Securities Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on July 31, 2019 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 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 Exchange & Commission of Pakistan. The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. 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 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 November 30, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.2 The Fund has been categorised as an Income Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from March 16, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to provide competitive returns by investing primarily in government securities.

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

1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Further, VIS Credit Rating Company Limited has assigned a rating of 'AA' to Faysal Government Securities Fund dated October 04, 2023 (June 30, 2023: 'AA' dated August 1, 2022).

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 VIII A of the repealed Companies Ordinance, 1984; and
- The 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the 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, 2023.

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 the Fund's affairs as at and for the period ended December 31, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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

3.1 The accounting policies adopted and the methods of computation 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 year ended June 30, 2023.

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, 2023. 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, 2023.

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 annual accounting period beginning on or after July 1, 2023. 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 standards and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) ----- (Rupees) -----
4 BALANCES WITH BANKS			
Balances with banks in savings accounts	4.1	<u>6,339,017</u>	<u>30,024,115</u>

4.1 These accounts carry profit at rates ranging between 10.00% to 22.00% (June 30, 2023: 10.00% to 21.10%) per annum. Deposits in savings accounts also include Rs. 1.707 million (June 30, 2023: 0.130 million) maintained with Faysal Bank Limited, a related party carrying profit at the rate of 11.00% (June 30, 2023: 11.00%) per annum.

	Note	December 31, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Audited) ----- (Rupees) -----
5 INVESTMENTS			

At fair value through profit or loss

Government securities 5.1 & 5.2 - 95,968,700

5.1 Market Treasury Bills

Issue date	Tenure	As at July 1, 2023	Purchased during the period	Disposed of / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation/ (diminution) as at December 31, 2023	Market value as a percentage of	
									Net assets of the Fund	Total investments of the Fund
Face value (Rupees)						Rupees			----- % -----	----- % -----
June 15, 2023	3 months	100,000,000	-	100,000,000	-	-	-	-	-	-
September 21, 2023	3 months	-	103,000,000	103,000,000	-	-	-	-	-	-
Total as at December 31, 2023						<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>
Total as at June 30, 2023						<u>96,088,234</u>	<u>95,968,700</u>	<u>(119,534)</u>		

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.2 Pakistan Investment Bonds

Name of the security	Interest payments / principal redemptions	Issue date	Coupon rate	Tenor	Face value				Balance as at December 31, 2023			Percentage in relation to		
					As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	Net assets of the Fund	Total market value of investment	
					(Rupees)							%	%	
Pakistan Investment Bonds	Semi-annually / At maturity	September 21, 2023	24.79%	5 years	-	100,000,000	100,000,000	-	-	-	-	-	-	-
Total as at December 31, 2023									-	-	-	-	-	
Total as at June 30, 2023									-	-	-	-	-	

5.3 Investments - non-compliance

As per the offering document, at least 70% of the net assets shall remain invested in government securities on monthly average basis calculated at the end of each month. The Fund held an average exposure of 42.37%, 44.59% and 7.33% in government securities during the month ended September 30, 2023, November 30, 2023 and December 31, 2023, respectively. The above exposure is in deficit of the required limit prescribed by the offering document and therefore, disclosure for breach of exposure limit is being made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

For the period ended December 31, 2023	Actual	Required	Shortfall
September 1, 2023 to September 30, 2023	40.00%	70.00%	-30.00%
December 1, 2023 to December 31, 2023	14.26%	70.00%	-55.74%
	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees) -----	-----
Market value of investments	5.1	-	95,968,700
Less: carrying value of investments	5.1	-	96,088,234
		-	(119,534)

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period / year		343,377	543,397
Less: amortisation during the period / year		(100,832)	(200,020)
At the end of the period / year	6.1	242,545	343,377

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 a period of five years commencing from March 16, 2020 in accordance with the provisions of the Trust Deed of the Fund and the NBFC Regulations.

	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees) -----	-----
7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	7.1	15,992	21,402
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,079	2,782
Selling and marketing expenses payable	7.3	208,729	110,713
		226,800	134,897

7.1 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 rates ranging from 0.2% to 1% (June 30, 2023: 0.2%) per annum of average annual net assets of the fund. The remuneration is payable to the Management Company monthly in arrears.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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7.2 During the period ended December 31, 2022, an amount of Rs. 33,922 (December 31, 2022: Rs. 14,569) was charged on account of sales tax on remuneration of the management company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).

7.3 In accordance with Circular 11 dated July 5, 2019 of SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rates ranging from 0.3% to 0.55% per annum for the period ended December 31, 2023 (June 30, 2023: 0.55%) of the average annual net assets of the Fund.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	8.1	1,147	5,890
Sindh Sales Tax payable on remuneration of the Trustee	8.2	168	766
		1,315	6,656

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% per annum of the average annual net assets of the Fund. Therefore, the Fund has charged trustee fee at the rate of 0.055% (June 30, 2023: 0.055%) per annum of the average annual net assets of the Fund during the current period.

8.2 During the period, an amount of Rs. 3,383 (December 31, 2022: Rs. 4,010) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual Fee payable	9.1	1,216	20,014

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----		
10 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	227,847	315,981
Rating fee payable	171,970	73,228
Withholding and capital gain tax payable	25,220	55,946
Printing charges payable	23,489	27,200
Legal and professional charges payable	254,428	170,065
Transaction charges payable	10,744	3,167
Others	108,027	108,027
	821,725	753,614

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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12 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.66% (December 31, 2022: 1.86%) which includes 0.16% (December 31, 2022: 0.06%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

13 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 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 year 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, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

14 EARNINGS PER UNIT

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

	Note	Half year ended December 31,	
		2023	2022
		(Un-audited)	
		----- (Rupees) -----	
15 CASH AND CASH EQUIVALENTS			
Balances with banks	4	6,339,017	3,733,582
Government securities - Market Treasury Bills	5	-	99,549,400
		6,339,017	103,282,982

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1** Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the 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. 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.
- 16.4** Remuneration to the Trustee is determined in accordance with the provisions of 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 during the period and balances with them as at period / year end are as follows:

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Transactions during the period	Half year ended	
	December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company *		
Remuneration of the Management Company	260,937	112,066
Sindh Sales Tax on remuneration of the Management Company	33,922	14,569
Selling and marketing expenses	243,784	308,177
Units issued: Nil units (December 31, 2022: 1,757,160 units)	-	197,710,474
Units redeemed: Nil units (December 31, 2022: 1,889,213 units)	-	212,192,809
Faysal Bank Limited - Group Company		
Profit on savings account	84,044	35,808
Bank charges	2,730	5,012
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	26,020	30,843
Sindh Sales Tax on remuneration of the Trustee	3,383	4,010
Amounts / balances outstanding as at period / year end	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company *		
Remuneration payable	15,992	21,402
Sindh Sales Tax payable on remuneration of the Management Company	2,079	2,782
Selling and marketing expenses payable	208,729	110,713
Faysal Bank Limited - Group Company		
Balance with bank	1,706,828	130,275
Profit receivable on savings account	16,440	1,448
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,147	5,890
Sindh Sales Tax payable on remuneration of the Trustee	168	766
Unit holders with more than 10% holding		
Units outstanding: 45,597 units (June 30, 2023: 962,921 units)	6,144,690	120,788,810

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023

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).

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

7

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

(Un-audited)				
As at December 31, 2023				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills				
-	-	-	-	
(Un-audited)				
As at June 30, 2023				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills				
-	95,968,700	-	95,968,700	

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times except for the period from November 02, 2023 to November 29, 2023 and from December 05, 2023 to December 31, 2023.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

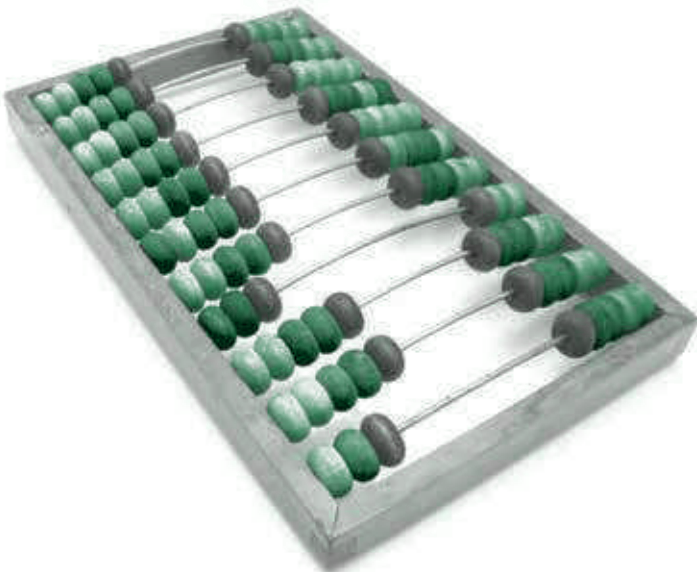
Chief Executive Officer

Director

Faysal Special Savings Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Soneri Bank Limited
Allied 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 Special Savings Fund endeavors to provide competitive regular return with capital preservation on Investments as per respective allocation Plans by investing in authorized investable avenues.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shalra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL SPECIAL SAVINGS FUND****Report of the Trustee pursuant to Regulation 41(b) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Special Savings 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 23, 2024



A.F. FERGUSON & CO.

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 Special Savings Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068ZkQ3FIHGR

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, J.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>

Statement of Assets and Liabilities

As at December 31, 2023

Un-audited				
December 31, 2023				
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Assets	------(Rupees)-----			
Balances with banks	4 11,152,941	47,136,954	19,767,862	78,057,757
Investments	5 -	3,789,630,000	-	3,789,630,000
Profit and other receivables	2,693,530	280,554,199	1,476,635	284,724,364
Preliminary expenses and floatation costs	6 91,601	119,074	125,353	336,028
Total assets	<u>13,938,072</u>	<u>4,117,440,227</u>	<u>21,369,850</u>	<u>4,152,748,149</u>
Liabilities				
Payable to Faysal Asset Management Limited - Management Company	7 229,307	9,722,591	218,493	10,170,391
Payable to Central Depository Company of Pakistan Limited - Trustee	8 890	231,806	1,135	233,831
Payable to the Securities and Exchange Commission of Pakistan	9 725	278,055	1,218	279,998
Payable against redemption of units			122,106	122,106
Accrued and other liabilities	10 366,131	529,133	116,758	1,012,022
Total liabilities	<u>597,053</u>	<u>10,761,585</u>	<u>459,710</u>	<u>11,818,348</u>
Net assets	<u>13,341,019</u>	<u>4,106,678,642</u>	<u>20,910,140</u>	<u>4,140,929,801</u>
Unit holders' fund (as per the statement attached)	<u>13,341,019</u>	<u>4,106,678,642</u>	<u>20,910,140</u>	<u>4,140,929,801</u>
Contingencies and commitments	11	------(Number of units)-----		
Number of units in issue	<u>98,537</u>	<u>34,421,794</u>	<u>1,686,067</u>	<u>34,606,401</u>
	------(Rupees)-----			
Net asset value per unit	<u>135.39</u>	<u>119.30</u>	<u>12.40</u>	

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Assets and Liabilities

As at December 31, 2023

Audited					
June 30, 2023					
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total	
Note	(Rupees)				
Assets					
Balances with banks	4	68,739,502	10,609,767	19,457,016	98,806,285
Investments	5	-	-	-	-
Profit and other receivables		3,442,600	1,300,829	667,116	5,410,545
Preliminary expenses and floatation costs	6	108,404	135,818	142,097	386,319
Total assets		<u>72,290,506</u>	<u>12,046,414</u>	<u>20,266,229</u>	<u>104,603,149</u>
Liabilities					
Payable to Faysal Asset Management Limited - Management Company	7	224,613	263,726	223,154	711,493
Payable to Central Depository Company of Pakistan Limited - Trustee	8	4,387	1,974	978	7,339
Payable to the Securities and Exchange Commission of Pakistan	9	142,313	112,791	9,746	264,850
Payable against redemption of units		-	-	33,237	33,237
Accrued and other liabilities	10	488,471	301,873	236,802	1,027,146
Total liabilities		<u>859,784</u>	<u>680,364</u>	<u>503,917</u>	<u>2,044,065</u>
Net assets		<u>71,430,722</u>	<u>11,366,050</u>	<u>19,762,312</u>	<u>102,559,084</u>
Unit holders' fund (as per the statement attached)		<u>71,430,722</u>	<u>11,366,050</u>	<u>19,762,312</u>	<u>102,559,084</u>
Contingencies and commitments	11	----- (Number of units) -----			
Number of units in issue		<u>574,858</u>	<u>104,890</u>	<u>1,744,416</u>	
		----- (Rupees) -----			
Net asset value per unit		<u>124.26</u>	<u>108.36</u>	<u>11.33</u>	

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

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

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

For the half year ended December 31, 2023				
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Note -----(Rupees)-----				
Income				
Profit on balances with banks	7,037,633	10,511,929	2,265,534	19,815,096
Discount Income on Treasury Bills	1,049,176	-	-	1,049,176
Income on PIBs	-	122,708,279	-	122,708,279
Net realised loss on sale of investments	(92,176)	-	-	(92,176)
	<u>7,994,633</u>	<u>133,220,208</u>	<u>2,265,534</u>	<u>143,480,375</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	5.3 -	(24,645,000)	-	(24,645,000)
Total income	<u>7,994,633</u>	<u>108,575,208</u>	<u>2,265,534</u>	<u>118,835,375</u>
Expenses				
Remuneration of Faysal Asset Management Company Limited - Management Company	223,217	5,296,228	22,474	5,541,919
Sindh sales tax on remuneration of the Management Company	29,018	688,510	2,922	720,450
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 20,709	293,031	6,112	319,852
Sindh sales tax on remuneration of the Trustee	8.2 2,692	38,094	795	41,581
Annual fee of the Securities and Exchange Commission of Pakistan	9.1 28,238	399,588	8,334	436,160
Selling and marketing expenses	220,302	5,297,208	24,070	5,541,580
Allocated expenses	13,240	-	-	13,240
Auditors' remuneration	124,853	124,853	124,853	374,559
Amortisation of preliminary expenses and floatation costs	6.1 16,803	16,744	16,744	50,291
Legal and professional charges	21,897	21,897	21,897	65,691
Fees and subscription	31,700	31,700	31,700	95,100
Printing charges	4,968	1,677	1,652	8,297
Transaction Charges	30,847	226,436	-	257,283
Bank charges	5,142	544	-	5,686
Total expenses	<u>773,626</u>	<u>12,436,510</u>	<u>261,553</u>	<u>13,471,689</u>
Net income for the period before taxation	<u>7,221,007</u>	<u>96,138,698</u>	<u>2,003,981</u>	<u>105,363,686</u>
Taxation	13 -	-	-	-
Net income for the period after taxation	<u>7,221,007</u>	<u>96,138,698</u>	<u>2,003,981</u>	<u>105,363,686</u>
Earnings per unit	14			
Allocation of net income for the period				
Net income for the period after taxation	7,221,007	96,138,698	2,003,981	105,363,686
Income already paid on units redeemed	(6,154,815)	(1,262,534)	(311,505)	(7,728,854)
	<u>1,066,192</u>	<u>94,876,164</u>	<u>1,692,476</u>	<u>97,634,832</u>
Accounting income available for distribution				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	1,066,192	94,876,164	1,692,476	97,634,832
	<u>1,066,192</u>	<u>94,876,164</u>	<u>1,692,476</u>	<u>97,634,832</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

For the half year ended December 31, 2022				
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Note ----- (Rupees) -----				
Income				
Profit on balances with banks	79,955,398	58,186,829	3,553,420	141,695,647
Discount Income on Treasury Bills	-	9,607,094	-	9,607,094
Income on PIBs	-	-	-	-
Net realised loss on sale of investments	-	(107,610)	-	(107,610)
	<u>79,955,398</u>	<u>67,686,313</u>	<u>3,553,420</u>	<u>151,195,131</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	5.3	-	1,209,513	-
Total income	<u>79,955,398</u>	<u>68,895,826</u>	<u>3,553,420</u>	<u>152,404,644</u>
Expenses				
Remuneration of Faysal Asset Management Company Limited - Management Company	1,331,010	459,482	64,770	1,855,262
Sindh sales tax on remuneration of the Management Company	173,031	59,733	8,420	241,184
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	274,323	226,476	12,032
Sindh sales tax on remuneration of the Trustee	8.2	35,662	29,442	1,564
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	99,754	82,355	4,375
Selling and marketing expenses		1,144,962	609,412	61,155
Allocated expenses		-	1,123,155	-
Auditors' remuneration		219,312	193,520	61,650
Amortisation of preliminary expenses and floatation costs	6.1	16,894	14,378	8,099
Legal and professional charges		39,560	36,498	16,650
Fees and subscription		-	-	-
Printing charges		17,112	7,900	3,949
Transaction Charges		247	20,118	-
Bank charges		9,612	9,692	5,090
Total expenses	<u>3,361,479</u>	<u>2,872,161</u>	<u>247,754</u>	<u>6,481,394</u>
Net income for the period before taxation	<u>76,593,919</u>	<u>66,023,665</u>	<u>3,305,666</u>	<u>145,923,250</u>
Taxation	13	-	-	-
Net income for the period after taxation	<u>76,593,919</u>	<u>66,023,665</u>	<u>3,305,666</u>	<u>145,923,250</u>
Earnings per unit	14			
Allocation of net income for the period				
Net income for the period after taxation		76,593,919	66,023,665	3,305,666
Income already paid on units redeemed		(22,949,733)	(199,921)	(1,768,412)
	<u>53,644,186</u>	<u>65,823,744</u>	<u>1,537,254</u>	<u>121,005,184</u>
Accounting income available for distribution				
- Relating to capital gains		-	1,101,903	-
- Excluding capital gains		53,644,186	64,721,841	1,537,254
	<u>53,644,186</u>	<u>65,823,744</u>	<u>1,537,254</u>	<u>121,005,184</u>

