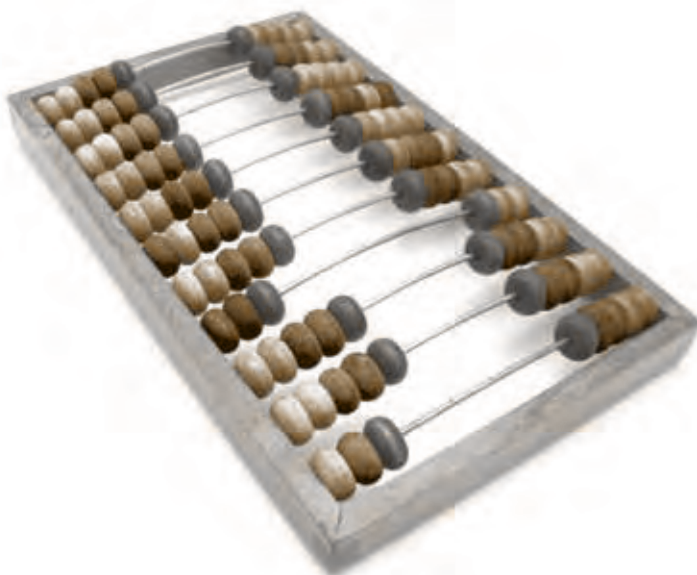


Faysal Financial Value Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

Equities review:

During FY24, the index surged by ~79% from 41,453 points at the end of Jun'23 to 78,445 points. Positive developments on the external front (IMF program success and reapproval, stable PKR, modest Fx reserves), as well as diminishing inflationary pressures and political stability among others, bolstered investor sentiment during the year.

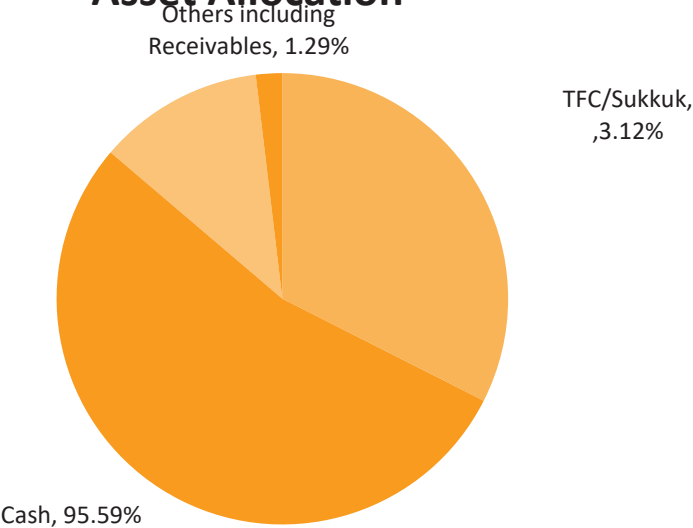
During the FY24, Foreigners and Insurance drove the market with a net purchase of ~USD 152m and ~USD 126m. On the flipside, Banks/DFIs, Individuals, Mutual Funds and Others were net sellers to the tune of ~USD 141mn, ~USD 59mn, ~USD 47mn and ~USD 33m respectively.

During FY24 the sectors which contributed positively to the index include Banks (13,262 points), Fertilizer (5,074 points), Oil & Gas Exploration Companies (4,300 points), Power Generation & Distribution (4,192 points), Cement (2,513 points) and Automobile Assembler (1,095 points). The sectors which dragged in the bourse in FY24 majorly include Technology & Communication (-52 points) and Textile Spinning (-17 points). The market experienced a sustained bull run in FY24, driven by improving macroeconomic indicators, rising corporate profitability, expectations of a rate cut in 2HFY24, and attractive market valuations.

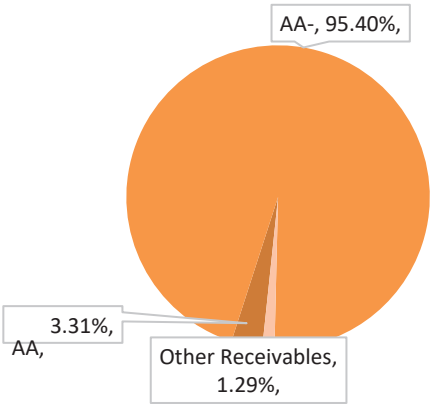
Fund Information	
Fund Type	Open Ended
Category	Sector Asset Allocation Scheme
Risk Profile	High
Launch Date	December 27, 2019
Trustee	CDC
Auditor	A.F Ferguson & Co.
Management Fee	0.25% p.a. (Actual Rate of Management Fee Charged is 0.25%)
Selling and Marketing Expense	0.00%
Front end Load	Up to 3%
Back End Load	Nil
Min Investment	PKR 5,000
Pricing Mechanism	Forward
Benchmark	Weighted average of KSE 100 Index and 6 Month KIBOR rates and 70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP on the basis of actual proportion held by the scheme.
Dealing Days	Monday-Friday
Cut-Off Timing	Mon - Thu 9:00 am - 1:30 pm, Fri 8:30 am - 1:00 pm
AMC Rating	AM2+
NAV per Unit (PKR)	180.52
Net Assets(PKR mn)	423
Total Expense Ratio (Annualized)	0.59%
Total Expense Ratio (Monthly)	1.06%

Fund Returns (% p.a)		
FFVF	FY23	FY22
YTD	17.65%	11.22%
Benchmark (YTD)	17.80%	10.24%

Asset Allocation



ASSET QUALITY (% OF TOTAL ASSETS)



FUND PERFORMANCE

In FY24, Faysal Financial Value Fund (FFVF) posted an absolute return of 18.34% against its benchmark of 16.37%. At the close of the period, the fund retained a significant exposure in Cash (95.59%). Exposure in TFCs and Others stood at 3.12% and 1.29%, respectively. In the future, your fund will continue to explore investment avenues to provide competitive returns.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

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

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL FINANCIAL VALUE FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V 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), would like to draw the attention of the unit holders towards the fact that Faysal Asset Management Limited (Management Company) due to its conversion from Conventional to Shariah Compliant Asset Management Company did not intend to operate this conventional Fund and therefore Management Company will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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 in case of any breach, the Management Company shall ensure compliance with the minimum fund size within three months of its breach from April 01, 2024 till date. Further, NAV announcement was also discontinued, as there is no Unit holder available in the Fund. The matter was also reported to Securities and Exchange Commission of Pakistan.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: September 26, 2024


A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Faysal Financial Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Financial Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 4 to the financial statements)	
	Balances with banks constitute the most significant component of the net asset value. Balances with banks aggregated of the Fund as at June 30, 2024 amounted to Rs. 1.14 million.	Our audit procedures amongst others included the following:
	The existence of balances with banks for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.	<ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Obtained bank reconciliation statements and tested reconciling items on a sample basis.



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Emphasis of Matter

We draw attention to note 1.6 of the financial statements, which indicates that the unit holders of the Fund have redeemed all their investments during the year ended June 30, 2024. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A/Me



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410068dVP5oZyYX

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Assets			
Balances with banks	4	1,145,144	285,281,979
Investments	5	-	2,112,168,472
Deposits and other receivables	6	355,523	63,802,353
Preliminary expenses and floatation costs	7	99,637	299,292
Total assets		<u>1,600,304</u>	<u>2,461,552,096</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	10,000	579,588
Payable to Central Depository Company of Pakistan Limited - Trustee	9	-	171,767
Payable to the Securities and Exchange Commission of Pakistan	10	-	447,689
Accrued expenses and other liabilities	11	1,590,304	36,373,861
Total liabilities		<u>1,600,304</u>	<u>37,572,905</u>
Net assets		<u>-</u>	<u>2,423,979,191</u>
Unit holders' fund (as per statement attached)		<u>-</u>	<u>2,423,979,191</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>-</u>	<u>15,891,235</u>
		----- (Rupees) -----	
Net asset value per unit		<u>-</u>	<u>152.54</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

	Note	2024 ----- (Rupees) -----	2023 ----- (Rupees) -----
Income			
Profit on balances with banks		65,063,280	78,211,586
Interest income on term finance certificates		212,356,491	236,796,475
Income on Market Treasury Bills		34,967,432	72,535,294
Loss on spread transactions - net		-	(9,686,651)
Dividend income		-	14,008,000
Realised gain / (loss) on sale of investments - net		10,115,850	(11,217,059)
Other income		236,980	2,340,047
		<u>322,740,033</u>	<u>382,987,692</u>
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	-	(6,043,368)
Total income		<u>322,740,033</u>	<u>376,944,324</u>
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	3,485,943	5,597,363
Sindh sales tax on remuneration of the Management Company	8.2	453,173	727,657
Selling and marketing expenses	8.3	-	984,612
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,045,783	1,679,209
Sindh sales tax on remuneration of the Trustee	9.2	135,952	218,297
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,324,658	448,033
Transaction charges		1,013,505	821,698
Auditors' remuneration	13	529,563	469,623
Legal and professional charges		291,072	326,052
Fees and subscriptions		-	-
Amortisation of preliminary expenses and floatation cost	7	199,655	199,655
Bank charges		30,087	11,648
Printing charges and other expenses	6.1	246,867	28,276
Total operating expenses		<u>8,756,258</u>	<u>11,512,123</u>
Net income for the year before taxation		<u>313,983,775</u>	<u>365,432,201</u>
Taxation	14	-	-
Net income for the year after taxation		<u>313,983,775</u>	<u>365,432,201</u>
Earnings per unit	15		
Allocation of net income for the year			
Net income for the year after taxation		313,983,775	365,432,201
Income already paid on units redeemed		(313,983,775)	(359,607,448)
		<u>-</u>	<u>5,824,753</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	5,824,753
		<u>-</u>	<u>5,824,753</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer_____
Chief Executive Officer_____
Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	2024	2023
	----- (Rupees) -----	
Net income for the year after taxation	313,983,775	365,432,201
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>313,983,775</u>	<u>365,432,201</u>

The annexed notes from 1 to 28 form an integral part of these 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 Year Ended June 30, 2024