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

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

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

For the quarter ended December 31, 2023				
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Note -----(Rupees)-----				
Income				
Profit on balances with banks	4,307,201	9,866,482	1,153,737	15,327,420
Discount Income on Treasury Bills	1,049,176	-	-	1,049,176
Income on PIBs	-	122,708,279	-	122,708,279
Net realised loss on sale of investments	(92,176)	-	-	(92,176)
	<u>5,264,201</u>	<u>132,574,761</u>	<u>1,153,737</u>	<u>138,992,699</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	-	(24,645,000)	-	(24,645,000)
Total income	<u>5,264,201</u>	<u>107,929,761</u>	<u>1,153,737</u>	<u>114,347,699</u>
Expenses				
Remuneration of Faysal Asset Management Company Limited Management Company	139,118	5,283,967	3,821	5,426,906
Sindh sales tax on remuneration of the Management Company	18,085	686,916	497	705,498
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 13,351	291,407	3,131	307,889
Sindh sales tax on remuneration of the Trustee	8.2 1,734	37,882	409	40,025
Annual fee of the Securities and Exchange Commission of Pakistan	9.1 18,206	397,373	4,270	419,849
Selling and Marketing Charges	140,041	5,283,967	1,874	5,425,882
Allocated expenses	12,137	-	-	12,137
Auditor's remuneration	62,684	62,684	62,684	188,052
Amortisation of preliminary expenses and floatation costs	6.1 8,402	8,372	8,372	25,146
Legal and professional charges	10,949	10,949	10,949	32,847
Fees and subscription	15,824	15,824	15,824	47,472
Printing charges	2,484	849	824	4,157
Transaction Charges	30,400	226,436	-	256,836
TER Adjustment	-	75,000	20,000	95,000
Bank charges	2,995	57	-	3,052
Total expenses	<u>476,410</u>	<u>12,381,683</u>	<u>132,655</u>	<u>12,990,748</u>
Net income for the period before taxation	<u>4,787,791</u>	<u>95,548,078</u>	<u>1,021,082</u>	<u>101,356,951</u>
Taxation	13 -	-	-	-
Net income for the period after taxation	<u>4,787,791</u>	<u>95,548,078</u>	<u>1,021,082</u>	<u>101,356,951</u>
Earnings per unit	14			

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

For the quarter ended December 31, 2022				
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Income				
Profit on balances with banks	38,844,301	27,523,727	3,553,420	69,921,448
Discount Income on Treasury Bills	-	4,025,487	-	4,025,487
Income on PIBs	-	-	-	-
Net realised gain on sale of investments	-	-	-	-
	<u>38,844,301</u>	<u>31,549,214</u>	<u>3,553,420</u>	<u>73,946,935</u>
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	-	-	-	-
Total income	<u>38,844,301</u>	<u>31,549,214</u>	<u>3,553,420</u>	<u>73,946,935</u>
Expenses				
Remuneration of Faysal Asset Management Company Limited Management Company	1,040,463	1,156,992	64,770	2,262,225
Sindh sales tax on remuneration of the Management Company	135,263	37,111	8,420	180,794
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 132,147	104,671	12,032	248,850
Sindh sales tax on remuneration of the Trustee	8.2 17,050	13,498	1,564	32,112
Annual fee of the Securities and Exchange Commission of Pakistan	9.1 48,054	38,063	4,375	90,492
Selling and Marketing Charges	834,759	447,787	61,155	1,343,701
Allocated expenses	-	480,905	-	480,905
Auditor's remuneration	79,196	85,280	61,650	226,126
Amortisation of preliminary expenses and floatation costs	6.1 8,493	8,372	8,099	24,964
Legal and professional charges	19,780	21,252	16,650	57,682
Fees and subscription	-	-	-	-
Printing charges	8,556	4,600	3,949	17,105
Transaction Charges	247	11,505	-	11,752
TER Adjustment	-	-	-	-
Bank charges	4,970	4,230	5,090	14,290
Total expenses	<u>2,328,978</u>	<u>2,414,266</u>	<u>247,754</u>	<u>4,990,998</u>
Net income for the period before taxation	<u>36,515,323</u>	<u>29,134,948</u>	<u>3,305,666</u>	<u>68,955,937</u>
Taxation	13 -	-	-	-
Net income for the period after taxation	<u>36,515,323</u>	<u>29,134,948</u>	<u>3,305,666</u>	<u>68,955,937</u>
Earnings per unit	14			

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

For the half year ended December 31, 2023				For the half year ended December 31, 2022			
Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total

(Rupees)

Net income for the period after taxation	7,221,007	96,138,698	2,003,981	105,363,686	76,593,919	66,023,665	3,305,666	145,923,250
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>7,221,007</u>	<u>96,138,698</u>	<u>2,003,981</u>	<u>105,363,686</u>	<u>76,593,919</u>	<u>66,023,665</u>	<u>3,305,666</u>	<u>145,923,250</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For the quarter ended December 31, 2023				For the quarter ended December 31, 2022			
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
	------(Rupees)-----							
Net income for the period after taxation	4,787,791	95,548,078	1,021,082	101,356,951	2,364,742	2,364,742	2,364,742	2,364,742
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>4,787,791</u>	<u>95,548,078</u>	<u>1,021,082</u>	<u>101,356,951</u>	<u>2,364,742</u>	<u>2,364,742</u>	<u>2,364,742</u>	<u>2,364,742</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2023									Total		
	Faysal Special Saving Plan-I			Faysal Special Saving Plan-II			Faysal Special Saving Plan-III			Capital value	Undistributed income	Total
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total			
(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Net assets at the beginning of the period (audited)	69,859,525	1,571,197	71,430,722	11,331,307	34,743	11,366,050	19,548,802	213,510	19,762,312	100,739,634	1,819,450	102,559,084
Issuance of units												
FSSP-I: 1,416,516 units (2022: 961,998 units)												
FSSP-II: 50,021,511 units (2022: 27,124,957 units)												
FSSP-III: 1,295,655 units (2022: 20,292,583 units)												
- Capital value (at par value per unit at the beginning of the period)	176,016,278	-	176,016,278	5,420,330,932	-	5,420,330,932	14,679,771	-	14,679,771	5,611,026,981	-	5,611,026,981
- Element of income	8,293,846	-	8,293,846	444,071,915	-	444,071,915	476,616	-	476,616	452,842,377	-	452,842,377
Total proceeds on issuance of units	184,310,124	-	184,310,124	5,864,402,847	-	5,864,402,847	15,156,387	-	15,156,387	6,063,869,358	-	6,063,869,358
Redemption of units												
FSSP-I: 1,892,837 units (2022: 3,426,185 units)												
FSSP-II: 15,704,607 units (2022: 16,317,536 units)												
FSSP-III: 1,354,004 units (2022: 9,827,850 units)												
- Capital value (at par value per unit at the beginning of the period)	(235,203,926)	-	(235,203,926)	(1,701,751,215)	-	(1,701,751,215)	(15,340,865)	-	(15,340,865)	(1,952,296,006)	-	(1,952,296,006)
- Element of income	(6,262,093)	(6,154,815)	(14,416,908)	(162,215,204)	(1,262,534)	(163,477,738)	(360,170)	(311,505)	(671,675)	(170,837,467)	(7,728,854)	(178,566,321)
Total payments on redemption of units	(243,466,019)	(6,154,815)	(249,620,834)	(1,863,966,419)	(1,262,534)	(1,865,228,953)	(15,701,035)	(311,505)	(16,012,540)	(2,123,133,473)	(7,728,854)	(2,130,862,327)
Cash distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	7,221,007	7,221,007	-	96,138,698	96,138,698	-	2,003,981	2,003,981	-	105,363,686	105,363,686
Net assets at the end of the period	10,703,630	2,637,389	13,341,019	4,011,767,735	94,910,907	4,106,678,642	19,004,154	1,905,986	20,910,140	4,041,475,519	99,454,282	4,140,929,801
Undistributed income brought forward												
- Realised income		1,571,197			34,743			213,510			1,819,450	
- Unrealised (loss) / income		-			-			-			-	
		1,571,197			34,743			213,510			1,819,450	
Accounting income available for distribution												
- Relating to capital gains												
- Excluding capital gains		1,066,192			94,876,164			1,692,476			97,634,832	
		1,066,192			94,876,164			1,692,476			97,634,832	
Distribution during the period		-			-			-			-	
Undistributed income carried forward		2,637,389			94,910,907			1,905,986			99,454,282	
Undistributed income carried forward												
- Realised income		2,637,389			119,555,907			1,905,986			124,099,282	
- Unrealised income		-			(24,645,000)			-			(24,645,000)	
		2,637,389			94,910,907			1,905,986			99,454,282	
		(Rupees)			(Rupees)			(Rupees)				
Net asset value per unit at beginning of the period		124.26			108.36			11.33			12.40	
Net asset value per unit at the end of the period		135.39			119.30			12.40				

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

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2022											
	Faysal Special Saving Plan-I			Faysal Special Saving Plan-II			Faysal Special Saving Plan-III			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees)			(Rupees)			(Rupees)			(Rupees)			
Net assets at the beginning of the period (audited)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of units	928,647,807	1,259,175	929,906,982	-	-	-	-	-	-	928,647,807	1,259,175	929,906,982
FSSP-I: 961,998 units (2021: 1,623,185 units)												
FSSP-II: 27,124,957 units (2021: Nil units)												
FSSP-III: 20,292,583 units (2021: Nil units)												
- Capital value (at par value per unit at the beginning of the period)	102,096,817	-	102,096,817	2,712,495,716	-	2,712,495,716	202,925,830	-	202,925,830	3,017,518,363	-	3,017,518,363
- Element of income	340,518	-	340,518	23,838,393	-	23,838,393	2,059,153	-	2,059,153	26,238,064	-	26,238,064
Total proceeds on issuance of units	102,437,335	-	102,437,335	2,736,334,109	-	2,736,334,109	204,984,983	-	204,984,983	3,043,756,427	-	3,043,756,427
Redemption of units												
FSSP-I: 3,426,185 units (2021: 574,827 units)												
FSSP-II: 16,317,536 units (2021: Nil units)												
FSSP-III: 9,827,850 units (2021: Nil units)												
- Capital value (at par value per unit at the beginning of the period)	(363,620,980)	-	(363,620,980)	(1,631,753,634)	-	(1,631,753,634)	(98,278,495)	-	(98,278,495)	(2,093,653,109)	-	(2,093,653,109)
- Element of income	(163,363)	(22,949,733)	(23,113,116)	(199,921)	(199,921)	(199,921)	(929)	(1,768,412)	(1,769,341)	(164,312)	(24,918,066)	(25,082,378)
Total payments on redemption of units	(363,784,363)	(22,949,733)	(386,734,096)	(1,631,753,634)	(199,921)	(1,631,953,555)	(98,279,424)	(1,768,412)	(100,047,836)	(2,093,817,421)	(24,918,066)	(2,118,735,487)
Cash distribution during the period in FSSP-II	-	-	-	(23,838,393)	(65,309,819)	(89,148,212)	-	-	-	(23,838,393)	(65,309,819)	(89,148,212)
Total comprehensive income for the period	-	76,593,919	76,593,919	-	66,023,665	66,023,665	-	3,305,666	3,305,666	-	145,923,250	145,923,250
Net assets at the end of the period	667,300,779	54,903,361	722,204,140	1,080,742,082	513,925	1,081,256,007	106,705,559	1,537,254	108,242,813	1,854,748,420	56,954,540	1,911,702,960
Undistributed income brought forward												
- Realised income		1,259,175									1,259,175	
- Unrealised (loss) / income		-									-	
		1,259,175									1,259,175	
Accounting income available for distribution												
- Relating to capital gains				1,101,903						1,101,903		
- Excluding capital gains	53,644,186			64,721,841			1,537,254			119,903,281		
	53,644,186			65,823,744			1,537,254			121,005,184		
Distribution during the period				(65,309,819)			-			(65,309,819)		
Undistributed income carried forward		54,903,361		513,925			1,537,254			56,954,540		
Undistributed income carried forward												
- Realised income		54,903,361		(695,588)			1,537,254			55,745,027		
- Unrealised income		-		1,209,513			-			1,209,513		
		54,903,361		513,925			1,537,254			56,954,540		
		(Rupees)		(Rupees)			(Rupees)					
Net asset value per unit at beginning of the period		106.13										
Net asset value per unit at the end of the period		114.68				100.05				103.34		

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For The Half Year Ended December 31, 2023			
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Note.....(Rupees).....				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	7,221,007	96,138,698	2,003,981	105,363,686
Adjustments for:				
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	-	24,645,000	-
Amortisation of preliminary expenses and floatation cost	16,803	16,744	16,744	50,291
	7,237,810	120,800,442	2,020,725	130,058,977
Decrease / (increase) in assets				
Investments	-	(3,814,275,000)	-	(3,814,275,000)
Profit and other receivables	749,070	(279,253,370)	(809,519)	(279,313,819)
Preliminary expenses and floatation costs paid	-	-	-	-
	749,070	(4,093,528,370)	(809,519)	(4,093,588,819)
(Decrease) / increase in liabilities				
Payable to Faysal Asset Management Limited - Management Company	4,694	9,458,865	(4,661)	9,458,898
Payable to Central Depository Company of Pakistan Limited - Trustee	(3,497)	229,832	157	226,492
Payable to the Securities and Exchange Commission of Pakistan	(141,588)	165,264	(8,528)	15,148
Payable against redemption of units	-	-	88,869	88,869
Accrued and other liabilities	(122,340)	227,260	(120,044)	(15,124)
	(262,731)	10,081,221	(44,207)	9,774,283
Net cash generated from / (used in) operating activities	7,724,149	(3,962,646,707)	1,166,999	(3,953,755,559)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received against issuance of units	184,310,124	5,864,402,847	15,156,387	6,063,869,358
Payments made against redemption of units	(249,620,834)	(1,865,228,953)	(16,012,540)	(2,130,862,327)
Dividend paid	-	-	-	-
Net cash (used in) / generated from financing activities	(65,310,710)	3,999,173,894	(856,153)	3,933,007,031
Net (decrease) / increase in cash and cash equivalents during the period	(57,586,561)	36,527,187	310,846	(20,748,528)
Cash and cash equivalents at the beginning of the period	68,739,502	10,609,767	19,457,016	98,806,285
Cash and cash equivalents at the end of the period	11,152,941	47,136,954	19,767,862	78,057,757

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

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

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For The Half Year Ended December 31, 2022			
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
Note.....(Rupees).....				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	76,593,919	66,023,665	3,305,666	145,923,250
Adjustments for:				
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	-	(1,209,513)	-
Amortisation of preliminary expenses and floatation cost	16,894	14,378	8,099	39,371
	76,610,813	64,828,530	3,313,765	144,753,108
Increase in assets				
Investments	-	(970,032,484)	-	(970,032,484)
Profit and other receivables	(8,465,236)	(2,021,767)	(1,844,182)	(12,331,185)
Preliminary expenses and floatation costs paid	-	(166,667)	(166,667)	(333,334)
	(8,465,236)	(972,220,918)	(2,010,849)	(982,697,003)
Increase in liabilities				
Payable to Faysal Asset Management Limited - Management Company	991,497	1,177,461	289,408	2,458,366
Payable to Central Depository Company of Pakistan Limited - Trustee	7,040	19,308	5,664	32,012
Payable to the Securities and Exchange Commission of Pakistan	69,504	82,355	4,375	156,234
Payable against redemption of units	-	-	-	-
Accrued and other liabilities	(493,439)	2,977,847	524,629	3,009,037
	574,602	4,256,971	824,076	5,655,649
Net cash generated from / (used in) operating activities	68,720,179	(903,135,417)	2,126,992	(832,288,246)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received against issuance of units	102,437,335	2,736,334,109	204,984,983	3,043,756,427
Payments made against redemption of units	(386,734,096)	(1,631,953,555)	(100,047,836)	(2,118,735,487)
Dividend paid	-	(59,968,176)	-	(59,968,176)
Net cash (used in) / generated from financing activities	(284,296,761)	1,044,412,378	104,937,147	865,052,764
Net (decrease) / increase in cash and cash equivalents during the period	(215,576,582)	141,276,961	107,064,139	32,764,518
Cash and cash equivalents at the beginning of the period	928,310,507	-	-	928,310,507
Cash and cash equivalents at the end of the period	712,733,925	141,276,961	107,064,139	961,075,025

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

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

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Special Savings Fund (The Fund) is an open-end capital protected scheme established through a Trust Deed under the Trust Act, 1882, entered into on November 21, 2019 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been registered under the Sindh Trusts Act on November 16, 2021. The investment activities and administration of the Fund are managed by the Management Company.

The Management Company of the Fund has been licensed 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 SECP. The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Sharah -e- Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

Currently the Fund is offering Three Plans i.e. Faysal Special Saving Plan-I, Faysal Special Saving Plan-II & Faysal Special Saving Plan-III with an objective to earn competitive return with capital protection for unit holders who retain their investment in the Plan for a period of Twenty Four (24) months or more from date of their investments in the Plan.

1.2 The Fund is categorised as a 'Capital Protected 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 October 1, 2021 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the fund is to provide competitive regular return with capital preservation on investments as per respective Allocation Plans by investing in authorised investable avenues in line with the risk tolerance of the investor. The objective of the fund and the authorised avenues are more fully explained in the funds offering document.

1.4 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 31, 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.

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 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 IAS 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, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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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, 2023.

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 year ended June 30, 2023.

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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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, 2024. 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.

4 BALANCES WITH BANKS

Note	December 31, 2023				June 30, 2023			
	Un-audited				Audited			
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total
	(Rupees)							

Balance with banks in savings accounts	4.1	11,152,941	47,136,954	19,767,862	78,057,757	68,739,502	10,609,767	19,457,016	98,806,285
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4.1 This carries profit rate at 10.00% to 21.99% (June 2023: 7.00% to 16.35%) per annum. Deposits in PLS savings accounts also include Rs. 1.03 million (June 2023: Rs. 3.25 million) in FSSP-I, Rs. 2.90 million (June 2023: 1.61) in FSSP-II & Rs. 1.99 million (June 2023: Nil) in FSSP-III maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% FSSP-I, 21.00% in FSSP-II and FSSP-III (June 2023: 11.00% in FSSP-I, FSSP-II and FSSP-III) per annum.

5 INVESTMENTS

Note	December 31, 2023				June 30, 2023			
	Un-audited				Audited			
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total
	(Rupees)							

At fair value through profit or loss									
Market Treasury Bills	5.1	-	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.2	-	3,789,630,000	3,789,630,000	-	-	-	-	-
		-	3,789,630,000	3,789,630,000	-	-	-	-	-

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.1 Market Treasury Bills

Faysal Special Savings Plan-I

Name of the security	Issue date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	Market value as percentage of	
		As at July 01, 2023	Purchased during the period	Matured / Sold during the period	As at December 31, 2023				net assets of the Fund	total market value of investment
		(Rupees)							%	
Treasury bills - 12 months	October 19, 2023	-	165,000,000	165,000,000	-	-	-	-	-	
Total as at December 31, 2023										
Total as at June 30, 2023										

5.2 Pakistan Investment Bonds

Faysal Special Savings Plan-II

Name of the security	Issue date	Interest rate	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Market value as percentage of	
			As at July 01, 2023	Purchased during the period	Matured / Sold during the period	As at December 31, 2023				net assets of the Fund	total market value of investment
			(Rupees)							%	
Pakistan investment bonds - 5 years	September 21, 2023	24.78%	-	1,000,000,000	-	1,000,000,000	977,400,000	971,700,000	(5,700,000)	23.66	25.64
Pakistan investment bonds - 5 years	September 21, 2023	24.78%	-	1,000,000,000	-	1,000,000,000	977,709,000	971,700,000	(6,009,000)	23.66	25.64
Pakistan investment bonds - 5 years	September 21, 2023	24.78%	-	900,000,000	-	900,000,000	879,660,000	874,530,000	(5,130,000)	21.30	23.08
Pakistan investment bonds - 5 years	September 21, 2023	24.78%	-	1,000,000,000	-	1,000,000,000	979,506,000	971,700,000	(7,806,000)	23.66	25.64
Total as at December 31, 2023							3,814,275,000	3,789,630,000	(24,645,000)	92.28	100.00
Total as at June 30, 2023											

5.3 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

Note	December 31, 2023				June 30, 2023				
	Un-audited				Audited				
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total	
Market value of investments	5.1	-	3,789,630,000	-	3,789,630,000	-	-	-	-
Less: Carrying value of investments	5.2	-	(3,814,275,000)	-	(3,814,275,000)	-	-	-	-
			<u>(24,645,000)</u>		<u>(24,645,000)</u>				

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

Note	December 31, 2023				June 30, 2023				
	Un-audited				Audited				
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total	
Preliminary expenses and floatation costs incurred	108,404	135,818	142,097	386,319	141,736	166,667	166,667	475,070	
Less: amortisation for the period	(16,803)	(16,744)	(16,744)	(50,291)	(33,332)	(30,849)	(24,570)	(88,751)	
Closing balance	6.1	<u>91,601</u>	<u>119,074</u>	<u>125,353</u>	<u>336,028</u>	<u>108,404</u>	<u>135,818</u>	<u>142,097</u>	<u>386,319</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 five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations, 2008.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	December 31, 2023				June 30, 2023				
	Un-audited				Audited				
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total	
	------(Rupees)-----								
Management remuneration payable	7.1	11,642	3,712,483	1,825	3,725,950	42,316	9,902	8,064	60,282
Sindh Sales Tax on remuneration of the Management Company	7.2	1,513	482,623	237	484,373	5,501	1,316	1,048	7,865
Selling and marketing expenses payable	7.4	194,059	5,330,818	39,763	5,564,640	167,944	55,841	37,376	261,161
Allocated expenses payable	7.3	13,240	-	-	13,240	-	-	-	-
Other payable		8,853	196,667	176,668	382,188	8,852	196,667	176,666	382,185
		<u>229,307</u>	<u>9,722,591</u>	<u>218,493</u>	<u>10,170,391</u>	<u>224,613</u>	<u>263,726</u>	<u>223,154</u>	<u>711,493</u>

- 7.1 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 during the period ended December 31, 2023 and December 31, 2022 as follows:

Faysal Special Savings Plan-I

0.55% to 1.00% (December 31, 2022: 0.10% to 0.50%) of average annual net assets.

Faysal Special Savings Plan-II

0.55% to 1.00% (December 31, 2022: 0.05% to 0.29%) of average annual net assets.

Faysal Special Savings Plan-III

0.05% to 0.10% (December 31, 2022: 0.15% to 0.50%) of average annual net assets.

- 7.2 During the period, an amount of Rs. 0.03 million (December 31, 2022: Rs. 0.17 million) in FSSP-I, Rs. 0.69 Million (December 31, 2022: Rs. 0.06 Million) in FSSP-II and Rs. 0.002 million (December 31, 2022: Rs. 0.01 million) in FSSP-III was charged on account of sindh sales tax on remuneration of the management company at the rate of 13% (December 31, 2022: 13%) levied through the Sindh Sales Tax on Services Act, 2011.

- 7.3 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).

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.05% (December 31, 2022: 0.29%) of the average annual net assets of the Fund.

- 7.4 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 authorised 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 at the following rates:

Faysal Special Savings Plan-I

0.15% to 0.60% (December 31, 2022: 0.12% to 0.60%) of average annual net assets.

Faysal Special Savings Plan-II

0.05% to 1.00% (December 31, 2022: 0.05% to 1.06%) of average annual net assets.

Faysal Special Savings Plan-III

0.05% to 0.60% (December 31, 2022: 0.05% to 0.60%) of average annual net assets.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	December 31, 2023				June 30, 2023				
	Un-audited				Audited				
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total	
	(Rupees)								
Trustee fee payable	8.1	788	205,138	1,004	206,930	3,879	1,747	887	6,513
Sindh sales tax on remuneration of the Trustee	8.2	102	26,668	131	26,901	508	227	91	826
		<u>890</u>	<u>231,806</u>	<u>1,135</u>	<u>233,831</u>	<u>4,387</u>	<u>1,974</u>	<u>978</u>	<u>7,339</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.05% (December 31, 2022: 0.05%) per annum of net assets of the Fund.

8.2 During the period, Sindh sales tax has been charged on remuneration of Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2023				June 30, 2023				
	Un-audited				Audited				
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total	
	(Rupees)								
Annual fee payable		<u>725</u>	<u>278,055</u>	<u>1,218</u>	<u>279,998</u>	<u>142,313</u>	<u>112,791</u>	<u>9,746</u>	<u>264,850</u>

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income, Money Market, Capital Protected, Commodity Scheme, Fixed Rate/Return Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

10 ACCRUED AND OTHER LIABILITIES

	December 31, 2023				June 30, 2023			
	Un-audited				Audited			
	FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total
	(Rupees)							
Auditors' remuneration payable	-	86,713	21,763	108,476	26,524	114,320	49,370	190,214
Legal and professional charges payable	210,303	49,401	28,219	287,923	204,099	43,197	22,015	269,311
Annual listing fee payable	29,376	-	-	29,376	29,376	-	-	29,376
Rating fee payable	31,700	31,700	31,700	95,100	-	-	-	-
Printing charges payable	33,014	9,166	6,688	48,868	31,547	11,011	8,533	51,091
Transaction Charges Payable	35,705	227,029	-	262,734	6,112	12,035	-	18,147
Withholding tax payable and capital gain tax payable	26,033	125,124	28,388	179,545	190,813	121,310	142,410	454,533
	<u>366,131</u>	<u>529,133</u>	<u>116,758</u>	<u>1,012,022</u>	<u>488,471</u>	<u>301,873</u>	<u>236,802</u>	<u>1,027,146</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund for the period period ended December 31, 2023 is 2.06%, 2.29% and 2.35% in FSSP-I, FSSP-II & FSSP-III respectively (December 31, 2022: 0.67%, 0.65% and 0.89% in FSSP-I, FSSP-II and FSSP-III respectively) which includes 0.17% , 0.21% and 0.11% in FSSP-I, FSSP-II & FSSP-III respectively (December 31, 2022: 0.06%, 0.04% and 0.05% in FSSP-I, FSSP-II and FSSP-III respectively) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund and annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a capital protected scheme.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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For half year ended December 31, 2023				For half year ended December 31, 2022			
Un-audited				Un-audited			
FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total

(Rupees)

Faysal Bank Limited (Group company / Associated Company)

Profit on balance with bank	254,983	56,501	172,517	484,001	40,187	44,360	-	84,547
Bank charges	622	544	-	1,166	678	2,992	-	3,670

Central Depository Company of Pakistan Limited (the Trustee)

Remuneration of the Trustee	20,709	293,031	6,112	319,852	274,323	226,476	12,032	512,831
Sindh sales tax on remuneration of the Trustee	2,692	38,094	795	41,581	35,662	29,442	1,564	66,668

Unit holders with more than 10% holding*
FSSP - I

Units issued: Nil units (December 31, 2022: 7,979 units)	-	-	-	-	874,535	-	-	874,535
Units redeemed: 13,718 units (December 31, 2022: 2,831,220 units)	1,825,332	-	-	1,825,332	320,000,000	-	-	320,000,000

FSSP - II

Units issued: 34,313,023 units (December 31, 2022: 27,124,957 units)	-	4,000,000,000	-	4,000,000,000	-	2,736,334,109	-	2,736,334,109
Units redeemed: Nil units (December 31, 2022: 16,317,536 units)	-	-	-	-	-	1,631,953,554	-	1,631,953,554

* This reflects the position of related party / connected persons status for the period ended December 31, 2023.

Amounts / balances outstanding as at period end:

December 31, 2023				June 30, 2023			
Un-audited				Un-audited			
FSSP-I	FSSP-II	FSSP-III	Total	FSSP-I	FSSP-II	FSSP-III	Total

(Rupees)

Faysal Asset Management Limited -
Management Company

Management fee payable	11,642	3,712,483	1,825	3,725,950	42,316	9,902	8,064	60,282
Sindh Sales Tax on remuneration of the Management Company	1,513	482,623	237	484,373	5,501	1,316	1,048	7,865
Selling & marketing expense payable	194,059	5,330,818	39,763	5,564,640	167,944	55,841	37,376	261,161
Accounting & operational charges	13,240	-	-	13,240	-	-	-	-
Preliminary expenses and floatation cost payable	8,853	196,667	176,668	382,188	8,852	196,667	176,666	382,185
Outstanding units: 97,277 units in FSSP-I, 106,222 in FSSP-II, 1,269,281 in FSSP-III (June 2023: 93,502 in FSSP-I, 102,732 in FSSP-II & 1,198,996 in FSSP-III)	13,170,333	12,672,285	15,739,084	41,581,702	11,618,588	11,132,041	13,584,619	36,335,248

Faysal Bank Limited - Group Company / Associated Company

Balance with bank	1,031,151	2,904,368	1,992,983	5,928,502	3,245,680	599,465	1,917,472	5,762,617
Profit receivable on balance with bank	271,493	11,095	81,180	363,768	152,355	97,991	47,153	297,499

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	788	205,138	1,004	206,930	3,879	1,747	887	6,513
Sindh Sales Tax on remuneration of the Trustee	102	26,668	131	26,901	508	227	91	826

Unit holders with more than 10% holding*

Outstanding units:								
FSSP-I Nil units (2023 : 13,718)	-	4,093,543,644	-	4,093,543,644	1,704,537	-	-	1,704,537
FSSP-II 34,313,023 units (2023: Nil)								
FSSP-III Nil units (2023: Nil)								

* This reflects the position of related party / connected persons status as at December 31, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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16 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 at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: 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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

Faysal Special Savings Plan-II

	As at December 31, 2023				As at June 30, 2023			
	(Un-audited)				(Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Rupees)				(Rupees)			
Financial assets at fair value through profit or loss								
Government securities - Pakistan								
Investment Bonds	-	3,789,630,000	-	3,789,630,000	-	-	-	-
	-	3,789,630,000	-	3,789,630,000	-	-	-	-

17 GENERAL

Figures have been rounded off to the nearest rupee.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

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

Chief Financial Officer

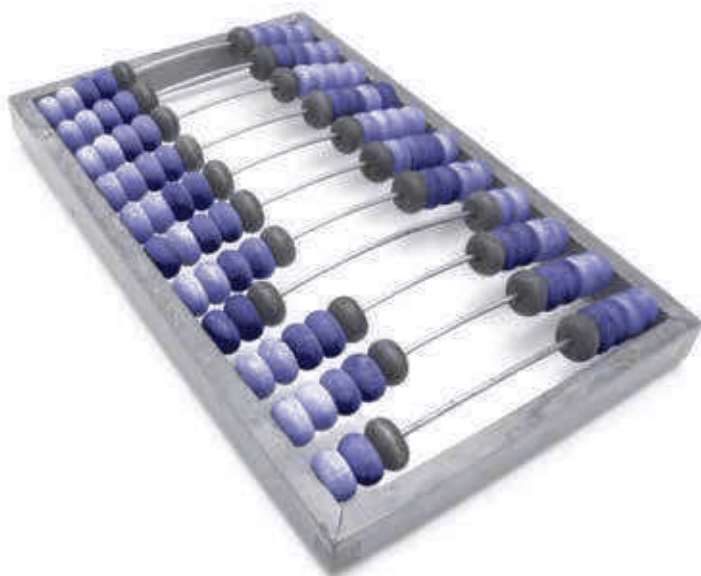
Chief Executive Officer

Director

Faysal Stock Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
JS Bank Limited
Allied Bank Limited
Soneri 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 Stock Fund (FSF) endeavors to provide investors with an opportunity to earn capital growth by investing in a large pool of fund representing equity investment in a broad range of sectors and financial instruments.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shalra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Stock Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2005, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

For the purpose of information, we would like to draw the attention of the unit holders towards Schedule XIX of the NBFC Regulations which requires that the exposure of a collective investment scheme to any single entity shall not exceed an amount equal to ten per cent of total net assets of the collective investment scheme. In this regard, the Fund was non-compliant with the aforesaid requirement in TPL Insurance Company during the period wherein the exposure of the Fund was in between 27.91% to 84.47% of the net assets. On the request of the Management Company, Securities and Exchange Commission of Pakistan extended the time period for regularization of the reported non-compliances which was subsequently regularized by the Management Company. The said non-compliance has already been reported to the Securities and Exchange Commission of Pakistan.

1 of 2

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Regulation 54 of NBFC Regulations which requires that minimum net assets of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme whereas the Fund was non-compliant with the said requirement from October 12, 2023 till the reporting date as the fund size of the scheme was reduced to the minimum of Rs. 33.53 million. We have been informed by the Management Company that as part of its conversion as Shariah Compliant Company, the Management Company is in a process of selling all conventional funds being managed by FAML through transfer of management rights agreement. The said non-compliance has also been reported to the Securities and Exchange Commission of Pakistan.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



A.F. FERGUSON & CO.

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 Stock Fund (the Fund)** as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068P08k7hYED

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>

• KARACHI • LAHORE • ISLAMABAD

Statement of Assets and Liabilities

As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	12,080,208	14,889,796
Investments	5	42,296,738	154,297,551
Advances, deposits and other receivables		19,669,550	35,388,137
Receivable against sale of investments		4,341,085	-
Receivable from the Management Company	6	315,000	40,000
Total assets		78,702,581	204,615,484
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	1,090,930	1,632,453
Payable to Central Depository Company of Pakistan Limited - Trustee	8	12,210	36,410
Payable to the Securities and Exchange Commission of Pakistan	9	5,431	136,309
Payable against purchase of investments		1,370,240	9,982,342
Payable against redemption of units		11,504,615	-
Accrued expenses and other liabilities	10	3,385,311	3,200,353
Total liabilities		17,368,737	14,987,867
Net assets		61,333,844	189,627,617
Contingencies and commitments	11		
Unit holders' Fund (as per the statement attached)		61,333,844	189,627,617
		----- (Number of units) -----	
Number of units in issue		1,711,556	3,952,964
		----- (Rupees) -----	
Net asset value per unit		35.84	47.97

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

Income Statement

For The Half Year And Quarter Ended December 31, 2023

Note	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----			
Income				
Mark-up on balances with banks	2,438,671	5,932,553	883,345	2,219,055
Dividend income	12,765,361	40,514,762	253,844	26,041,527
Realised (loss) / gain on sale of investments - net	(7,081,981)	43,478,518	(5,099,891)	27,053,283
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2 (15,964,941)	(86,446,850)	(2,712,469)	(73,063,198)
Total loss / income	<u>(7,842,890)</u>	<u>3,478,983</u>	<u>(6,675,171)</u>	<u>(17,749,333)</u>
Expenses				
Remuneration of Faysal Asset Management Limited - Management Company	7.1 691,329	9,529,466	200,359	2,252,801
Sindh sales tax on remuneration of the Management Company	7.2 89,873	1,238,831	26,072	292,865
Selling and marketing expenses	7.3 935,596	6,865,810	221,714	2,499,811
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 125,028	944,293	42,207	404,030
Sindh sales tax on remuneration of the Trustee	8.2 16,254	122,758	5,943	52,523
Transaction charges	436,808	6,111,495	132,391	1,973,398
Annual fee of Securities and Exchange Commission of Pakistan	9.1 59,388	99,199	20,048	40,985
Legal and professional charges	177,070	79,120	108,278	-
Bank charges	4,329	15,955	2,905	12,504
Auditors' remuneration	528,561	434,976	262,916	217,488
Fees and subscription	157,914	146,648	74,746	73,324
Printing charges and other expenses	4,887	19,592	2,484	11,036
Reimbursement of expenses from the Management Company	6 (275,000)	(1,300,000)	(50,000)	2,200,000
Total expenses	<u>2,952,037</u>	<u>24,308,143</u>	<u>1,050,063</u>	<u>10,030,765</u>
Net loss from operating activities	<u>(10,794,927)</u>	<u>(20,829,160)</u>	<u>(7,725,234)</u>	<u>(27,780,098)</u>
Net loss for the period before taxation	<u>(10,794,927)</u>	<u>(20,829,160)</u>	<u>(7,725,234)</u>	<u>(27,780,098)</u>
Taxation	13 -	-	-	-
Net loss for the period after taxation	<u>(10,794,927)</u>	<u>(20,829,160)</u>	<u>(7,725,234)</u>	<u>(27,780,098)</u>
Loss per unit	14			
Allocation of net income for the period				
Net loss for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	<u>-</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