	Note	2024 ----- (Rupees) -----	2023 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		313,983,775	365,432,201
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	-	6,043,368
Amortisation of preliminary expenses and floatation costs	7.1	199,655	199,655
		314,183,430	371,675,224
Decrease / (increase) in assets			
Investments - net		2,112,168,472	(685,004,960)
Deposits and other receivables		63,446,830	(23,079,168)
		2,175,615,302	(708,084,128)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(569,588)	(455,016)
Payable to Central Depository Company of Pakistan Limited - Trustee		(171,767)	20,579
Payable to the Securities and Exchange Commission of Pakistan		(447,689)	44,466
Accrued expenses and other liabilities		(34,783,557)	13,948,585
		(35,972,601)	13,558,614
Net cash generated from / (used in) operating activities		2,453,826,131	(322,850,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		-	2,572,287,771
Payments against redemption and conversion of units		(2,737,962,966)	(2,672,950,891)
Net cash used in financing activities		(2,737,962,966)	(100,663,120)
Net decrease in cash and cash equivalents during the year		(284,136,835)	(423,513,410)
Cash and cash equivalents at the beginning of the year		285,281,979	708,795,389
Cash and cash equivalents at the end of the year	4	1,145,144	285,281,979

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	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 (2023: 16,960,339 units)						
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	2,199,077,517	-	2,199,077,517
- Element of income	-	-	-	373,210,254	-	373,210,254
Total proceeds on issuance of units	-	-	-	2,572,287,771	-	2,572,287,771
Redemption of 15,891,235 units (2023: 17,722,047 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(2,423,979,191)	-	(2,423,979,191)	(2,297,840,651)	-	(2,297,840,651)
- Element of loss	-	(313,983,775)	(313,983,775)	(15,502,792)	(359,607,448)	(375,110,240)
Total payments on redemption of units	(2,423,979,191)	(313,983,775)	(2,737,962,966)	(2,313,343,443)	(359,607,448)	(2,672,950,891)
Total comprehensive income for the year	-	313,983,775	313,983,775	-	365,432,201	365,432,201
Net assets at the end of the year	(14,360,967)	14,360,967	-	2,409,618,224	14,360,967	2,423,979,191
Undistributed income brought forward						
- Realised income / (loss)		20,404,335			(1,335,580)	
- Unrealised (loss) / income		(6,043,368)			9,871,794	
		14,360,967			8,536,214	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			5,824,753	
		-			5,824,753	
Undistributed income carried forward		14,360,967			14,360,967	
Undistributed income carried forward						
- Realised income		14,360,967			20,404,335	
- Unrealised income / (loss)		-			(6,043,368)	
		14,360,967			14,360,967	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			152.54			129.66
Net asset value per unit at the end of the year			-			152.54

The annexed notes from 1 to 28 form an integral part of these 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**For The Year Ended June 30, 2024****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 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 ('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** During the year all of the unitholders have redeemed their respective units upto April 18, 2024 resulting in nil net assets as of June 30, 2024. As part of the Management Company's conversion to a full-fledged Shariah Compliant Asset Management Company (AMC) in line with the parent bank, the Management Company is in the process of transferring the management rights of all conventional funds being managed by the Management Company to another AMC. Accordingly, the Management Company is not soliciting additional investments in this Fund due to the said transfer of management rights. However, since, the duration of the Fund is perpetual and additional investment will be solicited and units will be issued after the above-mentioned transfer of rights, hence the management has decided not to mature / liquidate the Fund. In light of the above, the management is of the view that there is no uncertainty which may cast doubt on the Company's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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 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 VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Accounting Standards, 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**For The Year Ended June 30, 2024**

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and hence, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Significant accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement**3.2.2.1 Debt instruments**

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

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

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the "Income Statement".

3.2.3 Impairment other than debt securities

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the "Statement of Assets and Liabilities" is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Distributions to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on MUFAP guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date
- Unrealised appreciation / (diminution) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company declaring the dividend.
- Income on debt securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.13 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 15 to these financial statements.

3.15 Foreign currency translation

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

4	BALANCES WITH BANKS	Note	2024	2023
			(Rupees)	
	Savings accounts	4.1	1,145,144	285,281,979
4.1	These include a balance of Rs. 0.772 million (2023: Rs. 0.596 million) maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 20% (2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 19% to 21.40% (2023: 19.75% to 22.10%) per annum.			
5	INVESTMENTS	Note	2024	2023
			(Rupees)	
	At fair value through profit or loss			
	Term finance certificates	5.1	-	1,404,660,372
	Government securities - Market Treasury Bills	5.2	-	707,508,100
			-	2,112,168,472
5.1	Term finance certificates			

Name of the security and credit rating	Interest payments / principal redemptions	Maturity date	Interest rate	As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Percentage in relation to	
											Net assets of the Fund	Total market value of investment
							(Rupees)					
COMMERCIAL 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	-	243	-	-	-	-	-	
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	-	40,000	-	-	-	-	-	
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	-	76,000	-	-	-	-	-	
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	-	-	-	-	-	
Sonari 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	-	2,650	-	-	-	-	-	
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	-	44,756	-	-	-	-	-	
ASKARI BANK LIMITED - TFC VII (AA, PACRA, non-traded) (Face value of 1,000,000 per certificate)	Quarterly	March 17, 2030	3 months KIBOR plus base rate of 1.20%	-	200	200	-	-	-	-	-	
Total as at June 30, 2024												
Total as at June 30, 2023												
				1,410,052,000 1,404,660,372 (5,391,628)								

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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5.2 Government securities - Market Treasury Bills

Issue date	Tenor	Interest rate	Face value -----				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Market value as percentage of	
			As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				Net assets of the Fund	Total investments of the Fund
			(Rupees) -----							----- %	
April 20, 2023	3 months	21.90%	300,000,000	-	300,000,000	-	-	-	-	-	
June 1, 2023	3 months	21.96%	225,000,000	-	225,000,000	-	-	-	-	-	
June 15, 2023	3 months	21.97%	200,000,000	-	200,000,000	-	-	-	-	-	
September 21, 2023	3 months	22.76%	-	250,000,000	250,000,000	-	-	-	-	-	
October 19, 2023	12 months	22.07%	-	250,000,000	250,000,000	-	-	-	-	-	
Total as at June 30, 2024							-----	-----	-----	-----	
Total as at June 30, 2023							708,159,840	707,508,100	(651,740)		

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

Note	2024	2023
	(Rupees)	
Market value of investments	5.1 & 5.2	-
Carrying value of investments	5.1 & 5.2	-
		(2,118,211,840)
		(6,043,368)

6 DEPOSITS AND OTHER RECEIVABLES

Interest receivable on:		
Balances with banks		255,523
Term finance certificates		-
		255,523
Security deposit with Central Depository Company of Pakistan Limited		100,000
Security deposit with National Clearing Company of Pakistan Limited		-
Advance tax	6.1	-
		221,595
		355,523
		63,802,353

- 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 151 and 150. 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 withholding agent.

For this purpose, the 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 was shown as other receivable as at June 30, 2023. However, during the year management has written off the receivable balance amounting to Rs. 0.221 million and accordingly, recognised expense in the Income Statement.

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Note	2024	2023
	(Rupees)	
Balance as at the beginning of the year	299,292	498,947
Less: amortisation during the year	(199,655)	(199,655)
Balance as at the end of the year	7.1	99,637
		299,292

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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- 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 NBFC Regulations.

	2024	2023
	(Rupees)	(Rupees)
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee payable	-	500,512
Sindh sales tax payable on remuneration of the Management Company	-	69,076
Selling and marketing expenses payable	-	-
Other payable	10,000	10,000
	<u>10,000</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 its remuneration at the rate of 0.25% per annum of the average annual net assets of the fund during the year ended June 30, 2024 (2023: 0.25%). The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs. 0.453 million (2023: Rs. 0.728 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% (2023: 13%).

- 8.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, during the year, the Management Company, based on its own discretion, has not charged selling and marketing expenses (2023: charged at the rate of 0.10% per annum 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 charge being lower than actual expense incurred.

	Note	2024	2023
		(Rupees)	(Rupees)
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	9.1	-	150,110
Sindh sales tax on remuneration of the Trustee	9.2	-	21,657
		<u>-</u>	<u>171,767</u>

- 9.1 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% (2023: 0.075%) per annum of the average annual net assets of the Fund.

- 9.2 During the year, an amount of Rs. 0.136 million (2023: Rs. 0.218 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% (2023: 13%).

	Note	2024	2023
		(Rupees)	(Rupees)
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	-	447,689

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme is required to pay a non-refundable fee to SECP. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% (2023: 0.02%) per annum of the average 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

For The Year Ended June 30, 2024

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	2024	2023
	----- (Rupees) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	214,702	312,759
Fees and subscription payable	-	-
Printing expense payable	25,792	36,673
Capital gain tax payable	2,085	34,951,057
Brokerage payable	202,711	10,132
Time barred cheque	586,000	586,000
Legal and professional charges payable	540,337	477,240
Other payable	18,677	-
	<u>1,590,304</u>	<u>36,373,861</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

	2024	2023
	----- (Rupees) -----	
13 AUDITORS' REMUNERATION		
Annual audit fee	253,598	216,000
Half yearly review	126,799	108,000
Fee for other certifications	87,116	70,000
Out of pocket expenses	22,823	40,836
	<u>490,336</u>	<u>434,836</u>
Sindh sales tax	39,227	34,787
	<u>529,563</u>	<u>469,623</u>

14 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a 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.

15 EARNINGS PER UNIT

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

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 0.51% (2023: 0.50%) which includes 0.18% (2023: 0.14%) 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'.

17 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 17.1** 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

For The Year Ended June 30, 2024

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- 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. 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.
- 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 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 during the year and balances with them as at year end are as follows:

Transactions during the year

	2024	2023
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	3,485,943	5,597,363
Sindh sales tax on remuneration of the Management Company	453,173	727,657
Selling and marketing expenses	-	984,612
Faysal Bank Limited - Group company / Associated company		
Profit on balance with bank	227,843	345,494
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,045,783	1,679,209
Sindh sales tax on remuneration of the Trustee	135,952	218,297
Unit holders holding 10% or more units		
Issuance of Nil units (2023: 15,698,702 units)	-	2,380,669,574
Redemption of 1,893,728 units (2023: 16,390,576 units)	1,895,293,723	2,471,194,908

Amounts / balances outstanding as at year end

Faysal Asset Management Limited - Management Company		
Management fee payable	-	500,512
Sindh Sales Tax payable on remuneration of the Management Company	-	69,076
Selling and marketing expenses payable	-	-
Other payable	10,000	10,000
Faysal Bank Limited - Group company / Associated company		
Balance with bank	771,887	596,496
Profit receivable on balance with bank	30,136	17,275
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee payable	-	150,110
Sindh sales tax payable on remuneration of the Trustee	-	21,657
Unit holders holding 10% or more units		
Outstanding Nil units (2023: 14,612,652 units)	-	2,229,013,919

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Balances with banks	1,145,144	-	1,145,144
Investments	-	-	-
Deposit and other receivables	355,523	-	355,523
	1,500,667	-	1,500,667

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2024			
At amortised cost	At fair value through profit or loss	Total	
----- Rupees -----			
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	10,000	-	10,000
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	1,588,219	-	1,588,219
	<u>1,598,219</u>	<u>-</u>	<u>1,598,219</u>
2023			
At amortised cost	At fair value through profit or loss	Total	
----- Rupees -----			
Financial assets			
Balances with banks	285,281,979	-	285,281,979
Investments	-	2,112,168,472	2,112,168,472
Deposits and other receivables	63,580,758	-	63,580,758
	<u>348,862,737</u>	<u>2,112,168,472</u>	<u>2,461,031,209</u>
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	579,588	-	579,588
Payable to Central Depository Company of Pakistan Limited - Trustee	171,767	-	171,767
Accrued expenses and other liabilities	1,422,804	-	1,422,804
	<u>2,174,159</u>	<u>-</u>	<u>2,174,159</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds balances with banks which expose the Fund to cash flow yield / interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.011 million (2023: Rs. 16.899 million).