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half year ended, December 31,		Quarter ended, December 31,	
	2023	2022	2023	2022
	------(Rupees)-----		------(Rupees)-----	
Net loss for the period after taxation	(10,794,927)	(20,829,160)	(7,725,234)	(27,780,098)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(10,794,927)</u>	<u>(20,829,160)</u>	<u>(7,725,234)</u>	<u>(27,780,098)</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

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	------(Rupees)-----			------(Rupees)-----		
Net assets at beginning of the period (audited)	997,115,510	(807,487,893)	189,627,617	1,975,210,595	(797,316,020)	1,177,894,575
Issuance of 19,171,632 (2022: 26,972,770) units						
- Capital value (at ex-net asset value per unit at the beginning of the period)	919,663,187	-	919,663,187	1,482,693,182	-	1,482,693,182
- Element of (loss) / income	(84,003,033)	-	(84,003,033)	11,865,770	-	11,865,770
Total proceeds on issuance of units	835,660,154	-	835,660,154	1,494,558,952	-	1,494,558,952
Redemption of 21,413,040 (2022: 32,476,506) units						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(1,027,183,529)	-	(1,027,183,529)	(1,785,233,546)	-	(1,785,233,546)
- Element of income / (loss)	74,024,529	-	74,024,529	(30,690,061)	-	(30,690,061)
Total payments on redemption of units	(953,159,000)	-	(953,159,000)	(1,815,923,607)	-	(1,815,923,607)
Total comprehensive loss for the period	-	(10,794,927)	(10,794,927)	-	(20,829,160)	(20,829,160)
Net assets at end of the period (un-audited)	879,616,664	(818,282,820)	61,333,844	1,653,845,940	(818,145,180)	835,700,760
Accumulated loss brought forward						
- Realised loss		(785,882,653)			(659,309,102)	
- Unrealised income		(21,605,240)			(138,006,918)	
		(807,487,893)			(797,316,020)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after taxation		(10,794,927)			(20,829,160)	
Accumulated loss carried forward		<u>(818,282,820)</u>			<u>(818,145,180)</u>	
Accumulated loss carried forward						
- Realised loss		(802,317,879)			(731,698,330)	
- Unrealised loss		(15,964,941)			(86,446,850)	
		<u>(818,282,820)</u>			<u>(818,145,180)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			<u>47.97</u>			<u>54.97</u>
Net assets value per unit at the end of the period			<u>35.84</u>			<u>52.48</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

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Note	Half year ended December 31,	
		2023	2022
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before taxation		(10,794,927)	(20,829,160)
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	15,964,941	86,446,850
Cash generated from operations		5,170,014	65,617,690
Decrease / (increase) in assets			
Investments		96,035,872	190,125,420
Advances, deposits and other receivables		15,718,587	(12,780)
Receivable against sale of investments		(4,341,085)	-
Receivable from the Management Company		(275,000)	3,185,478
		107,138,374	193,298,118
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(541,523)	(5,955,991)
Payable to Central Depository Company of Pakistan Limited - Trustee		(24,200)	(79,140)
Payable to the Securities and Exchange Commission of Pakistan		(130,878)	(354,715)
Payable against purchase of investments		(8,612,102)	-
Accrued expenses and other liabilities		184,958	874,891
		(9,123,745)	(5,514,955)
Net cash used in operating activities		103,184,643	253,400,853
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issue of units		835,660,154	1,494,558,952
Payments made against redemption of units		(941,654,385)	(1,815,923,607)
Net cash used in financing activities		(105,994,231)	(321,364,655)
Net decrease in cash and cash equivalents during the period		(2,809,588)	(67,963,802)
Cash and cash equivalents at beginning of the period		14,889,796	208,834,656
Cash and cash equivalents at end of the period	4	12,080,208	140,870,854

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Stock Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and had been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on February 18, 2004. It was constituted under a Trust Deed executed under the Trust Act, 1882, dated January 29, 2004, entered into between Faysal Asset Management Limited (the Management Company), and Muslim Commercial Financial Services (Private) Limited as the Trustee till June 04, 2005 and thereafter between Faysal Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2 The Management Company revised the trust deed through a third supplemental trust deed dated December 26, 2017 with CDC as the Trustee, to convert the category of the Fund from "Balanced Scheme" to "Equity Scheme" and to change its name from "Faysal Balanced Growth Fund" to "Faysal Stock Fund" along with the changes in fundamental attributes of the Constitutive Documents of the Fund, including investment objectives of the scheme. SECP vide its letter No.SCD/AMCW/FAML/FBGF/267/2018 dated February 16, 2018 approved the revised offering document of the Fund.

The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 29, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.3 The Fund is an open ended equity fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering units to the Fund. Title to the assets of the fund are held in the name of CDC as a Trustee of the Fund. The fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The objective of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments.
- 1.5 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM2+' dated December 31, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "4-Star" rating to Faysal Stock Fund as of August 15, 2023 (June 30, 2023: "4-Star" dated February 10, 2023).

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 VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

2

The disclosures made in these condensed interim financial statements are 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, 2023.

- 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, 2023.

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 year ended June 30, 2023.

- 3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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 amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. 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.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
4	BALANCES WITH BANKS		
	Savings accounts	4.1	12,080,208
		<u>12,080,208</u>	<u>14,889,796</u>
4.1	These carry mark-up at the rate ranging between 10.00% to 22.00% (June 30, 2023: 10.00% to 19.75%) per annum. Deposits in savings accounts also include Rs. 0.699 million (June 30, 2023: Rs.Nil) with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.		

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
5	INVESTMENTS		
	At fair value through profit or loss		
	Listed equity securities	5.1	42,296,738
		<u>42,296,738</u>	<u>154,297,551</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

5.1 Listed equity securities

* Ordinary shares having a face value of Rs.10 each unless stated otherwise

Name of investee company	As at July 01, 2023	Purchased during the period	Bonus right shares received	Disposed off during the period	As at December 31 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss) on revaluation	Market Value as percentage of		Holding as a percentage of paid-up capital of Investee company
									Net assets of the Fund	Total investments of the Fund	
						Number of shares					
						(Rupees)					
Power Generation & Distribution											
The Hub Power Company Limited	-	50,000	-	44,000	6,000	703,800	702,540	(1,260)	1.15%	1.66%	-
						703,800	702,540	(1,260)	1.15%	1.66%	-
Automobile Assembler											
Sazgar Engineering Works Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Textile Composite & Spinning											
Interloop Limited	-	8,000	-	8,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Glass & Ceramics											
Tariq Glass Industries Limited	18,500	11,000	-	29,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Industrial Engineering											
Mughal Iron And Steel Industries Ltd	19,796	-	-	19,796	-	-	-	-	-	-	-
						-	-	-	-	-	-
Cement											
Cherat Cement Company Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	160,000	91,000	-	251,000	-	-	-	-	-	-	-
Lucky Cement Limited	-	3,000	-	2,000	1,000	783,990	786,980	2,990	1.28%	1.86%	-
Maple Leaf Cement Factory Limited	-	128,000	-	123,000	5,000	196,224	194,600	(1,624)	0.32%	0.46%	-
						980,214	981,580	1,366	1.60%	2.32%	-
Commercial banks											
Faysal Bank Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
Mcb Bank Limited	-	12,608	-	12,608	-	-	-	-	-	-	-
Meezan Bank Limited	-	12,573	-	10,573	2,000	232,579	322,720	90,141	0.53%	0.76%	-
United Bank Limited	-	4,800	-	4,800	-	-	-	-	-	-	-
						232,579	322,720	90,141	0.53%	0.76%	-
Fertilizer											
Engro Fertilizers Limited	10,000	44,000	-	52,000	2,000	188,119	224,460	36,341	0.37%	0.53%	-
Engro Corporation Limited	3,900	14,300	-	16,900	1,300	371,604	383,383	11,779	0.63%	0.91%	-
Fauji Fertilizer Company Limited	-	37,500	-	37,500	-	559,723	607,843	48,120	1.00%	1.44%	-
Refinery											
Pakistan Refinery Limited	-	91,500	-	91,500	-	-	-	-	-	-	-
Attock Refinery Limited	-	2,500	-	2,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Paper & Board											
Pak Agro Packaging Limited	333,970	-	-	333,500	470	3,262	3,290	28	0.01%	0.01%	-
						3,262	3,290	28	0.01%	0.01%	-
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	1,300	2,200	-	3,500	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	77,200	-	69,200	8,000	848,652	899,600	50,948	1.47%	2.13%	-
Pakistan Petroleum Limited	-	96,500	-	88,500	8,000	712,274	920,240	207,966	1.50%	2.18%	-
						1,560,926	1,819,840	258,914	2.97%	4.31%	-
Insurance											
TPL Insurance Limited	5,252,875	-	-	2,639,000	2,613,875	54,133,427	37,770,570	(16,362,857)	61.58%	89.30%	1.32%
						54,133,427	37,770,570	(16,362,857)	61.58%	89.30%	1.32%
Inv. Bank/Inv. Companies/Securities Co.											
MCB-Arif Habib Savings and Investments Limited	1,441,000	-	-	1,441,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	-	43,000	-	42,500	500	87,748	88,355	607	0.14%	0.21%	-
Sui Northern Gas Pipelines Limited	50,000	52,000	-	102,000	-	-	-	-	-	-	-
						87,748	88,355	607	0.14%	0.21%	-
Technology & Communications											
Systems Limited	-	2,000	-	2,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
As at December 31, 2023						58,261,679	42,296,738	(15,964,941)	68%	100%	
As at June 30, 2023						175,902,791	154,297,551	(21,605,240)			

* Nil figures due to rounding off difference.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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5.1.1 Investments - non-compliance

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents.

The following are the details of non-compliant investments held by the Fund:

As per schedule XIX of the NBFC Regulations, the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the issued capital of the company. The Fund held the following investments which were non-compliant as at December 31, 2023 with the afore-mentioned limits:

Name of non-compliant investment	Exposure Limit Range	Holding as at December 31, 2023
TPL Insurance Limited	10%	61.58%

As per schedule XIX of the NBFC Regulations, the exposure of collective investment scheme to any single sector as per classification of the stock exchange shall not exceed an amount equal to 30% of the total net assets of the collective investment scheme. As at December 31, 2023, the Fund held investment in equity securities of the insurance sector which stood at 61.58% of the net assets of the Fund.

5.2	Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Market value of investments	5.1	42,296,738	154,297,551
	Less: carrying value of investments	5.1	58,261,679	175,902,791
			<u>(15,964,941)</u>	<u>(21,605,240)</u>

6 RECEIVABLE FROM THE MANAGEMENT COMPANY

Receivable from Faysal Asset Management Limited the Management Company	6.1	<u>315,000</u>	<u>40,000</u>
---	-----	----------------	---------------

- 6.1 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, 2023, the Fund was in breach of the TER ratio of 4.75% 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.

7	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Remuneration payable to the Management Company	7.1	117,504	-
	Sindh sales tax on remuneration of the Management Company	7.2	15,276	-
	Selling and marketing expense payable	7.3	265,998	962,402
	Sales load payable		<u>692,152</u>	<u>670,051</u>
			<u>1,090,930</u>	<u>1,632,453</u>

- 7.1 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.

The Management Company has charged remuneration at the rates ranging from 0.5% to 2% (June 30, 2023: Nil to 2.5%) of the average annual net assets of the Fund during the period ended December 31 2023. The remuneration is payable to the Management Company monthly in arrears.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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7.2 During the period, an amount of Rs. 0.090 million (December 31, 2022: Rs.1.239 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2022: 13%).

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at rates ranging from 0.5% to 2% (June 30, 2023: Nil to 1.5%) of the average annual net assets of the Fund during the period ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to the Trustee	8.1	10,805	32,221
Sindh sales tax on remuneration of the Trustee	8.2	1,405	4,189
		<u>12,210</u>	<u>36,410</u>

8.1 The Trustee is entitled to a 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 1,000 million and above	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million

8.2 During the period, an amount of Rs. 0.016 million (December 31, 2022: Rs. 0.123 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% (December 31, 2023: 13%).

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	9.1	<u>5,431</u>	<u>136,309</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity / Index / Asset Allocation / Exchange Traded Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Transaction charges payable		175,094	135,648
Auditor's remuneration payable		663,819	699,558
Legal and professional charges payable		411,970	440,340
Withholding and capital gain tax payable		502,646	507,262
Zakat payable		78,366	78,366
Printing charges payable		36,589	40,037
Accrued liabilities		307,175	89,490
Provision for Federal Excise Duty	10.1	1,209,652	1,209,652
		<u>3,385,311</u>	<u>3,200,353</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 1.21 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 0.707 (June 30, 2023: Rs 0.306) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31 2023 based on the current period results is 4.75% (December 31, 2022: 4.91%) which includes 0.35% (December 31, 2022: 0.42%) representing government Levies on the Fund such as sales taxes and annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

13 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 Fund has incurred net loss for the current period, therefore, 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.

14 LOSS PER UNIT

Loss per unit has not been disclosed in these financial statements as, in the opinion of the management, the determination of the cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 15.2** 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.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** The details of transactions carried out by the Fund with connected persons and related parties and balances with them at period / year end are as follows:

Details of transactions with related parties / connected persons during the period are as follows:

	<u>Half year ended December 31,</u>	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of Faysal Asset Management Limited - Management Company	691,329	9,529,466
Sindh sales tax on remuneration of the Management Company	89,873	1,238,831
Reimbursement of expenses from the Management Company	275,000	1,300,000
Selling and marketing expenses	935,596	6,865,810
Issuance of 1,013,332 units (December 31, 2022: 1,064,761 units)	49,107,583	59,907,391
Redemption of 822,348 units (December 31, 2022: 2,376,688 units)	37,000,000	133,566,954
Faysal Bank Limited - Group Company		
Return on balances with bank	232,189	191,317
Bank Charges	3,515	7,804
Issuance of Nil units (December 31, 2022: 956,206 units)	-	50,000,000
Redemption of Nil units (December 31, 2022: 2,912,798 units)	-	160,000,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	125,028	944,293
Sindh sales tax on remuneration of the Trustee	16,254	122,758
Directors, their close family members and Key Management Personnel of the Management Company		
Issuance of Nil units (December 31, 2022: 497 units)	-	27,602
Redemption of Nil units (December 31, 2022: 64,723 units)	-	3,622,322
Unit holders with more than 10% unit holding		
Issuance of 1,910,484 units (December 31, 2022: 956,206 units)	89,074,164	50,000,000
Redemption of 1,228,302 units (December 31, 2022: 4,386,781 units)	52,000,000	243,000,000
Amounts / balances outstanding as at period / year end		
	December 31,	June 30,
	2023	2023
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Receivable from the Management Company	315,000	40,000
Remuneration payable to the Management Company	117,504	-
Sindh sales tax on remuneration payable to the Management Company	15,276	-
Sales load payable	692,152	670,051
Selling and marketing expenses payable	265,998	962,402
Units outstanding 190,984 units (June 30, 2023: Nil units)	6,844,867	-

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Amounts / balances outstanding as at period / year end	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	10,805	32,221
Sindh sales tax on remuneration payable to the Trustee	1,405	4,189
Security deposit	107,500	107,500
Faysal Bank Limited - Group Company		
Balances with banks	698,583	-
Profit receivable on balances with banks	108,189	1,455,955
Units outstanding Nil units (June 30, 2023: Nil units)	-	-
Directors, their close family members and Key Management		
Personnel of the Management Company		
Units outstanding 497 units (June 30, 2023: 497 units)	17,812	23,841
Unit holders with more than 10% unit holding		
Units outstanding 3,031,062 units (June 30, 2023: 2,348,880 units)	108,633,262	112,675,774

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: 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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2023			
	(Un-audited)			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Listed equity securities	42,296,738	-	-	42,296,738
<hr/>				
ASSETS	As at June 30, 2023			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Listed equity securities	154,297,551	-	-	154,297,551

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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17 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times except for the period from September 25, 2023 to September 27, 2023, October 2, 2023 to October 10, 2023 and from October 12, 2023 to December 31, 2023.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

Faysal Asset Allocation Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Falah Limited
Habib bank Limited
JS Bank Limited
Allied Bank Limited
Soneri 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 Asset Allocation 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.cdcpkakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL ASSET ALLOCATION FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Asset Allocation Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

For the purpose of information, we would like to draw the attention of the unit holders towards Regulation 54 of NBFC Regulations which requires that minimum net assets of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme whereas the Fund was non-compliant with the said requirement from August 28, 2023 to December 05, 2023 as the fund size of the scheme was reduced to the minimum of Rs.71 million. We have been informed by the Management Company that as part of its conversion as Shariah Compliant Company, the Management Company is in a process of selling all conventional funds being managed by FAML through transfer of management rights agreement. The said non-compliance has also been reported to the Securities and Exchange Commission of Pakistan.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Kamchi: February 27, 2024



A.F.FERGUSON & CO.

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 Asset Allocation Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068YWf8sleFN

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) 32426682-5/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Statement of Assets and Liabilities

As at December 31, 2023

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees) -----	
Assets		
Balances with banks	4 19,292,264	4,613,723
Investments	5 82,372,873	62,943,167
Advances, deposits and other receivables	5,666,432	8,031,261
Receivable against sale of investments	-	12,967,468
Receivable from the Management Company	6 315,000	-
Total assets	107,646,569	88,555,619
Liabilities		
Payable to Faysal Asset Management Limited - Management Company	7 175,631	193,129
Payable to Central Depository Company of Pakistan Limited - Trustee	8 14,983	12,068
Payable to the Securities and Exchange Commission of Pakistan	9 7,986	24,714
Payable against purchase of investments	-	3,150,375
Accrued expenses and other liabilities	10 7,313,491	5,993,966
Total liabilities	7,512,091	9,374,252
Net assets	<u>100,134,478</u>	<u>79,181,367</u>
Contingencies and commitments	11	
Unit holders' fund (as per statement attached)	<u>100,134,478</u>	<u>79,181,367</u>
	----- (Number of units) -----	
Number of units in issue	<u>1,186,781</u>	<u>1,287,092</u>
	----- (Rupees) -----	
Net asset value per unit	<u>84.37</u>	<u>61.52</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

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Note	Half Year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		(Rupees)		(Rupees)	
Income					
Dividend income		3,909,107	7,086,228	2,175,092	4,419,328
Profit on savings accounts with banks		1,894,540	1,188,719	1,007,890	584,226
Realised gain / (loss) on sale of investments - net		14,246,346	11,022,178	7,484,404	(859,204)
		20,049,993	19,297,125	10,667,386	4,144,350
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	7,227,058	(7,402,331)	9,281,673	(2,955,333)
Total income		27,277,051	11,894,794	19,949,059	1,189,017
Operating expenses					
Remuneration of Faysal Asset Management Limited - Management Company	7.1	256,228	1,265,663	10,671	343,534
Sindh Sales Tax on remuneration of the Management Company	7.2	33,310	164,536	1,388	44,659
Selling and marketing expenses	7.3	313,623	759,398	-	206,121
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	90,637	137,870	42,680	68,380
Sindh Sales Tax on remuneration of the Trustee	8.2	11,783	17,923	5,549	8,333
Transaction charges		1,058,395	1,016,721	239,231	328,196
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	43,053	14,166	20,273	6,789
Auditors' remuneration		444,006	345,920	222,262	172,960
Legal and professional charges		153,837	79,120	86,658	39,560
Fees and subscription		106,298	98,624	106,298	98,624
Bank charges		1,018	3,347	113	399
Printing charges		4,994	17,112	(51,004)	(40,756)
Reimbursement of expenses from the Management Company	6	(315,000)	(465,000)	320,000	350,000
Total operating expenses		2,202,182	3,455,400	1,004,119	1,626,799
Net income / (loss) from operating activities		25,074,869	8,439,394	18,944,940	(437,782)
Net income / (loss) for the period before taxation		25,074,869	8,439,394	18,944,940	(437,782)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		25,074,869	8,439,394	18,944,940	(437,782)
Earnings per unit	13				
Allocation of net income for the period					
Net income for the period after taxation		25,074,869	8,439,394		
Income already paid on units redeemed		-	(2,044,462)		
		25,074,869	6,394,932		
Accounting income available for distribution					
- Relating to capital gains		21,473,404	3,619,847		
- Excluding capital gains		3,601,465	2,775,085		
		25,074,869	6,394,932		

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

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Half Year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees) -----			
Net income / (loss) for the period after taxation	25,074,869	8,439,394	18,944,940	(437,782)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>25,074,869</u>	<u>8,439,394</u>	<u>18,944,940</u>	<u>(437,782)</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

Statement of Movement In Unit Holders' Fund

For The Half Year And Quarter Ended December 31, 2023

	Half Year ended December 31, 2023			Half Year ended December 31, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period (audited)	388,546,018	(309,364,651)	79,181,367	468,162,259	(309,424,651)	158,737,608
Issuance of 3,812,055 (2022:1,560,700 units)						
- Capital value (at net asset value per unit at the beginning of the period)	234,517,646	-	234,517,646	95,873,801	-	95,873,801
- Element of income	35,540,152	-	35,540,152	5,371,702	-	5,371,702
Total proceeds on issuance of units	270,057,798	-	270,057,798	101,245,503	-	101,245,503
Redemption of 3,912,366 (2022: 2,183,402 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(240,688,767)	-	(240,688,767)	(134,126,385)	-	(134,126,385)
- Element of loss	(33,490,789)	-	(33,490,789)	(5,035,468)	(2,044,462)	(7,079,930)
Total payments on redemption of units	(274,179,556)	-	(274,179,556)	(139,161,853)	(2,044,462)	(141,206,315)
Total comprehensive income for the period	-	25,074,869	25,074,869	-	8,439,394	8,439,394
Net assets at end of the period (un-audited)	384,424,260	(284,289,782)	100,134,478	430,245,909	(303,029,719)	127,216,190
Accumulated loss brought forward						
- Realised loss		(288,155,178)			(288,215,178)	
- Unrealised loss		(21,209,473)			(21,209,473)	
		(309,364,651)			(309,424,651)	
Accounting income available for distribution						
- Relating to capital gains	21,473,404			3,619,847		
- Excluding capital gains	3,601,465			2,775,085		
	25,074,869			6,394,932		
Net loss for the period after taxation		-			-	
Accumulated loss carried forward		(284,289,782)			(303,029,719)	
Accumulated loss carried forward						
- Realised loss		(291,516,840)			(295,627,388)	
- Unrealised income / (loss)		7,227,058			(7,402,331)	
		(284,289,782)			(303,029,719)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		61.52			61.43	
Net assets value per unit at end of the period		84.37			64.87	

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

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

Note	Half Year ended December 31,	
	2023	2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	25,074,869	8,439,394
Adjustments for:		
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(7,227,058)	7,402,331
	17,847,811	15,841,725
Decrease / (increase) in assets		
Investments - net	(12,202,648)	(8,512,789)
Advances, deposits and other receivables	2,364,829	(978,127)
Receivable from the Management Company	(315,000)	944,910
Receivable against sale of investments	12,967,468	8,866,249
	2,814,649	320,243
(Decrease) / increase in liabilities		
Payable to Faysal Asset Management Limited - Management Company	(17,498)	(1,292,468)
Payable to Central Depository Company of Pakistan Limited - Trustee	2,915	(9,320)
Payable to the Securities and Exchange Commission of Pakistan	(16,728)	(44,083)
Payable against purchase of investments	(3,150,375)	-
Accrued expenses and other liabilities	1,319,525	584,020
	(1,862,161)	(761,851)
Net cash generated from operating activities	18,800,299	15,400,117
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	270,057,798	101,245,503
Payments made against redemption of units	(274,179,556)	(141,206,315)
Net cash used in from financing activities	(4,121,758)	(39,960,812)
Net increase / (decrease) in cash and cash equivalents during the period	14,678,541	(24,560,695)
Cash and cash equivalents at beginning of the period	4,613,723	43,517,367
Cash and cash equivalents at end of the period	19,292,264	18,956,672

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Asset Allocation Fund (the Fund) is an open ended asset allocation fund constituted under a Trust Deed entered into on January 31, 2006 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 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 & Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act). Consequently, the Fund is required to be registered under the Sindh Trust Act. Accordingly, subsequent to the year end on July 29, 2022, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The Fund has been categorised as an 'Asset Allocation Scheme', by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. 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, 2006 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity instruments, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in the constitutive documents and allowed by the SECP.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 VIS Credit Rating Company Limited has awarded an "AM2++" asset manager rating to the Management Company as of December 29, 2023 (June 30, 2023: "AM2++" as of December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a '5 star' rating to Faysal Asset Allocation Fund as of August 15, 2023 (June 30, 2023: "5-star" as of February 10, 2023).

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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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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, 2023.

- 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, 2023.

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 year ended June 30, 2023.

- 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, 2023. 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, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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, 2024. 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, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	-----
4	BALANCES WITH BANKS		
	Balances with banks in savings accounts	19,292,264	4,613,723

- 4.1** These carry mark-up at rates ranging from 11% to 22% (June 30, 2023: 7.00% to 19.75%) per annum and include balance of Rs. 5.228 million (June 30, 2023: Rs. 1.690 million) held with Faysal Bank Limited, a related party, and carry mark-up at the rate of 11% (June 30, 2023: 11%) per annum.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	----- (Rupees) -----	-----
5	INVESTMENTS		
	Financial assets 'at fair value through profit or loss'		
	Listed equity securities	82,372,873	62,943,167
	Term finance certificates - Impaired	-	-
		<u>82,372,873</u>	<u>62,943,167</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Name of the Investee Company	Note	As at July 01, 2023	Purchased during the period	Right / bonus sub-division of shares during the period	Disposed off during the period	As at December 31, 2023	As at December 31, 2023			Market Value as a		Paid-up value of shares held as a percentage of total paid-up capital of
							Carrying Value	Market Value	Unrealised appreciation/(diminution)	net assets of the Fund	total investments of the Fund	
						Number of shares	(Rupees)					
OIL & GAS MARKETING COMPANIES												
Pakistan State Oil Company Limited *	-	105,850	-	90,950	14,900	2,480,331	2,632,979	152,648	0.03	0.03	-	
Sui Northern Gas Pipelines Limited *	6,000	131,100	-	121,100	16,000	914,686	1,176,320	261,634	0.01	0.01	-	
						3,395,017	3,809,299	414,282	0.04	0.04		
OIL & GAS EXPLORATION COMPANIES												
Mari Petroleum Company Limited	2,785	3,677	-	6,462	-	-	-	-	-	-	-	
Oil & Gas Development Company Limited *	41,778	215,700	-	185,700	71,778	8,218,350	8,071,436	(146,914)	0.08	0.10	-	
Pakistan Oilfields Limited *	-	6,700	-	2,500	4,200	1,861,852	1,772,148	(89,704)	0.02	0.02	-	
Pakistan Petroleum Limited *	54,147	244,653	-	226,200	72,600	7,014,946	8,351,178	1,336,232	0.08	0.10	-	
						17,095,148	18,194,762	1,099,614	0.18	0.22		
REFINERY												
Alicock Refinery Limited	-	11,871	-	11,871	-	-	-	-	-	-	-	
National Refinery Limited	-	6,000	-	6,000	-	-	-	-	-	-	-	
Pakistan Refinery Limited	-	193,500	-	193,500	-	-	-	-	-	-	-	
Automobile Assembler												
Honda Atlas Cars (Pakistan) Limited	-	15,610	-	15,610	-	-	-	-	-	-	-	
Milat Tractors Limited	1,230	-	-	1,230	-	-	-	-	-	-	-	
Pak Suzuki Motor Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-	
Sagzer Engineering Works Limited *	-	33,200	-	30,200	3,000	513,000	533,580	20,580	0.01	0.01	-	
						513,000	533,580	20,580	0.01	0.01		
PHARMACEUTICALS												
AGP Limited	-	10,800	-	10,800	-	-	-	-	-	-	-	
Citi Pharma Limited	-	10,000	-	10,000	-	-	-	-	-	-	-	
Ferrocsons Laboratories Limited	-	13,500	-	13,500	-	-	-	-	-	-	-	
Haleon Pakistan Limited	-	2,900	-	2,900	-	-	-	-	-	-	-	
Highnoon Laboratories Limited	-	2,200	-	2,200	-	-	-	-	-	-	-	
The Searle Company Limited	-	37,500	-	37,500	-	-	-	-	-	-	-	
Cables & Electrical Goods												
Pak Elektron Limited	-	127,000	-	127,000	-	-	-	-	-	-	-	
Foods & Personal Care Products												
Al-Tahir Limited	-	67,000	-	67,000	-	-	-	-	-	-	-	
Fauji Foods Limited	-	40,000	-	40,000	-	-	-	-	-	-	-	
The Organic Meat Company Limited	-	104,000	-	104,000	-	-	-	-	-	-	-	
Industrial Engineering												
Alpha Steel Industries Limited *	-	70,000	-	30,000	40,000	596,000	569,200	(26,800)	0.01	0.01	-	
International Industries Limited	-	12,087	-	12,087	-	-	-	-	-	-	-	
International Steels Limited	-	37,000	-	37,000	-	-	-	-	-	-	-	
Mughal Iron And Steel Industries Ltd *	22,000	16,000	-	31,000	7,000	398,125	463,260	65,135	0.00	0.01	-	
						994,125	1,032,460	38,335	0.01	0.01		
Synthetic & Rayon												
Image Pakistan Limited	-	34,000	-	34,000	-	-	-	-	-	-	-	
Textile Composite												
Gul Ahmed Textile Mills Limited *	-	148,500	-	120,500	28,000	517,644	604,800	87,156	0.01	0.01	-	
Interloop Limited *	-	42,500	-	33,500	9,000	347,156	648,000	300,844	0.01	0.01	-	
						864,800	1,252,800	388,000	0.01	0.02		
Transport												
Pakistan International Bulk Terminal Limited *	-	90,000	-	50,000	40,000	160,905	266,800	105,895	0.00	0.00	-	
						160,905	266,800	105,895	0.00	0.00		
Miscellaneous												
Pakistan Aluminium Beverage Cars Limited *	-	12,000	-	4,000	8,000	482,514	604,538	122,024	0.01	0.01	-	
TPL Properties Limited	16,700	111,500	-	128,200	-	482,514	604,538	122,024	0.01	0.01	-	
						965,028	1,209,076	244,048	0.02	0.02		
Total as at December 31, 2023						75,145,815	82,372,873	7,227,058	0.82	1.00		
Total as at June 30, 2023						65,101,205	62,943,167	(2,158,038)				

* Nil figure due to roundoff

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 5.1.1 All shares have a face value of Rs. 10 each except for the shares Hum Network Limited which have a face value of Re. 1 respectively.
- 5.1.2 Investments include the following securities, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	---- (Number of shares) ----		----- (Rupees) -----	
Bank Alfalah Limited	31,441	79,441	1,525,203	2,418,184
Engro Corporation Limited	6,000	-	1,769,460	-
Engro Fertilizers Limited	21,000	-	2,356,830	-
Fauji Fertilizer Company Limited	20,000	-	2,263,800	-
Lucky Cement Limited	2,000	-	1,573,960	-
Systems Limited	4,150	10,150	2,008,310	4,093,800
The Hub Power Company Limited	25,000	-	2,927,250	-
	<u>109,591</u>	<u>89,591</u>	<u>14,424,813</u>	<u>6,511,984</u>

5.2 Term finance certificates - Impaired

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate	As at July 01, 2023	Purchased during the period	Disposed off during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Impairment as at December 31, 2023	Market Value as at December 31, 2023	Market Value as a percentage of	
											Net assets of the Fund	Total investments of the Fund
----- Number of certificates -----								----- Rupees -----		----- % -----		
Trust Investment Bank Limited (note 5.2.1)	Secured	Jul-13	6m KIBOR	7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
Total as at December 31, 2023				<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>13,137,043</u>	<u>13,137,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2023				<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>13,137,043</u>	<u>13,137,043</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 5.2.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs has been suspended and mark-up due had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
		----- (Rupees) -----	
5.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets' at fair value through profit or loss' - net			
Market value of investments	5.1 & 5.2	82,372,873	62,943,167
Less: carrying value of investments	5.1 & 5.2	75,145,815	65,101,205
		<u>7,227,058</u>	<u>(2,158,038)</u>

5.4 Details of non-compliant investments with the investment criteria of the assigned category

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Faysal Asset Management Limited (the Management Company) classified Faysal Asset Allocation Fund (the Fund) as an 'Asset Allocation Scheme' in accordance with the said circular. As at December 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Name of the investee company	Secured / Unsecured	Maturity	Profit / mark up rate	As at July 01, 2023	Purchased during the period	Disposed off during the period	As at December 31, 2023	Carrying Value as at December 31, 2023	Impairment as at December 31, 2023	Market Value as at December 31, 2023	Market Value as a percentage of	
				Number of certificates			Rupees			%		
Trust Investment Bank Limited (note 5.2.1)	Secured	Jul-13	6m KIBOR	7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
Total as at December 31, 2023				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
Total as at June 30, 2023				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
6 RECEIVABLE FROM THE MANAGEMENT COMPANY			

Receivable from the Management Company

6.1

315,000

-

- 6.1 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, 2023, 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 income scheme. As a result, the Fund has recorded receivable from the Management Company to comply with the TER.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
----- (Rupees) -----			
7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			

Remuneration payable

7.1

2,883

8,643

Sindh Sales Tax payable on remuneration of the Management Company

7.2

375

1,123

Selling and marketing expenses payable

7.3

172,373

183,363

175,631

193,129

- 7.1 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 its remuneration at rates ranging from 0% to 1.50% (June 30, 2023: 0% to 5.00%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 0.033 million (December 31, 2022: Rs.0.165 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%).
- 7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at rates ranging from 0% to 2.00% (June 30, 2023: 0% to 3.00%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Remuneration payable to the Trustee	8.1	13,259	10,189
	Sindh Sales Tax payable on remuneration of the Trustee	8.2	1,724	1,879
			<u>14,983</u>	<u>12,068</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provision of the Trust Deed at the rate of 0.20% (June 30, 2023: 0.20%) per annum of average annual net assets of the Fund. Accordingly the Fund has charged trustee fee at the above mentioned rate during the period.

8.2 During the period, an amount of Rs. 0.012 million (December 31, 2022: Rs. 0.018 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% (June 30, 2023: 13%).

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Annual fee payable	9.1	<u>7,986</u>	<u>24,714</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 423(I)/2023 dated March 31, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to "Asset Allocation Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Withholding and capital gain tax payable		1,107,849	237,723
	Transaction charges payable		1,422,540	918,359
	Auditors' remuneration payable		481,884	584,358
	Printing charges payable		176,802	179,466
	Legal and professional charges payable		525,296	371,459
	Zakat payable		9,753	9,753
	Listing fee payable		21,345	34,488
	Rating fee payable		70,563	160,902
	Provision for Federal Excise Duty on remuneration of the Management Company	10.1	3,497,459	3,497,459
			<u>7,313,491</u>	<u>5,993,967</u>

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

8

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 3.497 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund as at December 31, 2023 would have been higher by Re. 2.9519 per unit (June 30, 2023: Re. 2.7169 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

12 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, 2024 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.