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2024					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
19.00% - 21.40%	1,145,144	-	-	-	1,145,144
	-	-	-	-	-
	355,523	-	-	-	355,523
	1,500,667	-	-	-	1,500,667
ment ny company	-	-	-	10,000	10,000
ilities	-	-	-	-	-
	-	-	-	1,588,219	1,588,219
	-	-	-	1,598,219	1,598,219
	1,500,667	-	-	(1,598,219)	(97,552)
truments	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
up (a+b)	1,500,667	-	-	-	-
ity gap	1,500,667	1,500,667	1,500,667	-	-

2023					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees					
11.00% - 22.10%	285,281,979	-	-	-	285,281,979
12.86% - 23.83%	806,308,100	259,555,372	1,046,305,000	-	2,112,168,472
	-	-	-	63,580,758	63,580,758
	1,091,590,079	259,555,372	1,046,305,000	63,580,758	2,461,031,209
ment					
ny	-	-	-	579,588	579,588
company	-	-	-	171,767	171,767
	-	-	-	1,422,804	1,422,804
ilities	-	-	-	2,174,159	2,174,159
	1,091,590,079	259,555,372	1,046,305,000	61,406,599	2,458,857,050
	-	-	-	-	-
struments	-	-	-	-	-
	-	-	-	-	-
ap (a+b)	1,091,590,079	259,555,372	1,046,305,000		
ivity gap	1,091,590,079	1,351,145,451	2,397,450,451		

(ii) Currency risk

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

(iii) Price risk

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

Equity price risk is a risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities at of June 30, 2024 and hence, is not exposed to price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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19.2 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable. Further, as per the NBFC Regulations the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund.

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

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

----- June 30, 2024 -----							
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	
Rupees-----							
Financial assets							
Balances with banks	1,145,144	-	-	-	-	1,145,144	
Investments	-	-	-	-	-	-	
Deposit and other receivables	355,523	-	-	-	-	355,523	
	1,500,667	-	-	-	-	1,500,667	
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	10,000	-	-	-	-	10,000	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	
Accrued expenses and other liabilities	1,373,517	-	214,702	-	-	1,588,219	
	1,383,517	-	214,702	-	-	1,598,219	
Net financial assets / (liabilities)	117,150	-	(214,702)	-	-	(97,552)	

----- June 30, 2023 -----							
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	
Rupees-----							
Financial assets							
Balances with banks	285,281,979	-	-	-	-	285,281,979	
Investments	297,813,000	409,695,100	-	358,355,372	1,046,305,000	2,112,168,472	
Deposits and other receivables	26,317,576	23,258,509	11,404,673	-	2,600,000	63,580,758	
	609,412,555	432,953,609	11,404,673	358,355,372	1,048,905,000	2,461,031,209	
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	579,588	-	-	-	-	579,588	
Payable to Central Depository Company of Pakistan Limited - Trustee	171,767	-	-	-	-	171,767	
Accrued expenses and other liabilities	712,476	312,579	-	-	-	1,025,055	
	1,463,831	312,579	-	-	-	1,776,410	
Net financial assets	607,948,724	432,640,850	11,404,673	-	358,355,372	2,459,254,619	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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19.3 Credit risk

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees		Rupees	
Balances with banks	1,145,144	1,145,144	285,281,979	285,281,979
Investments	-	-	2,112,168,472	1,404,660,372
Deposits and other receivables	355,523	355,523	63,580,758	63,580,758
	<u>1,500,667</u>	<u>1,500,667</u>	<u>2,461,031,209</u>	<u>1,753,523,109</u>

19.3.1 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investment in term finance certificates and interest accrued thereon. The credit rating profile of bank balances, term finance certificates, and its accrued interest is as follows:

	Percentage of bank balances exposed to credit risk	
	2024	2023
Bank balances and profit accrued thereon		
AA+	-	0.01%
AA	57.26%	0.21%
AA-	41.18%	99.78%
AAA	1.56%	-
Term finance certificates and interest accrued thereon		
AA+	-	21.23%
A+	-	10.55%
AA	-	-
AA-	-	25.30%

Ratings of investments, if any, have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

19.3.2 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

20 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

For The Year Ended June 30, 2024

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20.1 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 June 30, 2024, the Fund did not hold financial instruments that are measured at fair value. Further as at June 30, 2023 the Fund held the following financial instruments measured at fair value:

June 30, 2023			
Level 1	Level 2	Level 3	Total
Rupees			
Term finance certificates	-	1,404,660,372	-
Market Treasury Bills	-	707,508,100	-
	-	2,112,168,472	-
			2,112,168,472

21 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, 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 maintained and complied with the requirement of minimum fund size except in certain days from April 1, 2024 to June 30, 2024 due to the fact that all of the unitholders have redeemed their respective units during the year (see note 1.6).

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.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Individuals	-	-	-	4	15,891,235	100.00%

23 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2024		2023	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Next Capital Limited	58.87%	Adam Securities Limited	30.53%
AKD Securities Limited	26.25%	Multiline Securities (Private) Limited	19.92%
Alfalsh CLSA Securities (Private) Limited	11.09%	Topline Securities Limited	24.50%
Continental Exchange (Private) Limited	3.79%	Alfalsh CLSA Securities (Private) Limited	21.30%
		Continental Exchange (Private) Limited	1.45%
		Bright Capital (Private) Limited	1.17%
		C&M Management (Private) Limited	1.13%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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- 23.1 The Fund has traded with only the above mentioned 4 brokers / dealers during the year ended June 30, 2024 (2023: 7 brokers / dealers).

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA/CFA	Over 9 years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Analyst - Research	BSc	Over 5 years
Syed Eunus Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Mohammed Qasim	Senior Manager Risk Management	MBA	Over 16 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Shahid Iqbal	Fund Manager	B.Com	Faysal Money Market Fund, Faysal Income & Growth Fund, Faysal Savings Growth Fund, Faysal Islamic Savings Growth Fund, Faysal Financial Sector Opportunity Fund, Faysal Islamic Asset Allocation Fund, Faysal MTS Fund, Faysal Financial Planning Fund, Faysal Sharia Planning Fund, Faysal Halal Amdani Fund, Faysal Government Securities Fund, Faysal Islamic Financial Planning Fund, Faysal Islamic Cash Fund, Faysal Cash Fund, Faysal Special Savings Fund, Faysal Islamic Special Income Fund, Faysal Islamic Financial Planning Fund-II, Faysal Islamic Sovereign Fund, Faysal Islamic Financial Growth Fund, Faysal Islamic KPK Government Employees Pension Fund and Faysal Islamic Mustakil Munafa Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August 18, 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri*	Director	-	-	-	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Mr. Ehsen Zafar Puri was appointed as Director on the Board with effect from October 20, 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2024

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27 GENERAL

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

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

Karachi

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Lahore


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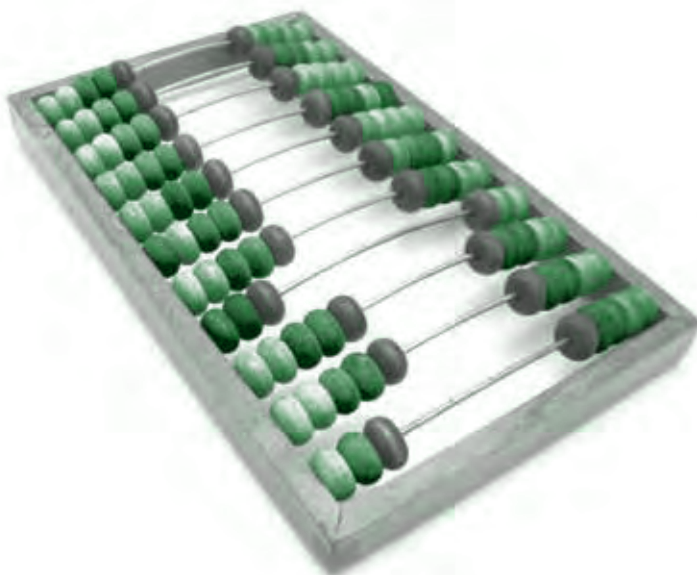
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Faysal Government Securities Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

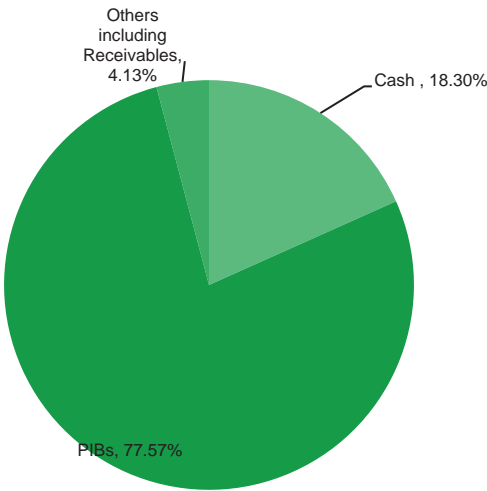
MONEY MARKET REVIEW

For the majority of FY24, the SBP kept the policy rate steady at 22%. However, following a decline in CPI readings, the SBP revised down the policy rate by 150 basis points to 20.5%. During the year, SBP held 26 T-Bill and 10 PIB auctions raising a total of ~PKR 21.3tn through T-Bills and ~PKR 4.5tn through the PIB auctions. During the year, the yields depicted volatility, inching upwards and peaking in Sept'24, before gradually declining thereon. In the first T-bill auction of FY24, the State Bank of Pakistan raised ~PKR 597bn, with weighted average yields realized in the 3M / 6M / 12M tenors clocking in at ~22.75% / 22.96% / 22.99%, respectively. However, in the last auction of FY24 held in June'24, SBP held, the weighted average yields realized in the 3M / 6M / 12M fell to ~20.01% / 19.94% / 18.49%, respectively. The decline in yields since Sept'23 followed expectations of interest rate cuts, which materialized in June'24. A similar trend was witnessed during FY24 in the Islamic Money Market / Sukuk yields.

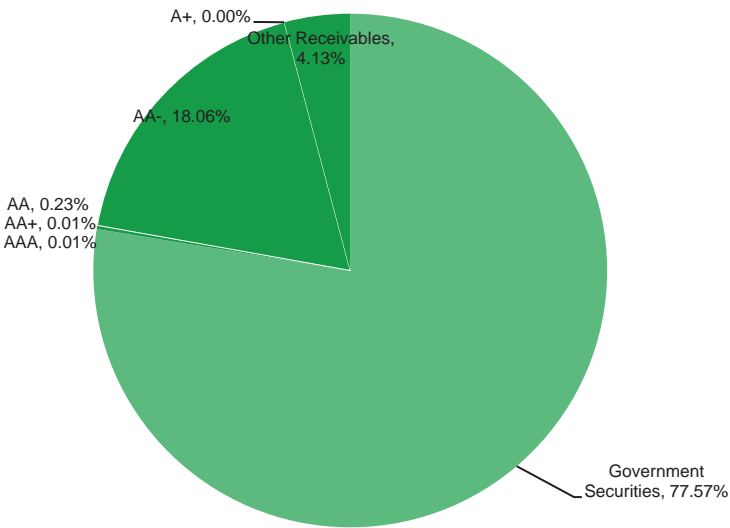
Fund Information	
Fund Type	Open Ended
Category	Sovereign Income Scheme
Stability Rating	AA(f) (VIS) October 4 ,2023
Risk Profile	Low
Launch Date	March 16, 2020
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.50%)
Selling and Marketing Expenses	0.00%
Front end Load	Upto 2% of NAV
Back End Load	Nil
Min Subscription	PKR 5000
Benchmark	Six Months PKRV Rate
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	125.99
Net Assets (PKR mn)	116
Net Assets Excluding FoF (PKR mn)	116
Total Expense Ratio (Annualized)	2.34%
Total Expense Ratio (Absolute)	1.78%

Fund Return (% p.a.)	FY24	FY23
YTD	16.06%	15.19%
Benchmark (YTD)	21.88%	18.15%

Asset Allocation



Asset Quality (as % of total Assets)



FUND PERFORMANCE

Faysal Government Securities Fund (FGSF) yielded an annualized return of 16.06% (FY24) relative to its benchmark of 21.88%. At the period's close, the exposure in Cash, PIBs and Others were maintained at 18.30%, 77.57% and 4.13%, respectively. In the future, the fund will explore other approved investment avenues to enhance yields with a proactive investment strategy.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

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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 GOVERNMENT SECURITIES FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V 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), would like to draw the attention of the unit holders towards the fact that Faysal Asset Management Limited (Management Company) due to its conversion from Conventional to Shariah Compliant Asset Management Company did not intend to operate this conventional Fund and therefore Management Company will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund 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 2.1.1 of the Offering Document of the Fund which requires that the Fund should invest at least 70% of its net assets in Government Securities on monthly average basis calculated at the end of each month. In this regard, the Fund was non-complaint with the said requirement in the month of September 2023, November 2023, December 2023 and January 2024, with exposure up to 39.73%, 45.59%, 14.25% and 35.44% respectively. The said non-compliance has also been reported to Securities and Exchange Commission of Pakistan.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: September 26, 2024



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Faysal Government Securities Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Faysal Government Securities Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 21.63 million and investments aggregated to Rs. 91.66 million.	Our audit procedures amongst others included the following:
	The existence of balances with banks and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.	<ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410068wjHkjqAfw

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Assets			
Balances with banks	4	21,626,067	30,024,115
Investments	5	91,660,956	95,968,700
Advances, deposits, prepayments and other receivables	6	4,586,959	1,552,204
Receivable from Faysal Asset Management Limited - Management Company	7	150,000	-
Preliminary expenses and floatation costs	8	142,809	343,377
Total assets		<u>118,166,791</u>	<u>127,888,396</u>
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	9	53,570	134,897
Payable to Central Depository Company of Pakistan Limited - Trustee	10	6,065	6,656
Payable to the Securities and Exchange Commission of Pakistan	11	6,815	20,014
Accrued expenses and other liabilities	12	1,640,972	753,614
Total liabilities		<u>1,707,422</u>	<u>915,181</u>
Net assets		<u><u>116,459,369</u></u>	<u><u>126,973,215</u></u>
Unit holders' fund (as per statement attached)		<u><u>116,459,369</u></u>	<u><u>126,973,215</u></u>
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		<u><u>924,375</u></u>	<u><u>1,012,221</u></u>
		----- (Rupees) -----	
Net asset value per unit		<u><u>125.99</u></u>	<u><u>125.44</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer_____
Chief Executive Officer_____
Director

INCOME STATEMENT

For The Year Ended June 30, 2024

Note	2024	2023
	(Rupees)	
Income		
Profit on balances with banks	4,911,596	4,606,982
Income on Market Treasury Bills	8,164,460	12,159,299
Income on Pakistan Investment Bonds	5,475,063	-
Gain / (loss) on sale of investments - net	1,062,896	(178,277)
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	5.4 (135,899)	(119,534)
Total income	19,478,116	16,468,470
Expenses		
Remuneration of Faysal Asset Management Limited - Management Company	9.1 454,885	204,656
Sindh Sales Tax on remuneration of the Management Company	9.2 59,135	26,605
Selling and marketing expenses	9.3 246,245	560,938
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 46,903	56,119
Sindh Sales Tax on remuneration of the Trustee	10.2 6,097	7,295
Fee to the Securities and Exchange Commission of Pakistan	11.1 63,954	20,014
Auditors' remuneration	14 671,517	486,571
Fees and subscription	196,315	178,120
Amortisation of preliminary expenses and floatation costs	8 200,568	200,020
Bank charges	15,833	29,039
Legal and professional charges	149,346	91,590
Transaction charges	24,375	8,956
Printing charges	9,882	27,087
Reimbursement from Faysal Asset Management Limited - Management Company	7 (150,000)	-
Total expenses	1,995,055	1,897,010
Net income for the year before taxation	17,483,061	14,571,460
Taxation	15 -	-
Net income for the year after taxation	17,483,061	14,571,460
Earnings per unit	16	
Allocation of net income for the year		
Net income for the year after taxation	17,483,061	14,571,460
Income already paid on units redeemed	(15,941,888)	(13,855,647)
	1,541,173	715,813
Accounting income available for distribution		
- Relating to capital gains	926,997	-
- Excluding capital gains	614,176	715,813
	1,541,173	715,813

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	2024	2023
	(Rupees)	
Net income for the year after taxation	17,483,061	14,571,460
Other comprehensive income for the year	-	-
Total comprehensive income for the year	17,483,061	14,571,460

The annexed notes from 1 to 30 form an integral part of these 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 Year Ended June 30, 2024

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	119,556,382	7,416,833	126,973,215	603,660,617	6,701,020	610,361,637
Issuance of 4,001,563 units (2023: 4,970,181 units)						
- Capital value (at net asset value per unit at the beginning of the year)	501,956,063	-	501,956,063	541,252,711	-	541,252,711
- Element of income	43,180,577	-	43,180,577	48,045,524	-	48,045,524
Total proceeds on issuance of units	545,136,640	-	545,136,640	589,298,235	-	589,298,235
Redemption of 4,089,409 units (2023: 9,562,609 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(512,975,465)	-	(512,975,465)	(1,041,368,120)	-	(1,041,368,120)
- Element of loss	(28,546,587)	(15,941,888)	(44,488,475)	(32,034,350)	(13,855,647)	(45,889,997)
Total payments on redemption of units	(541,522,052)	(15,941,888)	(557,463,940)	(1,073,402,470)	(13,855,647)	(1,087,258,117)
Total comprehensive income for the year	-	17,483,061	17,483,061	-	14,571,460	14,571,460
Distribution during the year @ Rs. 19.57 per unit declared on June 26, 2024	(14,634,318)	(1,035,289)	(15,669,607)	-	-	-
	(14,634,318)	16,447,772	1,813,454	-	14,571,460	14,571,460
Net assets at the end of the year	108,536,652	7,922,717	116,459,369	119,556,382	7,416,833	126,973,215
Undistributed income brought forward						
- Realised income		7,536,367			7,258,695	
- Unrealised loss		(119,534)			(557,675)	
		7,416,833			6,701,020	
Accounting income available for distribution						
- Relating to capital gains		926,997			-	
- Excluding capital gains		614,176			715,813	
		1,541,173			715,813	
Distribution made during the year		(1,035,289)			-	
Undistributed income carried forward		<u>7,922,717</u>			<u>7,416,833</u>	
Undistributed income carried forward						
- Realised income		8,058,616			7,536,367	
- Unrealised loss		(135,899)			(119,534)	
		<u>7,922,717</u>			<u>7,416,833</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>125.44</u>			<u>108.90</u>	
Net asset value per unit at the end of the year		<u>125.99</u>			<u>125.44</u>	

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		17,483,061	14,571,460
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.4	135,899	119,534
Amortisation of preliminary expenses and floatation cost	8	200,568	200,020
		<u>336,467</u>	<u>319,554</u>
(Increase) / decrease in assets			
Investments - net		(91,796,855)	96,049,045
Receivable from Faysal Asset Management Limited - Management Company		(150,000)	-
Advance, deposits, prepayments and other receivables		(3,034,755)	(477,941)
		<u>(94,981,610)</u>	<u>95,571,104</u>
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(81,327)	52,437
Payable to Central Depository Company of Pakistan Limited - Trustee		(591)	(3,446)
Payable to the Securities and Exchange Commission of Pakistan		(13,199)	(89,965)
Accrued expenses and other liabilities		887,358	(1,268,081)
		<u>792,241</u>	<u>(1,309,055)</u>
Net cash (used in) / generated from operating activities		<u>(76,369,841)</u>	<u>109,153,063</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		530,502,322	589,298,235
Payment against redemption and conversion of units		(557,463,940)	(1,087,258,117)
Dividend paid		(1,035,289)	-
Net cash used in financing activities		<u>(27,996,907)</u>	<u>(497,959,882)</u>
Net decrease in cash and cash equivalents during the year		<u>(104,366,748)</u>	<u>(388,806,819)</u>
Cash and cash equivalents at the beginning of the year		125,992,815	514,799,634
Cash and cash equivalents at the end of the year	18	<u>21,626,067</u>	<u>125,992,815</u>

The annexed notes from 1 to 30 form an integral part of these 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

For The Year Ended June 30, 2024

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 are 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 (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(f)' to Faysal Government Securities Fund dated October 4, 2023 (2023: 'AA' dated August 1, 2022).