13 EARNINGS PER UNIT

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

14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 4.85% is (December 31, 2022: 4.88%) which includes 0.45% (December 31, 2022: 0.44%) representing government levies on the Fund such as sales taxes and annual fee to the SECP etc. This ratio is within the maximum limit of 4.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

15.1 Related parties / connected persons include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.

15.2 Transactions with connected persons / related parties are executed on an arm's length basis and 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. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

15.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 15.5 Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6 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 / year end are as follows:

Transactions during the period

	Half Year ended December 31,	
	2023	2022
	(Un-audited)	
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	256,228	1,265,663
Sindh Sales Tax on remuneration of the Management Company	33,310	164,536
Selling & marketing expenses	313,623	759,398
Reimbursement of expenses from the Management Company	315,000	465,000
Units issued: Nil units (December 31, 2022: 36,994 units)	-	2,408,653
Units redeemed: Nil units (December 31, 2022: 215,131 units)	-	13,308,008
Faysal Bank Limited (Group / Associated Company)		
Profit on balances with bank	187,126	259,793
Bank charges	331	3,347
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	90,637	137,870
Sindh Sales Tax on remuneration of the Trustee	11,783	17,923
Directors, their close family members and Key Management Personnel of the Management Company		
Units issued: Nil units (December 31, 2022: 93 units)	-	6,043
Unit holders with more than 10% unit holding		
Units issued: 570,614 units (December 31, 2022: Nil units)	49,396,054	
Amounts / balances outstanding as at period / year end		
	December 31,	June 30,
	2023	2023
	(Un-audited)	(Audited)
	----- (Rupees) -----	-----
Faysal Asset Management Limited - Management Company		
Remuneration payable to the Management Company	2,883	8,643
Sindh Sales Tax payable on remuneration of the Management Company	375	1,123
Selling and marketing expenses payable	172,373	183,363
Receivable from the Management Company	315,000	-
Faysal Bank Limited (Group / Associated Company)		
Balance with bank	5,228,079	1,689,996
Amounts / balances outstanding as at period / year end		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	13,259	10,189
Sindh Sales Tax payable on remuneration of the Trustee	1,724	1,879
Unit holders with more than 10% unit holding *		
Units in issue: 753,282 units (June 30, 2023: 769,952 units)	63,554,402	47,367,447

* The Fund had different unit holders holding more than 10% units as at December 31, 2023 and June 30, 2023.

16 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.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted prices (unadjusted) in an active market for identical assets or
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

As at December 31, 2023				
Un-audited				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
- Listed equity securities	82,372,873	-	-	82,372,873
	<u>82,372,873</u>	<u>-</u>	<u>-</u>	<u>82,372,873</u>
As at June 30, 2023				
Audited				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
- Listed equity securities	62,943,167	-	-	62,943,167
	<u>62,943,167</u>	<u>-</u>	<u>-</u>	<u>62,943,167</u>

17 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times except for the periods from July 01, 2023 to July 05, 2023, July 10, 2023 to July 30, 2023, August 15, 2023 to August 23, 2023, August 28, 2023 to December 04, 2023, December 06, 2023 to December 06, 2023 and December 22, 2023 to December 28, 2023.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

18 GENERAL

18.1 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 02, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

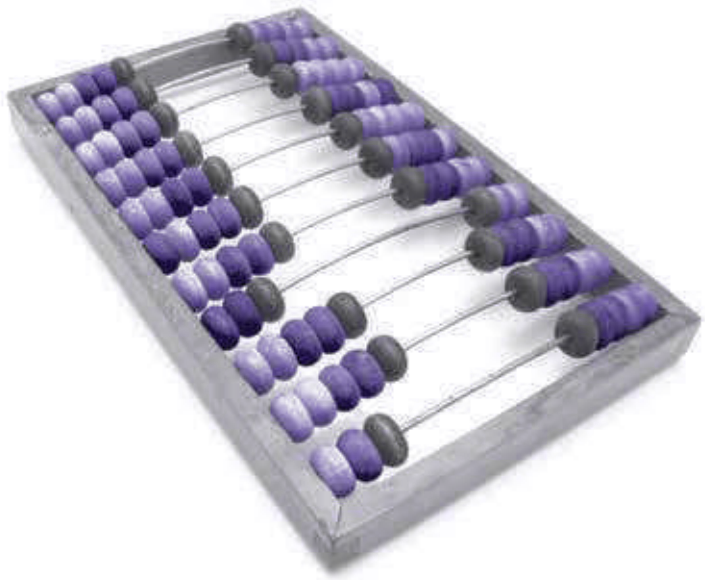
Chief Executive Officer

Director

Faysal Pension Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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

Bankers to the Fund

Faysal Bank Limited
Bank Al-Habib 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 Pension Fund endeavors to provide individuals with a portable, individualized, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74401, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

FAYSAL PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with 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 Pension Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 27, 2024



A.F.FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE PARTICIPANTS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Pension Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub-funds 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, 2023. The Pension Fund Manager (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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 26, 2024
Karachi
UDIN: RR202310068mpw01SbNc

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>

Statement of Assets and Liabilities

As at December 31, 2023

	December 31, 2023				June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Assets									
Balances with banks	4	804,740	8,006,939	13,266,089	22,077,768	132,130	9,579,734	18,635,279	28,347,143
Investments	5	43,823,226	37,394,292	42,992,865	124,210,383	27,163,871	31,766,720	34,744,850	93,675,441
Advances, deposits and other receivables		2,870,214	326,121	158,611	3,354,946	2,885,601	213,717	249,954	3,349,272
Preliminary expenses and floatation costs	6	46,637	46,637	46,637	139,911	57,309	57,309	-	171,927
Total assets		<u>47,544,817</u>	<u>45,773,989</u>	<u>56,464,202</u>	<u>149,783,008</u>	<u>30,238,911</u>	<u>41,617,480</u>	<u>53,687,392</u>	<u>125,543,783</u>
Liabilities									
Payable to Faysal Asset Management Limited - Pension Fund Manager	7	62,021	23,702	24,210	109,933	44,303	21,545	21,545	87,393
Payable to Central Depository Company of Pakistan Limited - Trustee	8	9,677	9,677	9,677	29,031	9,289	9,289	9,289	27,867
Payable to the Securities and Exchange Commission of Pakistan	9	6,469	7,250	9,072	22,791	10,549	13,241	14,624	38,414
Accrued expenses and other liabilities	10	261,930	270,317	223,824	756,071	286,224	234,231	187,390	707,845
Payable against redemption of units		-	-	65,168	65,168	-	-	32,584	32,584
Payable against purchase of investments		252,855	-	-	252,855	-	-	-	-
Total liabilities		<u>592,952</u>	<u>310,946</u>	<u>331,951</u>	<u>1,235,849</u>	<u>350,365</u>	<u>278,306</u>	<u>265,432</u>	<u>894,103</u>
Net assets		<u>46,951,865</u>	<u>45,463,043</u>	<u>56,132,251</u>	<u>148,547,159</u>	<u>29,888,546</u>	<u>41,339,174</u>	<u>53,421,960</u>	<u>124,649,680</u>
Participants' Sub - Funds (as per statement attached)		<u>46,951,865</u>	<u>45,463,043</u>	<u>56,132,251</u>	<u>148,547,159</u>	<u>29,888,546</u>	<u>41,339,174</u>	<u>53,421,960</u>	<u>124,649,680</u>
Contingencies and commitments	11								
		Number of units			Number of units				
Number of units in issue	15	<u>333,749</u>	<u>344,746</u>	<u>421,291</u>	<u>333,388</u>	<u>345,019</u>	<u>439,378</u>		
		Rupees			Rupees				
Net asset value per unit		<u>140.6802</u>	<u>131.8739</u>	<u>133.2387</u>	<u>89.6508</u>	<u>119.8172</u>	<u>121.5855</u>		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2023				For the half year ended December 31, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Income									
Profit on savings accounts with banks	59,012	581,837	852,695	1,493,544	28,393	414,764	278,112	721,269	
Income on Market Treasury Bills	5.2	-	3,697,025	4,417,146	8,114,171	-	2,356,574	2,560,680	4,917,254
Income on Term Finance Certificates	5.3	-	161,961	-	161,961	-	-	-	-
Dividend income	1,460,529	-	-	1,460,529	2,057,501	-	-	2,057,501	
Realised gain / (loss) on sale of investments - net	7,770,080	(730)	-	7,769,350	1,310,435	(9,816)	(13,088)	1,287,531	
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	8,567,798	(7,205)	(9,006)	8,551,587	(2,233,805)	(7,515)	(3,451)	(2,244,771)
Total income	17,857,419	4,432,888	5,260,835	27,551,142	1,162,524	2,754,007	2,822,253	6,738,784	
Expenses									
Remuneration of Faysal Asset Management Limited - Pension Fund Manager	7.1	190,901	10,894	13,685	215,480	168,873	-	-	168,873
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	24,817	1,416	1,779	28,012	21,953	-	-	21,953
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	50,366	50,366	50,366	151,098	50,411	50,411	50,411	151,233
Sindh Sales Tax on remuneration of the Trustee	8.2	6,548	6,548	6,548	19,644	6,553	6,553	6,553	19,659
Fee to the Securities and Exchange Commission of Pakistan	9.1	7,636	8,715	10,948	27,299	6,988	7,869	8,100	22,957
Amortisation of preliminary expenses and floatation costs	6.1	10,672	10,672	10,672	32,016	10,672	10,672	10,672	32,016
Auditors' remuneration		125,871	125,871	125,871	377,613	103,960	103,960	103,960	311,880
Transaction charges		363,616	10,398	9,154	383,168	356,159	2,260	2,260	360,679
Legal and professional charges		46,305	46,305	46,305	138,915	13,248	26,312	13,248	52,808
Printing charges		1,656	1,656	1,656	4,968	1,840	1,840	1,840	5,520
Bank and settlement charges		2,312	1,933	2,151	6,396	5,380	5,709	4,874	19,563
Total operating expenses		830,700	274,774	279,135	1,384,609	746,037	215,586	205,518	1,167,141
Net income for the period before taxation		17,026,719	4,158,114	4,981,700	26,166,533	416,487	2,538,421	2,616,735	5,571,643
Taxation	13	-	-	-	-	-	-	-	-
Net income for the period after taxation		17,026,719	4,158,114	4,981,700	26,166,533	416,487	2,538,421	2,616,735	5,571,643
Earnings per unit	14								

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

	Quarter ended December 31, 2023				Quarter ended December 31, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Income									
Profit on savings accounts with banks	34,985	242,427	345,793	623,205	15,879	251,001	163,057	429,937	
Income on Market Treasury Bills	-	1,897,659	2,358,625	4,256,284	-	1,190,606	1,322,093	2,512,699	
Income on Term Finance Certificates	-	161,961	-	161,961	-	-	-	-	
Dividend income	1,218,219	-	-	1,218,219	1,785,663	-	-	1,785,663	
Realised gain / (loss) on sale of investments - net	4,926,080	(730)	-	4,925,350	332,238	-	-	332,238	
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	7,458,321	(6,276)	(7,937)	7,444,108	(1,940,631)	760	(19,603)	(1,959,474)
Total income	<u>13,637,605</u>	<u>2,295,041</u>	<u>2,696,481</u>	<u>18,629,127</u>	<u>193,149</u>	<u>1,442,367</u>	<u>1,465,547</u>	<u>3,101,063</u>	
Expenses									
Remuneration of Faysal Asset Management Limited - Pension Fund Manager	7.1	105,633	5,576	6,896	118,105	85,266	-	-	85,266
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	13,732	725	896	15,353	11,084	-	-	11,084
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	25,206	25,206	25,206	75,618	25,206	25,206	75,618	
Sindh Sales Tax on remuneration of the Trustee	8.2	3,277	3,277	3,277	9,831	3,276	3,277	9,829	
Fee to the Securities and Exchange Commission of Pakistan	9.1	4,225	4,461	5,517	14,203	3,410	3,875	3,990	11,275
Auditors' remuneration		63,703	63,703	63,703	191,109	51,980	51,980	51,980	155,940
Transaction charges		250,836	2,260	2,260	255,356	157,213	1,130	1,130	159,473
Legal and professional charges		24,229	24,229	24,229	72,687	6,624	13,156	6,624	26,404
Printing charges		828	828	828	2,484	920	920	920	2,760
Amortisation of preliminary expenses and floatation costs	6.1	5,336	5,336	5,336	16,008	5,336	5,336	5,336	16,008
Bank and settlement charges		2,029	1,650	1,868	5,547	3,424	928	928	5,280
Total operating expenses		<u>499,034</u>	<u>137,251</u>	<u>140,016</u>	<u>776,301</u>	<u>353,739</u>	<u>105,808</u>	<u>99,390</u>	<u>558,937</u>
Net income / (loss) for the period before taxation		<u>13,138,571</u>	<u>2,157,790</u>	<u>2,556,465</u>	<u>17,852,826</u>	<u>(160,590)</u>	<u>1,336,559</u>	<u>1,366,157</u>	<u>2,542,126</u>
Taxation	13	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation		<u>13,138,571</u>	<u>2,157,790</u>	<u>2,556,465</u>	<u>17,852,826</u>	<u>(160,590)</u>	<u>1,336,559</u>	<u>1,366,157</u>	<u>2,542,126</u>
Earnings per unit	14								

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2023				For the half year ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----				----- Rupees -----			
Net income for the period after taxation	17,026,719	4,158,114	4,981,700	26,166,533	416,487	2,538,421	2,616,736	5,571,644
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<u>17,026,719</u>	<u>4,158,114</u>	<u>4,981,700</u>	<u>26,166,533</u>	<u>416,487</u>	<u>2,538,421</u>	<u>2,616,736</u>	<u>5,571,644</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	Quarter ended December 31, 2023				Quarter ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----				----- Rupees -----			
Net income / (loss) for the period after taxation	13,138,571	2,157,790	2,556,465	17,852,826	(160,590)	1,336,559	1,366,158	2,542,127
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>13,138,571</u>	<u>2,157,790</u>	<u>2,556,465</u>	<u>17,852,826</u>	<u>(160,590)</u>	<u>1,336,559</u>	<u>1,366,158</u>	<u>2,542,127</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement in Participants' Sub-funds

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2023				For the half year ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Net assets at the beginning of the period (audited)	29,888,546	41,339,174	53,421,960	124,649,680	32,366,188	36,467,233	37,273,126	106,106,547
Amount received on issuance of units	-	-	1,329,000	1,329,000	78,407	315,721	1,016,164	1,410,292
Amount paid on redemption of units	-	-	(3,598,054)	(3,598,054)	(18,770)	(195,768)	(455,328)	(669,866)
Amount received / (paid) on reallocation of units	36,600	(34,245)	(2,355)	-	194,088	(101,629)	(92,459)	-
Realised gain / (loss) on sale of investments - net	7,770,080	(730)	-	7,769,350	1,310,435	(9,816)	(13,088)	1,287,531
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	8,567,798	(7,205)	(9,006)	8,551,587	(2,233,805)	(7,515)	(3,451)	(2,244,771)
Other income for the period - net	688,841	4,166,049	4,990,706	9,845,596	1,339,857	2,555,752	2,633,275	6,528,884
Total comprehensive income for the period	17,026,719	4,158,114	4,981,700	26,166,533	416,487	2,538,421	2,616,736	5,571,644
Net assets at the end of the period (un-audited)	<u>46,951,865</u>	<u>45,463,043</u>	<u>56,132,251</u>	<u>148,547,159</u>	<u>33,036,400</u>	<u>39,023,978</u>	<u>40,358,239</u>	<u>112,418,617</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Cash Flow Statement (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

	For the half year ended December 31, 2023				For the half year ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	17,026,719	4,158,114	4,981,700	26,166,533	416,487	2,538,421	2,616,736	5,571,644
Adjustments for:								
Amortisation of preliminary expenses and flotation costs	10,672	10,672	10,672	32,016	10,672	10,672	10,672	32,016
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	8,567,798	7,205	9,006	(8,551,587)	2,233,805	7,515	3,451	2,244,771
	8,469,593	4,175,991	5,001,378	17,646,962	2,660,964	2,556,608	2,630,859	7,848,431
(Increase) / decrease in assets								
Investments - net	(8,091,557)	(3,007,205)	(9,006)	(11,107,768)	(2,901,546)	(212,913)	(2,586,938)	(5,701,397)
Advances, deposits and other receivables	15,387	(112,404)	91,343	(5,674)	526	171,764	1,001,196	1,173,486
	(8,076,170)	(3,119,609)	82,337	(11,113,442)	(2,901,020)	(41,149)	(1,585,742)	(4,527,911)
Increase / (decrease) in liabilities								
Payable to Faysal Asset Management Company Limited - Pension Fund Manager	17,718	2,157	2,665	22,540	(89,932)	(99,333)	(95,284)	(284,549)
Payable to Central Depository Company of Pakistan Limited - Trustee	388	388	388	1,164	(1,419)	359	2,919	1,859
Payable to the Securities and Exchange Commission of Pakistan	(4,080)	(5,991)	(5,552)	(15,623)	(2,928)	(2,446)	(2,640)	(8,014)
Accrued expenses and other liabilities	(24,294)	36,086	36,434	48,226	207,652	18,548	5,081	231,281
Payable against purchase of investments	252,855							
	242,587	32,640	33,935	56,307	113,373	(82,872)	(89,924)	(59,423)
Net cash generated from / (used in) operating activities	636,010	1,089,022	5,117,650	6,589,827	(126,683)	2,432,587	955,193	3,261,097
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts from issuance of units	-	-	1,329,000	1,329,000	78,407	315,721	1,016,164	1,410,292
Payments against redemption of units	-	-	(3,565,470)	(3,565,470)	(18,770)	(195,768)	(455,328)	(669,866)
Amount (paid) / received on reallocation of units	36,600	(34,245)	(2,355)	-	194,088	(101,629)	(92,455)	-
Net cash generated / (used in) from financing activities	36,600	(34,245)	(2,238,825)	(2,236,470)	253,725	18,324	468,377	740,426
Net increase in cash and cash equivalents during the period	672,610	1,054,777	2,878,825	4,353,357	127,042	2,450,911	1,423,570	4,001,523
Cash and cash equivalents at the beginning of the period	132,130	41,346,454	53,380,129	94,858,713	327,404	4,971,551	4,423,803	9,722,758
Cash and cash equivalents at the end of the period	804,740	42,401,231	56,258,954	99,212,070	454,446	7,422,462	5,847,373	13,724,281

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited) For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Pension Fund (the Fund) has been established as a trust under the Sindh Trust Act, 2020 under a Trust Deed entered into on July 30, 2021 between Faysal Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Fund as a Pension Fund on September 8, 2021 under the Voluntary Pension System Rules, 2005. The Offering Document was approved by the SECP through its letter no. SCD/AMCW/PW/FAML/FPF/44/2021 dated August 9, 2021.