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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), 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 VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, 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

For The Year Ended June 30, 2024

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement**3.2.2.1 Debt instruments**

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

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

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.3 Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

3.2.5 Regular way contracts

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.2.6 Derecognition

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

3.3 Financial liabilities**3.3.1 Classification and subsequent measurement**

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

3.3.2 Derecognition

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Income from investment in Pakistan Investment Bonds is recognised on an accrual basis using the effective interest rate method;
- Income from investment in Market Treasury Bills is recognised on an accrual basis using the effective interest rate method; and
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.13 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 15.

3.15 Foreign currency translation

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

	Note	2024	2023
		(Rupees)	
4	BALANCES WITH BANKS		
	Balances with banks in savings account	4.1	<div>21,626,067</div> <div>30,024,115</div>
4.1	These include a balance of Rs. 0.549 million (2023: Rs. 0.130 million) maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 20.00%(2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 21.00% to 21.40%(2023: 10.00% to 22.10%) per annum.		
5	INVESTMENTS	2024	2023
		(Rupees)	
	Financial assets 'at fair value through profit or loss'		
	Government securities - Market Treasury Bills	5.1	95,968,700
	Government securities - Pakistan Investment Bonds	5.2	-
		91,660,956	95,968,700

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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5.1 Government securities - Market Treasury Bills

Issue date	Tenor	(Face value)				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised diminution as at June 30, 2024	Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				net assets of the Fund	total investments of the Fund
(Rupees)									%	
June 15, 2023	3 months	100,000,000	-	100,000,000	-	-	-	-	-	-
September 21, 2023	3 months	-	3,000,000	3,000,000	-	-	-	-	-	-
September 21, 2023	3 months	-	25,000,000	25,000,000	-	-	-	-	-	-
September 21, 2023	3 months	-	75,000,000	75,000,000	-	-	-	-	-	-
March 7, 2024	3 months	-	100,000,000	100,000,000	-	-	-	-	-	-
Total as at June 30, 2024						-	-	-	-	-
Total as at June 30, 2023						96,088,234	95,968,700	(119,534)	82.45	104.70

5.2 Government securities - Pakistan Investment Bonds

Name of the security	Issue date	Tenor	Coupon rate	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised diminution as at June 30, 2024	Percentage in relation to	
				As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				net assets of the Fund	total market value of investments
				(Rupees)								
Pakistan Investment Bonds	September 21, 2023	5 years	24.79%	-	100,000,000	100,000,000	-	-	-	-	-	-
Pakistan Investment Bonds	April 18, 2024	5 years	21.30%	-	70,000,000	70,000,000	-	-	-	-	-	-
Pakistan Investment Bonds	February 15, 2024	3 years	14.00%	-	20,000,000	20,000,000	-	-	-	-	-	-
Pakistan Investment Bonds	April 18, 2024	5 years	21.30%	-	20,000,000	20,000,000	-	-	-	-	-	-
Pakistan Investment Bonds	April 18, 2024	5 years	21.30%	-	90,000,000	-	90,000,000	87,043,140	86,922,000	(121,140)	74.64	94.83
Pakistan Investment Bonds	January 17, 2024	5 years	14.00%	-	5,000,000	-	5,000,000	4,753,715	4,738,956	(14,759)	4.07	5.17
Total as at June 30, 2024							95,000,000	91,796,855	91,660,956	(135,899)	78.71	100.00
Total as at June 30, 2023							-	-	-	-	-	-

5.3 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 the Offering Document, at least 70% of the net assets shall remain invested in government securities on a monthly average basis calculated at the end of each month. The required exposure is in deficit of the limit prescribed by the offering document as described below:

For the year ended June 30, 2024	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%
January 1, 2024 to January 31, 2024	34.53%	70.00%	-35.47%

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

	Note	2024	2023
		(Rupees)	
Market value of investments	5.1 & 5.2	91,660,956	95,968,700
Less: carrying value of investments	5.1 & 5.2	91,796,855	96,088,234
		(135,899)	(119,534)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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	Note	2024	2023
		(Rupees)	
6 ADVANCES, DEPOSITS, PREPAYMENTS AND PROFIT RECEIVABLES			
Profit receivable on Pakistan Investment Bonds		4,195,769	-
Profit receivable on balances with banks		128,901	1,289,915
Advance tax	6.1	162,289	162,289
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
		<u>4,586,959</u>	<u>1,552,204</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 savings accounts paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its 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 withholding agent. The tax withheld on profit on savings accounts amounts to Rs. 0.162 million (2023: Rs. 0.162 million).

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 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 (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP 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 profit on savings accounts has been shown as advance tax under "Advances, deposits, prepayments and other receivables" as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

7 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per the SECP's direction No. SCD/PRDD/Direction/18/2016 all AMC's are required to calculate the Total Expense Ratio (TER) in respect of each CIS to ensure that the TER is not in breach of the required maximum percentage. The AMC's 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 year ended June 30, 2024, the Fund was in breach of the TER ratio of 2.50% 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	2024	2023
		(Rupees)	
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			
At the beginning of the year		343,377	543,397
Less: amortisation during the year	8.1	<u>(200,568)</u>	<u>(200,020)</u>
At the end of the year		<u>142,809</u>	<u>343,377</u>

- 8.1** 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 March 16, 2020 in accordance with the Trust Deed of the Fund and the NBFC Regulations.

	Note	2024	2023
		(Rupees)	
9 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	9.1	45,230	21,402
Sindh Sales Tax payable on remuneration of the Management Company	9.2	5,880	2,782
Selling and marketing expenses payable	9.3	<u>2,460</u>	<u>110,713</u>
		<u>53,570</u>	<u>134,897</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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- 9.1** 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 0.20% to 1.00% (2023: 0.20%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 9.2** During the year, an amount of Rs. 0.059 million (2023: Rs. 0.027 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% (2023: 13%).
- 9.3** 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 the rates ranging from 0% to 0.55% (2023: 0.55%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024 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.
- 9.4** During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out an onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations on the financial statements, if any, is not determinable as at the reporting date.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
		----- (Rupees) -----	-----
Remuneration payable to the Trustee	10.1	5,367	5,890
Sindh Sales Tax payable on remuneration of the Trustee	10.2	698	766
		<u>6,065</u>	<u>6,656</u>

- 10.1** 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% (2023: 0.055%) per annum of the average annual net assets of the Fund. Therefore, the Fund has charged trustee fee at the aforementioned rate during the year.
- 10.2** During the year, an amount of Rs. 0.006 million (2023: Rs. 0.007 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% (2023: 13%).

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
		----- (Rupees) -----	-----
Fee payable	11.1	<u>6,815</u>	<u>20,014</u>

- 11.1** 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). Accordingly, the Fund has charged SECP fee at the rate of 0.075% per annum of the daily net assets during the year ended June 30, 2024.

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.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2024	2023
	----- (Rupees) -----	-----
Auditors' remuneration payable	339,444	315,981
Rating fee payable	69,569	73,228
Capital gain tax payable	649,261	55,755
Withholding tax payable	155,423	191
Printing charges payable	20,832	27,200
Transaction charges payable	14,315	3,167
Legal and professional charges payable	284,101	170,065
Others	<u>108,027</u>	<u>108,027</u>
	<u>1,640,972</u>	<u>753,614</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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13 CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

	2024	2023
	(Rupees)	
14 AUDITORS' REMUNERATION		
Annual audit fee	307,500	230,000
Fee for half yearly review of condensed interim financial statements	192,500	115,000
Fee for other certifications	85,000	70,000
Out of pocket expenses	36,775	35,529
	621,775	450,529
Sindh Sales tax	49,742	36,042
	671,517	486,571

15 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 has distributed 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.

16 EARNINGS PER UNIT

Earnings per unit (EPU) 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 EPU is not practicable.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 2.34% (2023: 1.90%) which includes 0.15% (2023: 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 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

	Note	2024	2023
		(Rupees)	
18 CASH AND CASH EQUIVALENTS			
Balances with banks	4	21,626,067	30,024,115
Government securities - Market Treasury Bills	5	-	95,968,700
		21,626,067	125,992,815

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

19.1 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.

19.2 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 19.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 19.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 19.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Transactions during the year	2024	2023
	(Rupees)	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	454,885	204,656
Selling and marketing expenses	246,245	560,938
Reimbursement from Faysal Asset Management Limited	150,000	-
Sindh Sales Tax on remuneration of the Management Company	59,135	26,605
Units issued: Nil units (2023: 2,586,081 units)	-	298,576,423
Units redeemed: Nil units (2023: 3,558,431 units)	-	412,638,802
Faysal Bank Limited - Group Company		
Profit on balance with bank	157,202	75,691
Bank charges	8,307	19,453
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	46,903	56,119
Sindh Sales Tax on remuneration of the Trustee	6,097	7,295
CDS charges	11,417	8,922
Sales Tax on CDS Charges	1,484	130
Unit holders with more than 10% holding		
Units issued: 3,769,213 units (2023: 1,925,841 units)	514,037,079	239,603,557
Units redeemed: 2,925,570 units (2023: 962,920 units)	400,835,292	120,682,851
Amounts / balances outstanding as at year end	2024	2023
	(Rupees)	
Faysal Asset Management Limited - Management Company		
Remuneration payable	45,230	21,402
Sindh Sales Tax payable on remuneration of the Management Company	5,880	2,782
Selling and marketing expenses payable	2,460	110,713
Receivable from Faysal Asset Management Limited - Management Company	150,000	-
Faysal Bank Limited - Group Company		
Balance with bank	549,088	130,275
Profit receivable on balance with bank	15,036	1,448
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	5,367	5,890
Sindh Sales Tax payable on remuneration of the Trustee	698	766
Security deposit	100,000	100,000
Unit holders with more than 10% holding		
Units outstanding: 843,643 units (2023: 962,921 units)	106,288,161	120,788,810

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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20 FINANCIAL INSTRUMENTS BY CATEGORY

2024		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
21,626,067	-	21,626,067
-	91,660,956	91,660,956
150,000	-	150,000
4,424,670	-	4,424,670
<u>26,200,737</u>	<u>91,660,956</u>	<u>117,861,693</u>
53,570	-	53,570
6,065	-	6,065
836,288	-	836,288
<u>895,923</u>	<u>-</u>	<u>895,923</u>

2023		
At amortised cost	At fair value through profit or loss	Total
----- Rupees -----		
30,024,115	-	30,024,115
-	95,968,700	95,968,700
-	-	-
1,389,915	-	1,389,915
<u>31,414,030</u>	<u>95,968,700</u>	<u>127,382,730</u>
134,897	-	134,897
6,656	-	6,656
<u>697,668</u>	<u>-</u>	<u>697,668</u>
<u>839,221</u>	<u>-</u>	<u>839,221</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.1 Market risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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

Market risk comprises of three types of risks: interest rate risk, currency risk, and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks and Pakistan Investment Bonds. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks and investments in Pakistan Investment Bonds which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 1.086 million (2023: Rs. 0.300 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund holds investments in Pakistan Investment Bonds which expose the fund to fair value interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.047 million (2023: Rs. 0.960 million).

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, can be determined as follows:

2024					
Effective interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
Financial assets					
Balances with banks	20.00% - 21.40%	21,626,067	-	-	21,626,067
Investments	14.00% - 21.30%	-	86,922,000	4,738,956	91,660,956
Receivable from Faysal Asset Management Limited - Management Company		-	-	150,000	150,000
Deposits and other receivable		-	-	4,424,670	4,424,670
		21,626,067	86,922,000	4,738,956	117,861,693
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	53,570	53,570
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	6,065	6,065
Accrued expenses and other liabilities		-	-	836,288	836,288
		-	-	895,923	895,923
On-balance sheet gap (a)		21,626,067	86,922,000	4,738,956	3,678,747
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		21,626,067	86,922,000	4,738,956	
Cumulative interest rate sensitivity gap		21,626,067	108,548,067	113,287,023	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2023					
Effective interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees					
Financial assets					
Balances with banks	10.00% - 22.10%	30,024,115	-	-	30,024,115
Investments	21.97%	-	95,968,700	-	95,968,700
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	-
Deposits and other receivable		-	-	1,389,915	1,389,915
		30,024,115	95,968,700	-	127,382,730
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	134,897	134,897
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	6,656	6,656
Accrued expenses and other liabilities		-	-	697,668	697,668
		-	-	839,221	839,221
On-balance sheet gap (a)		30,024,115	95,968,700	-	126,543,509
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		30,024,115	95,968,700	-	
Cumulative interest rate sensitivity gap		30,024,115	125,992,815	125,992,815	

(ii) Currency risk

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

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any instruments that expose it to price risk as of June 30, 2024.

21.2 Liquidity risk

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

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the year.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	21,626,067	-	-	-	-	21,626,067
Investments	-	-	-	91,660,956	-	91,660,956
Receivable from Faysal Asset Management Limited - Management Company	150,000	-	-	-	-	150,000
Deposits and other receivable	128,901	319,231	3,876,539	-	100,000	4,424,670
	21,904,968	319,231	3,876,539	91,660,956	-	117,861,693
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	53,570	-	-	-	-	53,570
Payable to Central Depository Company of Pakistan Limited - Trustee	6,065	-	-	-	-	6,065
Accrued expenses and other liabilities	496,844	339,444	-	-	-	836,288
	556,479	339,444	-	-	-	895,923
Net financial assets	21,348,489	(20,213)	3,876,539	91,660,956	100,000	116,965,770

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	30,024,115	-	-	-	-	30,024,115
Investments	-	95,968,700	-	-	-	95,968,700
Receivable from Faysal Asset Management Limited - Management Company	-	-	-	-	-	-
Deposits and other receivable	1,289,915	-	-	-	100,000	1,389,915
	31,314,030	95,968,700	-	-	100,000	127,382,730
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	134,897	-	-	-	-	134,897
Payable to Central Depository Company of Pakistan Limited - Trustee	6,656	-	-	-	-	6,656
Accrued expenses and other liabilities	381,878	315,981	-	-	-	697,868
	523,431	315,981	-	-	-	839,221
Net financial assets	30,790,599	95,652,719	-	-	100,000	126,543,509

21.3 Credit risk

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees				
Balances with banks	21,626,067	21,626,067	30,024,115	30,024,115
Investments	91,660,956	-	95,968,700	-
Receivable from Faysal Asset Management Limited - Management Company	150,000	150,000	-	-
Deposits and other receivable	4,424,670	228,901	1,389,915	1,389,915
	<u>117,861,693</u>	<u>22,004,968</u>	<u>127,382,730</u>	<u>31,414,030</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as investment in government securities are guaranteed by the Government of Pakistan.

21.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of bank balances and its accrued profit is as follows:

Rating**Bank balances and profit accrued thereon**

AAA
AA+
AA
AA-

% of financial assets exposed to credit risk	
2024	2023
0.02%	0.01%
-	0.10%
0.48%	-
17.96%	24.46%
18.46%	24.57%

21.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

22 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.

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 June 30, 2024, and June 30, 2023 the Fund held the following financial instruments measured at fair value:

Financial assets at fair value through profit or loss	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Government securities - Market	-	-	-	-
Treasury Bills	-	-	-	-
Government securities - Pakistan	-	91,660,956	-	91,660,956
Investment Bonds	-	91,660,956	-	91,660,956

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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	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
Government securities - Pakistan				
Investment Bonds	-	-	-	-
	-	95,968,700	-	95,968,700

23 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, December 05, 2023 to February 28, 2024 and from March 04, 2024 to March 05, 2024.

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.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Individuals	25	872,731	94.41%	18	3,594	0.36%
Others	1	51,644	5.59%	3	1,008,627	99.64%
	26	924,375	100.00%	21	1,012,221	100.00%

25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2024	2023
	Percentage of commission paid	Percentage of commission paid
Bright Capital (Private) Limited	-	41.37%
C&M Management (Private) Limited	5.38%	-
Continental Exchange (Private) Limited	80.00%	30.89%
JS Global Capital Limited	14.62%	4.97%
AKD Securities Limited	-	22.77%
	100.00%	100.00%

- 25.1** The Fund has traded with only the above mentioned 3 brokers / dealers during the year ended June 30, 2024 (2023: 4 brokers / dealers).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Ormer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA, CFA	Over 9 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Research Analyst	BSc	Over 5 Years
Syed Eunus Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Muhammad Qasim	Senior Manager Risk Management	MBA	Over 16 Years

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Syed Shahid Iqbal	Fund Manager	Bachelors in Commerce	Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation Fund, Faysal Halal Amdani Fund, Faysal Islamic Cash Fund, Faysal Islamic Special Income Fund, Faysal Islamic Financial Planning Fund II, Faysal Islamic Sovereign Fund, Faysal Islamic Financial Growth Fund, Faysal Islamic Mustakil Munafa Fund, Faysal Income & Growth Fund, Faysal Money Market Fund, Faysal Savings Growth Fund, Faysal Financial Sector Opportunity Fund, Faysal MTS Fund, Faysal Financial Value Fund, Faysal Cash Fund and Faysal Special Savings Fund

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August 18, 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri*	Director	-	-	-	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Mr. Ehsen Zafar Puri has been appointed as Director on the Board with effect from October 20, 2023.

29 GENERAL**29.1** Figures have been rounded off to the nearest Rupees, unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2024

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30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)
AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2021 (Rupees)	June 30, 2020 (Rupees)
(i) PERFORMANCE TABLE					
Net assets	116,459,369	126,973,215	610,361,637	1,051,582,919	2,914,374,279
Net assets value per unit	125.99	125.44	108.90	100.32	100.13
Offer price per unit	128.84	128.28	111.37	102.59	102.14
Repurchase price per unit	125.99	125.44	108.90	100.32	100.13
Highest offer price per unit	148.23	128.28	111.37	105.99	104.99
Highest repurchase price per unit	144.95	125.44	108.9	103.64	102.93
Lowest offer price per unit	128.28	109.08	102.59	102.37	102.03
Lowest repurchase price per unit	125.44	108.95	100.32	100.1	100.02
Total return:	16.06%	15.19%	8.55%	6.80%	10.93%
- capital growth	0.46%	15.19%	8.55%	0.31%	7.90%
- income distribution	15.60%	0.00%	0.00%	6.49%	3.03%
Average annual return: (Launch date: March 16, 2020)					
- one year	16.06%	15.19%	8.55%	6.80%	10.93%
- two years	15.63%	11.87%	7.68%	8.87%	N/A
- three years	13.27%	10.18%	8.76%	N/A	N/A
four years	11.65%	10.37%	N/A	N/A	N/A
Five Years	11.51%				
Distribution per unit:					
- Interim distribution (% per unit)	15.60%	0.00%	0.00%	6.49%	3.03%
- Final distribution (% per unit)	-	-	-	-	-
	15.60%	0.00%	0.00%	6.49%	3.03%

* Announced on 26 June 2024

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(ii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On			
		17-Aug-23	19-Oct-23	01-Feb-24	18-Apr-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes	Yes	Yes

(iii) MEETINGS OF THE HUMAN RESOURCCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On				
		08-Aug-23	17-Oct-23	08-Nov-23	01-Feb-24	06-May-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes	Yes	Yes

(iv) MEETINGS OF THE BOARD RISK MANAGEMENT COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Risk Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On		
		10-Aug-23	16-Oct-23	18-Apr-24
Mr. Mian Salman Ali	Chairman	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes	Yes

(v) MEETINGS OF THE BOARD STRATEGY COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Strategy Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On	
		09-Aug-23	16-Oct-23
Mr. Yousaf Hussain	Chairman	Yes	Yes
Syed Majid Ali	Member	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes
*Mr. Ehsan Zafar Puri	Member	N/A	N/A

*Mr. Ehsan Zafar Puri was appointed as director board strategy committee, effective from October 20, 2023.