The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP dated August 28, 2020. The registered office of the Pension Fund Manager is situated at 7th Floor, west wing, Faysal House, Main Shahrah-e-Faisal, Karachi.

- 1.2 The units of the Fund are offered to the public for subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the VPS Rules, and can be redeemed by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide individuals with a portable, individualized, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement.
- 1.4 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Pension Fund Manager has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Fund consists of three sub-funds namely, Faysal Pension Fund Equity Sub-Fund (Equity Sub-Fund), Faysal Pension Fund Debt Sub-Fund (Debt Sub-Fund) and Faysal Pension Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:

Faysal Pension Fund - Equity Sub-Fund

Assets of the Equity Sub-Fund shall be invested in equity securities which are listed on the Stock Exchange or in securities of which the application for listing has been approved by the Stock Exchange and Equity Sub-Fund shall be eligible to invest in units of Real Estate Investment Trusts and Exchange Traded Funds provided that entity / sector / group exposure limits as prescribed are complied with. At least ninety percent (90%) of net assets of the Equity Sub-Fund shall remain invested in listed equity securities based on rolling average investment of last ninety days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five (5%) of net assets of Equity Sub-Fund in units of private equity and venture capital funds registered under Private Funds Regulations, 2015. The Pension Fund Manager may make investment maximum up to ten percent (10%) of net assets of Equity Sub-Fund in public offering and pre-initial public offering of equity securities. Investment in equity securities of any single company shall not exceed ten percent (10%) of net assets of Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of net assets of Equity Sub-Fund in equity securities of companies belonging to a single sector as classified by the Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus (un-invested) funds in government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A". The Pension Fund Manager shall ensure that the investment in equity securities of the certain companies, as specified in the Offering Document, shall not exceed 10% of the net assets of Equity Sub-Fund on monthly average basis.

Faysal Pension Fund - Debt Sub-Fund

The Debt Sub-Fund shall consist of government securities, cash in bank account, money market placements, deposits, certificates of deposit, term deposit receipts, commercial papers, term finance certificates, reverse repo, deposits / placements with microfinance banks and any other approved debt / money market security issued from time-to-time. Rating of any security in the portfolio shall not be lower than "A+". Rating of any NBFC and modaraba with which funds are placed shall not be lower than "AA". Rating of any microfinance bank with which funds are placed shall not be lower than "A+". At least twenty five percent (25%) net assets of the Debt Sub-Fund shall be invested in government securities not exceeding ninety (90) days' maturity or deposit with scheduled commercial banks having not less than "A+" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed ten percent (10%) of net assets of the Debt Sub-Fund. Exposure in debt security of an entity, excluding securities issued by the Federal Government, shall not exceed ten percent (10%) of net assets of the Debt Sub-Fund or ten percent (10%) of size of the issue of that debt security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of net assets of the Debt Sub-Fund. The Pension Fund Manager shall not place funds, including term deposit receipts, PLS saving deposits, certificates of deposit, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of Debt Sub-Fund with all microfinance banks, non-bank finance companies and modarabas. The weighted average time to maturity of securities held in the portfolio of the Debt Sub-Fund, excluding securities issued by the Federal Government, shall not exceed five (5) years.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Faysal Pension Fund - Money Market Sub-Fund

The Money Market Sub-Fund shall consist of government securities, cash and near cash instruments (including cash in bank accounts, but excluding term deposit receipts), treasury bills, money market placements, deposits, certificates of deposit, certificates of musharaka, or any other Islamic mode of placement, term deposit receipts, commercial papers, reverse repo. Rating of any security in the portfolio shall not be lower than "AA". Rating of any NBFC and modaraba with which funds are placed shall not be lower than "AAA". At least ten percent (10%) net assets of the Money Market Sub-Fund shall be invested in government securities not exceeding ninety (90) days' maturity or deposit with scheduled commercial banks having not less than "AA" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed ten percent (10%) of net assets of the Money Market Sub-Fund. Exposure in security of an entity, excluding securities issued by the Federal Government, shall not exceed ten percent (10%) of net assets of the Money Market Sub-Fund or ten percent (10%) of size of the issue of that security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of net assets of the Money Market Sub-Fund. The Pension Fund Manager shall not place funds, including term deposit receipts, PLS saving deposits, certificates of deposit, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of Money Market Sub-Fund with all microfinance banks, non-bank finance companies and modarabas. The weighted average time to maturity of assets of the Money Market Sub-Fund shall not exceed ninety (90) days. Time to maturity of any asset in the portfolio of Money Market Sub-Fund shall not exceed six (6) months, except government securities where time to maturity may be up to five (5) years.

- 1.7 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 12 of 2021 dated April 06, 2021, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the funds are allocated to the above stated Sub-Funds. A participant has the option to select any allocation scheme in relation to the contributions and shall make such selection at the date of opening his / her individual pension account. A participant may change any allocation scheme selected in relation to his / her contributions to a different allocation scheme selected by him by sending form of the change to the Pension Fund Manager as per the allocation policy approved by the SECP.

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 as 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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), Voluntary Pension System Rules, 2005 (the VPS Rules) and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Regulations, the VPS rules 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 VIII A of the repealed Companies Ordinance, 1984, the VPS rules and the 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 IAS 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.

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

- 3.1 The accounting policies adopted and all the methods of computation 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 year ended June 30, 2023.
- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires 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 the condensed interim financial statements, the significant judgments made by 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, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2023.

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2023. 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 standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4 BALANCES WITH BANKS

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Savings accounts	4.1	804,740	8,006,939	13,266,089	22,077,768	132,130	9,579,734	18,635,279	28,347,143

4.1 Deposits in savings accounts include Rs 0.805 million, Rs 8.007 million and Rs 13.266 million in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund (June 30, 2023: Rs 0.0150 million, Rs 5.640 million and Rs 15.464 million) respectively with Faysal Bank Limited, a related party, that carries mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum. Other savings accounts of the Fund carry mark-up rates ranging from 20.5% (June 30, 2023: 15.5%) per annum.

5 INVESTMENTS

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
At fair value through profit or loss									
Listed equity securities	5.1	43,823,226	-	-	43,823,226	27,163,871	-	-	27,163,871
Term finance certificates	5.2	-	3,000,000	-	3,000,000	-	-	-	-
Government securities - Market									
Treasury Bills	5.3	-	34,394,292	42,992,865	77,387,157	-	31,766,720	34,744,850	66,511,570
		43,823,226	37,394,292	42,992,865	124,210,383	27,163,871	31,766,720	34,744,850	93,675,441

5.1 Listed equity securities

5.1.1 Equity Sub-Fund

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
CEMENT											
Cherat Cement Company Limited	-	3,280	-	-	3,280	416,232	534,574	118,342	1.22	1.14	-
Fauji Cement Company Limited	50,500	-	-	35,000	15,500	182,280	293,260	110,980	0.67	0.62	-
Lucky Cement Limited	1,970	2,417	-	1,837	2,550	1,758,991	2,006,799	247,808	4.58	4.27	-
Maple Leaf Cement Factory Limited	22,900	32,000	-	28,900	26,000	865,002	1,011,920	146,918	2.31	2.16	-
Pioneer Cement Limited	-	8,000	-	-	8,000	858,450	919,520	61,070	2.10	1.96	-
						4,080,955	4,766,073	685,118	10.88	10.15	
CHEMICALS											
Engro Polymer & Chemicals Limited	-	28,350	-	-	28,350	1,375,361	1,320,827	(54,534)	3.01	2.81	-
Lotte Chemicals Pakistan Limited	-	35,000	-	-	35,000	896,000	944,650	48,650	2.16	2.01	-
						2,271,361	2,265,477	(5,884)	5.17	4.82	

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
COMMERCIAL BANKS											
Bank Alfalah Limited	40,799	29,350	-	15,799	54,350	1,928,585	2,636,519	707,934	6.02	5.62	-
Bank Al Habib Limited	16,220	38,200	-	26,000	28,420	1,503,779	2,288,947	785,168	5.22	4.88	-
BankIslami Pakistan Limited	30,000	19,185	-	49,185	-	-	-	-	-	-	-
Faysal Bank Limited	91,000	36,036	-	86,036	41,000	942,933	1,335,780	392,847	3.04	2.84	-
Meezan Bank Limited	11,200	17,075	-	9,875	18,400	2,036,394	2,969,024	932,630	6.78	6.32	-
United Bank Limited	-	6,500	-	-	6,500	1,089,705	1,155,960	66,255	2.64	2.46	-
						7,501,396	10,386,230	2,884,834	23.70	22.12	
FERTILIZER											
Engro Fertilizers Limited	8,500	3,700	-	8,523	3,677	300,530	412,670	112,140	0.94	0.88	-
Engro Corporation Limited	4,330	7,455	-	7,785	4,000	1,053,831	1,179,640	125,809	2.69	2.51	-
						1,354,361	1,592,310	237,949	3.63	3.39	
OIL & GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	27,125	48,550	-	49,675	26,000	2,553,355	2,923,699	370,344	6.67	6.23	-
Mari Petroleum Company Limited	1,210	180	-	1,040	350	535,909	733,635	197,726	1.67	1.56	-
Pakistan Petroleum Limited	41,206	32,180	-	44,386	29,000	2,056,529	3,335,870	1,279,341	7.61	7.10	-
						5,145,793	6,993,204	1,847,411	15.95	14.89	
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	10,547	21,256	-	21,000	10,803	1,279,805	1,908,998	629,193	4.36	4.07	-
						1,279,805	1,908,998	629,193	4.36	4.07	
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited	39,192	29,150	-	56,742	11,600	1,116,441	1,358,244	241,803	3.10	2.89	-
K-Electric Limited (note 5.1.1.1)	140,000	-	-	-	140,000	240,800	736,400	495,600	1.68	1.57	-
Lalpir Power Limited	-	21,000	-	-	21,000	498,500	474,180	(24,320)	1.08	1.01	-
Kot Addu Power Company Limited	-	27,000	-	-	27,000	733,600	787,610	34,010	1.75	1.63	-
Nishat Power Limited	-	30,900	-	-	30,900	982,353	956,355	(25,998)	2.18	2.04	-
Nishat Chunian Power Limited	84,000	137,000	-	174,000	47,000	1,280,396	1,314,590	34,194	3.00	2.80	-
Engro Powergen Qadirpur Limited	14,000	-	-	-	14,000	-	-	-	-	-	-
						4,852,090	5,607,379	755,289	12.79	11.94	
GLASS & CERAMICS											
Tariq Glass Industries Limited	12,970	16,000	-	10,970	18,000	1,579,750	1,794,960	215,210	4.10	3.82	-
						1,579,750	1,794,960	215,210	-	3.82	
PROPERTY											
TPL Properties Limited	16,400	95,000	-	66,400	45,000	579,045	608,400	29,355	1.39	1.30	-
						579,045	608,400	29,355	1.39	1.30	
PHARMACEUTICALS											
Haleon Pakistan Limited	2,000	-	-	800	1,200	168,168	202,812	34,644	0.46	0.43	-
The Searle Company Limited	-	10,000	-	5,000	5,000	184,993	257,400	72,407	0.59	0.55	-
AGP Limited	2,819	-	-	-	2,819	159,217	198,204	38,987	0.45	0.42	-
Citi Pharma Limited	-	34,200	-	18,200	16,000	382,685	379,840	(2,845)	0.87	0.81	-
						895,063	1,038,256	143,193	2.37	2.21	
TEXTILE COMPOSITE											
Interloop Limited	-	30,000	-	17,000	13,000	520,409	936,000	415,591	2.14	1.99	-
Image Pakistan Limited	-	49,000	-	20,000	29,000	355,910	491,840	135,930	1.12	1.05	-
						876,319	1,427,840	551,521	3.26	3.04	
TECHNOLOGY & COMMUNICATION											
Avanceon Limited	12,650	12,000	-	20,150	4,500	225,426	258,030	32,604	0.59	0.55	-
Air Link Communication Limited	-	57,000	-	52,000	5,000	270,461	303,800	33,339	0.69	0.65	-
Octopus Digital Limited	15,525	-	-	7,500	8,025	300,055	382,953	82,898	0.87	0.82	-
Systems Limited	5,030	8,550	-	9,580	4,000	1,683,064	1,694,240	11,176	3.87	3.61	-
						2,479,006	2,639,023	160,017	6.02	5.63	
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	77,500	-	65,500	12,000	147,078	270,960	123,882	0.62	0.58	-
						147,078	270,960	123,882	0.62	0.58	

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	3,701	3,000	-	6,001	700	85,272	149,604	64,332	0.34	0.32	-
Sazgar engineering works limited	-	12,408	-	12,408	-	-	-	-	-	-	-
						85,272	149,604	64,332	0.34		
FOOD & PERSONAL CARE PRODUCTS											
Matco Foods Limited	-	15,000	-	-	15,000	509,996	555,000	45,004	1.27	1.18	-
The Organic Meat Company Limited	14,986	113,600	-	64,986	63,600	1,285,738	1,381,392	95,654	3.15	2.94	-
						1,795,734	1,936,392	140,658	4.42	4.12	
ENGINEERING											
Mughal Iron and Steel Industries Limited	4,000	-	-	4,000	-	-	-	-	-	-	-
International Steels Limited	-	9,000	-	3,000	6,000	332,400	438,120	105,720	1.00	0.93	-
						332,400	438,120	105,720	1.00	0.93	
Total as at December 31, 2023						35,255,428	43,823,226	8,567,798	95.90	93.01	
Total as at June 30, 2023						30,331,569	27,163,871	(3,167,698)			

* Nil figures due to rounding off difference.

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

5.1.1.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of the investee company	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	(Numbers of shares)		(Rupees in '000)	
Mari Petroleum Company Limited	200	200	419,220	302,928
Oil & Gas Development Company Limited	8,875	8,875	997,994	692,250
Pakistan Petroleum Limited	16,000	16,000	1,840,480	946,240
Systems Limited	500	500	211,780	201,665
	<u>25,575</u>	<u>25,575</u>	<u>3,469,474</u>	<u>2,143,083</u>

5.2 Debt Sub-Fund Term Finance Certificates

Name of the security	Profit payments / principal redemptions	Date of maturity	Profit rate	As at July 1, 2023	Purchased during the period	Sold / redeemed during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of	
								Carrying value	Market value	Unrealised appreciation	Net Assets of the Fund	Total Investments of the Fund
BANKS												
Kashf Foundation-TFC 2 (AA-, PACRA, non-traded) (Face value of 100,000 per certificate)	Quarterly	October 10, 2026	6 months KIBOR base rate of 1.50%	-	30	-	30	3,000,000	3,000,000	-	0.14	0.19
Total as at December 31, 2023								<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>0.14</u>	<u>0.19</u>
Total as at June 30, 2023								<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the Financial Statements (Un-audited)

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5.3 Government Securities - Market Treasury Bills

5.3.1 Debt Sub - Fund

Name of the security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	Net Assets	Total Investments
		----- (Rupees) -----								----- % -----
Market Treasury Bills - 03 Months	April 20, 2023	32,000,000	-	32,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	July 13, 2023	-	33,000,000	33,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	December 28, 2023	36,000,000	-	-	36,000,000	34,401,497	34,394,292	(7,205)	-	-
Market Treasury Bills - 03 Months	October 5, 2023	74,000,000	-	74,000,000	-	-	-	-	-	-
Total as at December 31, 2023						34,401,497	34,394,292	(7,205)	-	-
Total as at June 30, 2023						31,780,658	31,766,720	(13,938)		

5.3.2 Money Market Sub-Fund

Name of the security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	Net Assets	Total Investments
		----- (Rupees) -----								----- % -----
Market Treasury Bills - 03 Months	July 13, 2023	-	38,000,000	38,000,000	-	-	-	-	-	-
Market Treasury Bills - 03 Months	October 5, 2023	-	45,000,000	-	45,000,000	43,001,871	42,992,865	(9,006)	76.59	27,105.85
Market Treasury Bills - 03 Months	April 20, 2023	35,000,000	-	35,000,000	-	-	-	-	-	-
Total as at December 31, 2023						43,001,871	42,992,865	(9,006)	76.59	27,105.85
Total as at June 30, 2023						34,760,095	34,744,850	(15,245)		

5.4 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	----- Rupees -----				----- Rupees -----				
Market value of investments	5.1 & 5.2	43,823,226	34,394,292	42,992,865	121,210,383	27,163,871	31,766,720	34,744,850	93,675,441
Less: carrying value of investments	5.1 & 5.2	35,255,428	34,401,497	43,001,871	112,658,797	30,331,569	31,780,658	34,760,095	96,872,322
		<u>8,567,798</u>	<u>(7,205)</u>	<u>(9,006)</u>	<u>8,551,586</u>	<u>(3,167,698)</u>	<u>(13,938)</u>	<u>(15,245)</u>	<u>(3,196,881)</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation at the beginning of the period		57,309	57,309	57,309	171,927	78,479	78,479	78,479	235,437
Less: amortisation during the period	6.1	(10,672)	(10,672)	(10,672)	(32,016)	(21,170)	(21,170)	(21,170)	(74,182)
		<u>46,637</u>	<u>46,637</u>	<u>46,637</u>	<u>139,911</u>	<u>57,309</u>	<u>57,309</u>	<u>57,309</u>	<u>161,255</u>

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of three years commencing from October 5, 2021 as per the requirements set out in the Trust Deed of the Fund and the VPS Rules.