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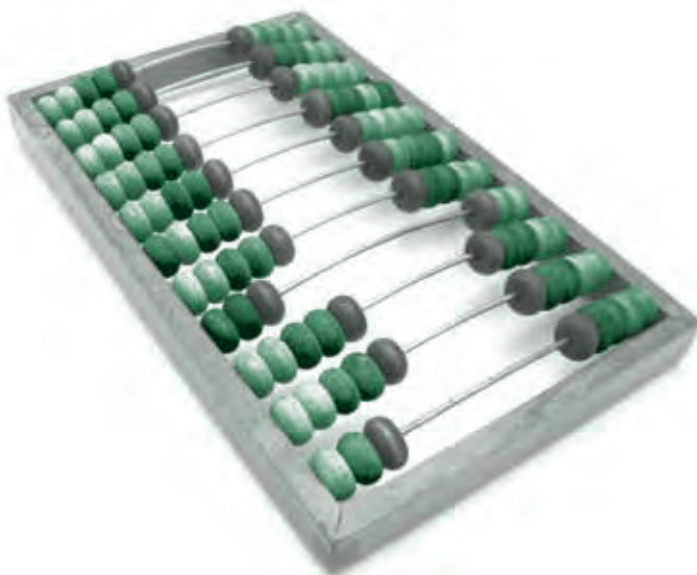
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Faysal Special Savings Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

Equities review:

During FY24, the index surged by ~79% from 41,453 points at the end of Jun'23 to 78,445 points. Positive developments on the external front (IMF program success and reapproval, stable PKR, modest Fx reserves), as well as diminishing inflationary pressures and political stability among others, bolstered investor sentiment during the year.

During the FY24, Foreigners and Insurance drove the market with a net purchase of ~USD 152m and ~USD 126m. On the flipside, Banks/DFIs, Individuals, Mutual Funds and Others were net sellers to the tune of ~USD 141mn, ~USD 59mn, ~USD 47mn and ~USD 33m respectively.

During FY24 the sectors which contributed positively to the index include Banks (13,262 points), Fertilizer (5,074 points), Oil & Gas Exploration Companies (4,300 points), Power Generation & Distribution (4,192 points), Cement (2,513 points) and Automobile Assembler (1,095 points). The sectors which dragged in the bourse in FY24 majorly include Technology & Communication (-52 points) and Textile Spinning (-17 points). The market experienced a sustained bull run in FY24, driven by improving macroeconomic indicators, rising corporate profitability, expectations of a rate cut in 2HFY24, and attractive market valuations.

MONEY MARKET REVIEW:

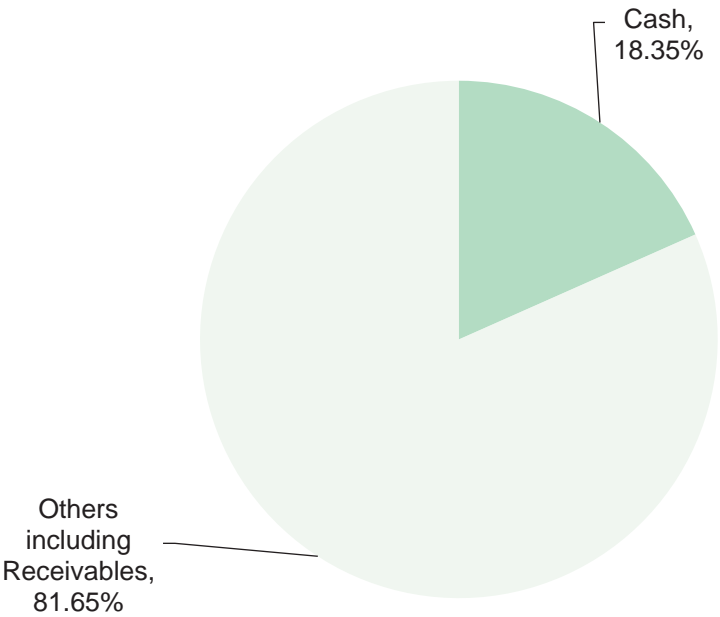
For the majority of FY24, the SBP kept the policy rate steady at 22%. However, following a decline in CPI readings, the SBP revised down the policy rate by 150 basis points to 20.5%. During the year, SBP held 26 T-Bill and 10 PIB auctions raising a total of ~PKR 21.3tn through T-Bills and ~PKR 4.5tn through the PIB auctions. During the year, the yields depicted volatility, inching upwards and peaking in Sept'24, before gradually declining thereon. In the first T-bill auction of FY24, the State Bank of Pakistan raised ~PKR 597bn, with weighted average yields realized in the 3M / 6M / 12M tenors clocking in at ~22.75% / 22.96% / 22.99%, respectively. However, in the last auction of FY24 held in June'24, SBP held, the weighted average yields realized in the 3M / 6M / 12M fell to ~20.01% / 19.94% / 18.49%, respectively. The decline in yields since Sept'23 followed expectations of interest rate cuts, which materialized in June'24. A similar trend was witnessed during FY24 in the Islamic Money Market / Sukuk yields.

Fund Information	
Fund Type	Open Ended
Category	Capital Protected Scheme
Stability Rating	CP2+ (PACRA) February 29 ,2024
Risk Profile	Very Low
Launch Date	October 1, 2021
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR. 1,000
Benchmark*	Average of 6 Months PKRV Rates
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	135.05
Net Assets (mn)	1.14
Total Expense Ratio (Annualized)	2.51%
Total Expense Ratio (Monthly)	39.17%

*

Fund Returns (% p.a)		
	FY24	FY23
YTD	19.21%	17.08%
Benchmark (YTD)	21.73%	18.15%

Asset Allocation



FUND PERFORMANCE

During FY24, Faysal Special Saving Plan-I (FSSP-I) generated an absolute return of 19.21% against its benchmark of 21.73%. The fund's allocation in Cash and Others stood at 18.35% and 81.65%, respectively. In the future, your fund will take exposure in other investment streams, keeping in view the country's economic situation.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

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Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

Equity Market Review

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Debt Market Review

For the majority of FY24, the SBP kept the policy rate steady at 22%. However, following a decline in CPI readings, the SBP revised down the policy rate by 150 basis points to 20.5%. During the year, SBP held 26 T-Bill and 10 PIB auctions raising a total of ~PKR 21.3tn through T-Bills and ~PKR 4.5tn through the PIB auctions. During the year, the yields depicted volatility, inching upwards and peaking in Sept'24, before gradually declining thereon. In the first T-bill auction of FY24, the State Bank of Pakistan raised ~PKR 597bn, with weighted average yields realized in the 3M / 6M / 12M tenors

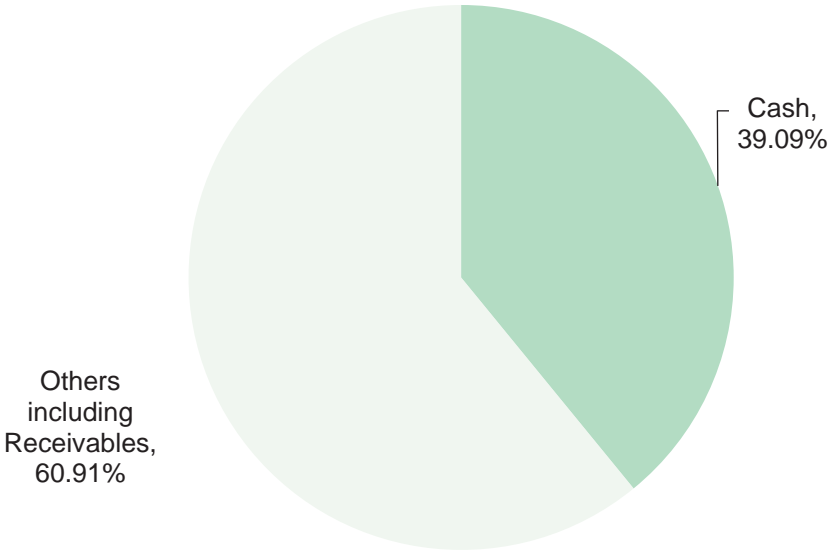
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Fund Information	
Fund Type	Open Ended
Category	Capital Protected Scheme
Stability Rating	CP2+ (PACRA) February 29 ,2024
Risk Profile	Very Low
Launch Date	July 26, 2022
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	Average of 6 Months PKRV Rates
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	106.78
Net Assets (mn)	0.38
Total Expense Ratio (Annualized)	2.39%%
Total Expense Ratio (Monthly)	113.9%

*

Fund Returns (% p.a)		
	FY24	FY23
YTD	43.78%	19.05%
Benchmark (YTD)	21.73%	17.04%

Asset Allocation



FUND PERFORMANCE

During the period under review, Faysal Special Saving Plan-II (FSSP-II) posted an absolute return of 43.78% (FY24), against its benchmark of 21.73%. The fund's Cash holding increased to 39.09%, while allocation in Other Receivables stood at 60.91%. In the future, your fund will take exposure to other investment avenues, keeping the country's economic position in view.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

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Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

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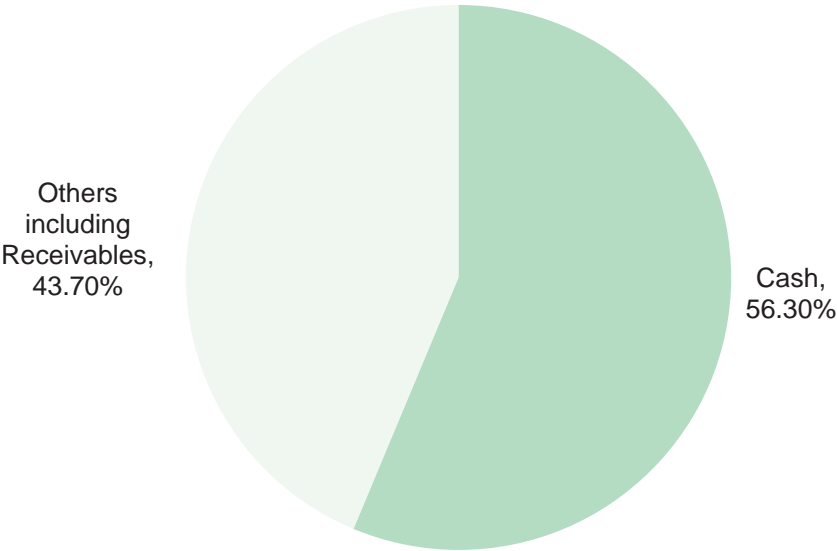
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Fund Type	Open Ended
Category	Capital Protected Scheme
Stability Rating	CP2+ (PACRA) February 29 ,2024
Risk Profile	Very Low
Launch Date	October 1, 2022
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR. 1,00
Benchmark*	Average of 6 Months PKRV Rates
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	11.40
Net Assets (mn)	3.76
Total Expense Ratio (Annualized)	2.56%
Total Expense Ratio (Monthly)	-2.05%