Notes to and forming part of the Financial Statements (Un-audited)

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7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Remuneration payable to the Pension Fund Manager	7.1	40,244	1,909	2,358	44,511	24,565	-	-	24,565
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	7.2	5,232	248	307	5,787	3,193	-	-	3,193
Preliminary expenses and floatation costs payable		16,545	21,545	21,545	59,635	16,545	21,545	21,545	59,635
		<u>62,021</u>	<u>23,702</u>	<u>24,210</u>	<u>109,933</u>	<u>44,303</u>	<u>21,545</u>	<u>21,545</u>	<u>87,393</u>

7.1 In accordance with the provisions of the Voluntary Pension Scheme Rules, the Pension Fund Manager is entitled to remuneration for its services by way of an annual management fee not exceeding 1.50% of net assets of each Sub-Fund calculated on daily basis. During the period, the Pension Fund Manager has charged its remuneration at the rate of 1.00% (June 30, 2023: 1.50%) of daily net assets of the Equity Sub-Fund, Nil (June 30, 2023: 1%) of daily net assets of the Debt Sub-Fund and Nil (June 30, 2023: 0.75%) of daily net assets of the Money Market Sub-Fund. The remuneration is payable to the Pension Fund Manager monthly in arrears.

7.2 During the period, an aggregate amount of Rs. 0.028 million (December 31, 2022: Rs. 0.022 million) was charged on account of sales tax on the management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%)

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Remuneration payable to the Trustee	8.1	8,563	8,563	8,563	25,689	8,220	8,220	8,220	24,660
Sindh Sales Tax payable on remuneration of the Trustee	8.2	1,114	1,114	1,114	3,342	1,069	1,069	1,069	3,207
		<u>9,677</u>	<u>9,677</u>	<u>9,677</u>	<u>29,031</u>	<u>9,289</u>	<u>9,289</u>	<u>9,289</u>	<u>27,867</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Sub-Funds under the provisions of the Trust Deed as per the tariff specified therein which is charged in proportion to the net assets of the pertinent Sub-Fund at the following rates:

Net assets (Rs)	Fee
- up to Rs 1,000 million	Rs 0.3 million or 0.15% per annum of net assets, whichever is higher
- exceeding Rs 1,000 million and upto Rs 3,000 million	Rs 1.5 million plus 0.10% per annum of net assets on amount exceeding Rs 1,000 million
- exceeding Rs 3,000 million and upto Rs 6,000 million	Rs 3.5 million plus 0.08% per annum of net assets on amount exceeding Rs 3,000 million
- exceeding Rs 6,000 million	Rs 5.9 million plus 0.06% per annum of net assets on amount exceeding Rs 6,000 million

8.2 During the period, an amount of Rs. 0.020 million (2022: Rs. 0.020 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% (June 30, 2023: 13%).

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2023 (unaudited)				June 30, 2023 (audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees				Rupees				
Fee payable	9.1	6,469	7,250	9,072	22,791	10,549	13,241	14,624	38,414

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- 9.1 In accordance with the VPS Rules, each Sub-Fund is required to pay annual fee to the SECP at the rate of one twenty-fifth of one percent that is 0.04% (June 30, 2023: 0.04%) of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2023 (unaudited)				June 30, 2023 (audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Auditors' remuneration payable	85,332	85,331	85,332	255,995	78,261	78,261	78,261	234,783
Transaction charges payable	-	2,692	974	3,666	76,072	2,692	660	79,424
Legal and professional charges payable	173,687	150,288	127,994	451,969	127,382	151,314	107,710	386,406
Printing charges payable	267	268	(804)	(269)	1,842	1,843	759	4,444
Withholding tax payable	1,332	99		1,431	1,355	121	-	1,476
Other payable	1,312	31,639	10,328	43,279	1,312	-	-	1,312
	<u>261,930</u>	<u>270,317</u>	<u>223,824</u>	<u>756,071</u>	<u>286,224</u>	<u>234,231</u>	<u>187,390</u>	<u>707,845</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

12 CASH AND CASH EQUIVALENTS

	Note	Half year ended 'December 31,					
		2023		2022		2023	
		(Un-audited)					
		----- (Rupees) -----					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund			
Balances with banks	4	804,740	454,446	8,006,939	7,422,462	13,266,089	5,847,373
Market Treasury Bills - having original maturity of 3 months or less	5.3			34,394,292	24,593,850	42,992,865	34,431,390
		<u>804,740</u>	<u>454,446</u>	<u>42,401,231</u>	<u>32,016,312</u>	<u>56,258,954</u>	<u>40,278,763</u>

13 TAXATION

The income of the Fund is exempt from income tax under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. Hence, have not been detailed in these condensed interim financial statement.

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

14 EARNINGS PER UNIT

Earnings per unit (EPU) 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.

15 NUMBER OF UNITS IN ISSUE

	December 31, 2023 (unaudited)				June 30, 2023 (audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Number of units in issue				Number of units in issue			
Total units in issue at the beginning of the period	333,388	345,019	439,378	1,117,785	352,338	352,237	353,908	1,058,483
Add: issuance of units during the period / year	-	-	10,642	10,642	829	2,939	130,542	134,310
Less: units redeemed during the period / year	-	-	(28,711)	(28,711)	(19,779)	(10,157)	(45,072)	(75,008)
Reallocation of units	361	(273)	(18)	70	-	-	-	-
Total units in issue at the end of the period / year	<u>333,749</u>	<u>344,746</u>	<u>421,291</u>	<u>1,099,786</u>	<u>333,388</u>	<u>345,019</u>	<u>439,378</u>	<u>1,117,785</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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16 CONTRIBUTION TABLE

	December 31, 2023 (unaudited)						December 31, 2022 (unaudited)					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Corporate	-	-	-	-	-	-	830	78,407	2,939	315,721	9,423	1,016,164
Individuals	361	36,600	(273)	(34,245)	(18)	(2,355)	2,200	194,088	-	-	-	-
	<u>361</u>	<u>36,600</u>	<u>(273)</u>	<u>(34,245)</u>	<u>(18)</u>	<u>(2,355)</u>	<u>3,030</u>	<u>272,495</u>	<u>2,939</u>	<u>315,721</u>	<u>9,423</u>	<u>1,016,164</u>

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 Connected persons / related parties include Faysal Asset Management Limited being the Pension Fund Manager, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Pension Fund Manager and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 17.2 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. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3 Remuneration to the Pension Fund Manager of the Fund is determined in accordance with the provisions of the VPS Rules.
- 17.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.
- 17.5 The details of transactions carried out by the Fund with connected persons / related parties during the period and balances with them as at period end are as follows:

Transactions during the period	For the half year ended December 31, 2023 (un-audited)				For the half year ended December 31, 2022 (un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Faysal Asset Management Limited - Pension Fund Manager								
Remuneration of the Pension Fund Manager	190,901	10,894	13,685	215,480	168,873	-	-	168,873
Sindh Sales Tax on remuneration of the Pension Fund Manager	-	-	-	-	-	-	-	-
Units issued: Nil (2022: Nil) units - Equity Sub-Fund	24,817	1,416	1,779	28,012	21,953	-	-	21,953
Units issued: Nil (2022: Nil) units - Debt Sub-Fund	-	-	-	-	-	-	-	-
Units issued: Nil (2022: Nil) units - Money Market Sub-Fund	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	50,366	50,366	50,366	151,098	50,411	50,411	50,411	151,233
Sindh Sales Tax on remuneration of the Trustee	6,548	6,548	6,548	19,644	6,553	6,553	6,553	19,659
Security deposit	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Faysal Bank Limited								
Profit on savings account	59,012	581,837	852,695	1,493,544	9,004	358,523	267,048	634,575
Bank charges	2,312	1,933	2,151	6,396	3,593	4,608	7,406	15,607

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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Amounts / balances outstanding
as at period end

	December 31, 2023 (un-audited)				June 30, 2023 (audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Faysal Asset Management Limited - Pension Fund Manager								
Remuneration payable to the Pension Fund Manager	40,244	1,909	2,358	44,511	24,565	-	-	24,565
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	5,232	248	307	5,787	3,193	-	-	3,193
Preliminary expenses and floatation costs payable	16,545	21,545	21,545	59,635	16,545	21,545	21,545	59,635
Outstanding 300,000 (June 30, 2023: 300,000) units - Equity Sub-Fund	42,204,060	-	-	42,204,060	26,895,270	-	-	26,895,270
Outstanding 300,000 (June 30, 2023: 300,000) units - Debt Sub-Fund	-	39,562,170	-	39,562,170	-	35,945,100	-	35,945,100
Outstanding 300,000 (June 30, 2023: 300,000) units - Money Market Sub-Fund	-	-	39,971,610	39,971,610	-	-	36,475,590	36,475,590
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable	8,563	8,563	8,563	25,689	8,220	8,220	8,220	24,660
Sindh Sales Tax payable on trustee fee	1,114	1,114	1,114	3,342	1,069	1,069	1,069	3,207
Security deposit	2,600,000	100,000	100,000	2,800,000	100,000	100,000	100,000	300,000
Faysal Bank Limited								
Profit receivable on savings account	270,214	54,160	58,479	382,853	22,474	75,094	131,480	229,048
Balances with banks	804,740	8,006,939	13,266,089	22,077,768	15,055	5,640,251	15,464,252	21,119,558

17.6 Other balances due to / from related parties / connected persons are included in the respective notes to the condensed interim financial statements.

18 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 reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: 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, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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	December 31, 2023 (un-audited)				June 30, 2023 (audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity Sub-Fund	Rupees				Rupees			
At fair value through profit or loss								
Listed equity securities	43,823,226	-	-	43,823,226	27,163,871	-	-	27,163,871
Debt Sub-Fund								
At fair value through profit or loss								
Term finance certificates	-	3,000,000	-	3,000,000	-	-	-	-
Government securities - Market								
Treasury Bills	-	34,394,292	-	34,394,292	-	31,766,720	-	31,766,720
	-	37,394,292	-	37,394,292	-	31,766,720	-	31,766,720
Money Market Sub-Fund								
At fair value through profit or loss								
Government Securities - Market								
Treasury Bills	-	42,992,865	-	42,992,865	-	34,744,850	-	34,744,850

19 GENERAL

19.1 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Pension Fund Manager.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

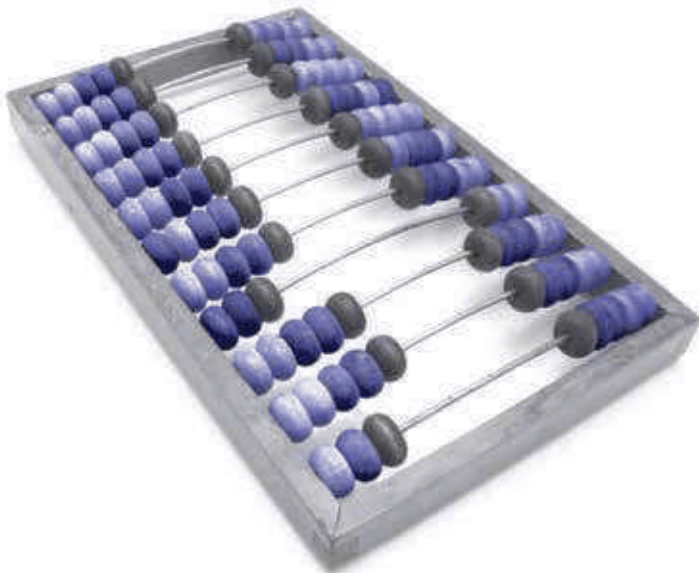
Chief Executive Officer

Director

Faysal Financial Planning Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2023 (Un-Audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited.

Board of Directors

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Vice Chairman
Mr. Mian Salman Ali, Director
Mrs. Samia Zuberi, Director
Mr. Ali Waqar, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary

Mr. Salman Muslim

Audit Committee

Mrs. Samia Zuberi, Chair Person
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member

HR Committee

Mrs. Samia Zuberi, Chair Person
Mr. Yousaf Hussain, Member
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Risk Committee

Mr. Mian Salman Ali, Chairman
Syed Majid Ali, Member
Mr. Ali Waqar, Member

Trustee to the Fund

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

Auditors

A.F Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

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



A.F. FERGUSON & CO.

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 Financial Planning Fund** (the Fund) as at December 31, 2023 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, 2023. 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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.

Emphasis of Matter

We draw attention to note 1.5 of condensed interim financial statements, which indicates that the only plan in the Fund matured during the year ended June 30, 2022. As stated in note 1.5, this event or condition, indicates that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Shahbaz Akbar**
Dated: February 26, 2024
Karachi
UDIN: RR2023100684BaKcF1j

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) 32415007/32427538/32424740; <www.pwc.com/pk>

Statement of Assets and Liabilities

As at December 31, 2023

FAYSAL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023

	December 31, 2023 (Un-audited) Faysal Active Principal Preservation Plan	June 30, 2023 (Audited) Faysal Active Principal Preservation Plan
	Note ----- (Rupees) -----	
Assets		
Balance with bank	4 141,610	1,707,534
Total assets	141,610	1,707,534
Liabilities		
Payable to unit holders	-	1,236,304
Accrued expenses and other liabilities	5 141,610	471,230
Total liabilities	141,610	1,707,534
Net assets	-	-
Unit holders' fund (as per statement attached)	-	-
Contingencies and commitments	6	
	----- (Number of units) -----	
Number of units in issue	-	-
	----- (Rupees) -----	
Net asset value per unit	-	-

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Income Statement

For The Half Year And Quarter Ended December 31, 2023

FAYSAL FINANCIAL PLANNING FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For the half year ended	
	December 31, 2023	December 31, 2022
	Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	-	-
Decrease in assets		
Profit and other receivable	-	313,151
	-	313,151
Decrease in liabilities		
Payable to Faysal Asset Management Limited - Management Company	-	(176,763)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(26,093)
Payable to the Securities and Exchange Commission of Pakistan	-	(57,499)
Payable to unit holders	(1,236,304)	(52,292,792)
Accrued expenses and other liabilities	(329,620)	(585,030)
	(1,565,924)	(53,138,177)
Net cash used in operating activities	(1,565,924)	(52,825,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	-	-
Payments against redemption of units	-	-
Net cash generated from / (used in) financing activities	-	-
Net decrease in cash and cash equivalents during the period	(1,565,924)	(52,825,026)
Cash and cash equivalents at the beginning of the period	1,707,534	56,257,712
Cash and cash equivalents at the end of the period	4 <u>141,610</u>	<u>3,432,686</u>

Note ----- (Rupees) -----

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Financial Planning Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 18, 2019 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 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, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. 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 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 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 end fund of funds scheme by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 issued by SECP. The Fund 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 and basic needs of the investor. Currently the Fund is offering one plan i.e. Faysal Active Principal Preservation Plan, with an objective to earn a potentially competitive returns through dynamic asset allocation between sovereign income / money market, equity collective investment schemes and bank deposit by using CPP1 methodology, while aiming to provide principal preservation of the initial investment value at maturity of the plan based on the Fund Manager's outlook on the asset classes.
- 1.3 The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 29, 2023 (June 30, 2023: 'AM2++' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.4 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.
- 1.5 The initial maturity of Faysal Active Principal Preservation Plan was two years from the close of the initial subscription period (i.e. December 19, 2019). The SECP then granted an extension for a period of six months after which the plan was due to mature on June 19, 2022.

During the year ended June 30, 2022, Faysal Active Principal Preservation Plan (the Plan) was matured on June 17, 2022 by the Management Company as per the provisions of the offering document. However, the duration of the Fund is perpetual and hence, these condensed interim financial statements have been prepared for the half year ended December 31, 2023. Since the Plan had matured on June 17, 2022, therefore only income related to profit on savings account and certain expenses have been recorded for the half year ended December 31, 2023 in the statement of assets and liabilities. Since the Plan has ceased to operate, therefore, the Plan and resultantly the Fund is no longer a going concern. The management has continued to measure the Plan's / Fund's assets and liabilities principally in accordance with the summary of significant accounting policies as disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023. However, in preparing these condensed interim financial statements, the management has given due consideration to the fact that the measurement of assets and liabilities of the Plan / Fund may be affected by changes in judgements that can arise when the going concern assumption ceases to be valid.

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;

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

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- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements 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 IAS 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, 2023.

- 2.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2023.

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

- 3.1 The accounting policies adopted and all the methods of computation 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 year ended June 30, 2023.

- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires 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 the condensed interim financial statements, the significant judgments made by 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, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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 standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have been not detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
		----- (Rupees) -----	
4	BALANCE WTH BANK		
	Balances with bank in savings account	4.1	141,610
		<u>141,610</u>	<u>1,707,534</u>

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

3

- 4.1 This represents balance maintained with Faysal Bank Limited (a related party) that carries mark-up at the rate of 11.00% (June 30, 2023: 11.00%) per annum.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
	----- (Rupees) -----	
5 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	127,226	316,250
Legal and professional charges payable	14,384	154,980
	<u>141,610</u>	<u>471,230</u>

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

7 EARNINGS PER UNIT

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

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 8.1 Related parties / connected persons include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 8.2 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. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 8.3 The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period / year end are as follows:

	For the half year ended	
	December 31, 2023	December 31, 2022
	----- (Un-audited) -----	
	Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
	----- (Rupees) -----	
Transactions during the period		
Faysal Bank Limited - Group Company		
Profit on balance with bank	-	740,727
Bank charges	-	3,674
Amounts / balances outstanding as at period / year end		
Faysal Bank Limited - Group Company		
Balance with bank	141,610	1,707,534

Notes to and forming part of the Financial Statements (Un-audited)

For The Half Year And Quarter Ended December 31, 2023

4

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

9.1 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, 2023 and June 30, 2023, the Fund did not held any financial instruments measured at fair value.

10 GENERAL

10.1 Figures have been rounded off to the nearest rupee.

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director