*

Fund Returns (% p.a)		
	FY24	FY23
YTD	22.02%	13.30%
Benchmark (YTD)	21.73%	14.06%

Asset Allocation



FUND PERFORMANCE

During FY24, Faysal Special Saving Plan-III (FSSP-III) posted an absolute return of 22.02%, overperforming the Benchmark Yield of 21.73%. Cash exposure slightly increased to 56.30%, while allocation in Other Receivables stood at 43.70%. In the future, your fund will take exposure to other investment avenues, keeping the country’s economic position in view.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.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(h) and clause 9 of Schedule V 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), would like to draw the attention of the unit holders towards the fact that Faysal Asset Management Limited (Management Company) due to its conversion from Conventional to Shariah Compliant Asset Management Company did not intend to operate this conventional Fund and therefore Management Company will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund 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 the Non-Banking Finance Companies and Notified Entities 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 and in case of any breach, the Management Company shall ensure compliance with the minimum fund size within three months of its breach. In this regard, the Fund was non-compliant with the said requirement from January 10, 2024 to till date as the fund size of the scheme was reduced to the minimum of Rs.5.27 million as on June 30, 2024. 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: September 26, 2024



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Faysal Special Savings Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Faysal Special Savings Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 to the financial statements)	
	<p>Balances with banks constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 3.67 million.</p> <p>The existence of balances with banks for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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



A·F·FERGUSON & CO.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



A.F. FERGUSON & CO.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR2024100681lyBzNVPX

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

June 30, 2024					
Note	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total	
<hr/> <hr/> (Rupees) <hr/>					
Assets					
Balances with banks	4	272,719	1,007,924	2,395,195	3,675,838
Investments	5	-	-	-	-
Receivable from Faysal Asset Management Limited - Management Company	6	-	-	1,162,549	1,162,549
Advances, profit and other receivable	7	1,219,957	1,467,810	587,918	3,275,685
Preliminary expenses and floatation costs	8	74,981	102,512	108,791	286,284
Total assets		<u>1,567,657</u>	<u>2,578,246</u>	<u>4,254,453</u>	<u>8,400,356</u>
Liabilities					
Payable to Faysal Asset Management Limited - Management Company	9	19,275	1,498,759	176,666	1,694,700
Payable to Central Depository Company of Pakistan Limited - Trustee	10	221	1,286	200	1,707
Payable to the Securities and Exchange Commission of Pakistan	11	66	24	240	330
Payable against redemption of units		-	-	-	-
Accrued expenses and other liabilities	12	408,556	699,942	321,818	1,430,316
Total liabilities		<u>428,118</u>	<u>2,200,011</u>	<u>498,924</u>	<u>3,127,053</u>
Net assets		<u>1,139,539</u>	<u>378,235</u>	<u>3,755,529</u>	<u>5,273,303</u>
Unit holders' fund (as per the statement attached)		<u>1,139,539</u>	<u>378,235</u>	<u>3,755,529</u>	<u>5,273,303</u>
Contingencies and commitments	13	<hr/> <hr/> (Number of units) <hr/>			
Number of units in issue		<u>8,438</u>	<u>3,542</u>	<u>329,410</u>	
<hr/> <hr/> (Rupees) <hr/>					
Net asset value per unit		<u>135.04</u>	<u>106.78</u>	<u>11.40</u>	

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer_____
Chief Executive Officer_____
Director

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

Note	June 30, 2023			
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	Total
(Rupees)				
Assets				
Balances with banks	4 68,739,502	10,609,767	19,457,016	98,806,285
Investments	5 -	-	-	-
Advances, profit and other receivable	7 3,442,600	1,300,829	667,116	5,410,545
Preliminary expenses and floatation costs	8 108,404	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	9 224,613	263,726	223,154	711,493
Payable to Central Depository Company of Pakistan Limited - Trustee	10 4,383	1,974	1,002	7,359
Payable to the Securities and Exchange Commission of Pakistan	11 142,313	112,791	9,746	264,850
Payable against redemption of units	-	-	33,237	33,237
Accrued expenses and other liabilities	12 488,475	301,873	236,778	1,027,126
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	13	(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 29 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

		For the year ended June 30, 2024			Total	
Note		Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III		
(Rupees)						
Income						
Profit on government securities		1,052,066	133,331,193	-	134,383,259	
Profit on balances with banks		7,972,953	27,474,105	3,982,015	39,429,073	
Realised loss on sale of investments - net		(95,066)	(17,196,000)	-	(17,291,066)	
Total Income		8,929,953	143,609,298	3,982,015	156,521,266	
Expenses						
Remuneration of Faysal Asset Management Company Limited - Management Company		9.1	263,825	6,586,964	29,243	6,880,032
Sindh Sales Tax on remuneration of the Management Company		9.2	34,297	856,305	3,802	894,404
Remuneration of Central Depository Company of Pakistan Limited - Trustee		10.1	23,177	364,026	9,971	397,174
Sindh Sales Tax on remuneration of the Trustee		10.2	3,013	47,323	1,296	51,632
Annual fee to the Securities and Exchange Commission of Pakistan		11.1	31,605	496,399	13,596	541,600
Selling and marketing expenses		9.3	225,594	6,581,355	24,071	6,831,020
Allocated expenses		9.4	15,004	-	-	15,004
Auditors' remuneration		14	252,563	252,562	252,563	757,688
Amortisation of preliminary expenses and floatation costs		8.1	33,423	33,306	33,306	100,035
Legal and professional charges			43,557	43,557	43,557	130,671
Fund Rating fee			63,004	63,004	63,004	189,012
Printing charges			10,227	3,486	3,294	17,007
Transaction charges			30,494	452,000	-	482,494
Reimbursement of expenses from the Management Company			-	-	(1,212,549)	(1,212,549)
Bank charges			21,416	12,169	1,197,911	1,231,496
Total operating expenses			1,051,199	15,792,456	463,065	17,306,720
Net income for the year before taxation			7,878,754	127,816,842	3,518,950	139,214,546
Taxation		16	-	-	-	-
Net income for the year			7,878,754	127,816,842	3,518,950	139,214,546
Earnings per unit		3.15				
Allocation of net income for the year						
Net income for the year after taxation			7,878,754	127,816,842	3,518,950	139,214,546
Income already paid on units redeemed			(7,724,955)	(3,062,463)	(2,867,237)	(13,654,655)
			153,799	124,754,379	651,713	125,559,891
Accounting income available for distribution						
- Relating to capital gains			-	-	-	-
- Excluding capital gains			153,799	124,754,379	651,713	125,559,891
			153,799	124,754,379	651,713	125,559,891

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

		For the year ended June 30, 2023	For the period from July 26, 2022 to June 30, 2023	For the period from October 1, 2022 to June 30, 2023	Total
	Note	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	
		(Rupees)			
Income					
Profit on government securities		15,640,372	28,839,976	-	44,480,348
Profit on balances with banks		102,233,186	65,568,837	8,523,577	176,325,600
Realised loss on sale of investments - net		(754,870)	(266,970)	-	(1,021,840)
Other income		117,446	-	-	117,446
Total Income		117,236,134	94,141,843	8,523,577	219,901,554
Expenses					
Remuneration of Faysal Asset Management Company Limited - Management Company	9.1	2,513,743	821,813	199,037	3,534,593
Sindh Sales Tax on remuneration of the Management Company	9.2	326,787	106,836	25,875	459,498
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	391,362	310,175	26,801	728,338
Sindh Sales Tax on remuneration of the Trustee	10.2	50,877	40,323	3,484	94,684
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	142,314	112,791	9,746	264,851
Selling and marketing expenses	9.3	2,411,760	1,598,583	222,275	4,232,618
Allocated expenses	9.4	-	1,125,011	-	1,125,011
Auditors' remuneration	14	336,758	113,400	91,244	541,402
Amortisation of preliminary expenses and floatation costs	8.1	33,332	30,849	24,570	88,751
Legal and professional charges		45,795	43,197	22,015	111,007
Printing charges		27,160	63,420	46,014	136,594
Transaction charges		16,639	50,649	-	67,288
Bank charges		13,205	11,416	10,096	34,717
Total operating expenses		6,309,732	4,428,463	681,157	11,419,352
Net income for the year / period before taxation		110,926,402	89,713,380	7,842,420	208,482,202
Taxation	16	-	-	-	-
Net income for the year / period after taxation		110,926,402	89,713,380	7,842,420	208,482,202
Earnings per unit					
	3.15				
Allocation of net income for the year / period					
Net income for the year / period after taxation		110,926,402	89,713,380	7,842,420	208,482,202
Income already paid on units redeemed		(110,614,380)	(3,856,763)	(7,628,910)	(122,100,053)
		<u>312,022</u>	<u>85,856,617</u>	<u>213,510</u>	<u>86,382,149</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		312,022	85,856,617	213,510	86,382,149
		<u>312,022</u>	<u>85,856,617</u>	<u>213,510</u>	<u>86,382,149</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	For the year ended June 30, 2024			Total
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	
	(Rupees)			
Net income for the year after taxation	7,878,754	127,816,842	3,518,950	139,214,546
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	<u>7,878,754</u>	<u>127,816,842</u>	<u>3,518,950</u>	<u>139,214,546</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

For the year ended June 30, 2023	For the period from July 26, 2022 to June 30, 2023	For the period from October 1, 2022 to June 30, 2023	Total
Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	
(Rupees)			
110,926,402	89,713,380	7,842,420	208,482,202
-	-	-	-
<u>110,926,402</u>	<u>89,713,380</u>	<u>7,842,420</u>	<u>208,482,202</u>

The annexed notes from 1 to 29 form an integral part of these 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 Year Ended June 30, 2024

	For the year ended June 30, 2024										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)		
Net assets at the beginning of the year	69,859,525	1,571,197	71,430,722	11,331,307	34,743	11,366,050	19,548,801	213,510	19,762,312	100,739,633	1,819,450	102,559,084	
Issuance of units													
FSSP-I: 1,417,193 units; FSSP-II: 65,022,930 units; FSSP-III: 1,348,945 units													
- Capital value (at net assets value per unit at the beginning of the year)	176,100,402	-	176,100,402	7,045,884,671	-	7,045,884,671	15,283,545	-	15,283,545	7,237,268,618	-	7,237,268,618	
- Element of income	8,293,923	-	8,293,923	574,300,621	-	574,300,621	512,026	-	512,026	583,196,570	-	583,196,570	
Total proceeds on issuance of units	184,394,325	-	184,394,325	7,620,185,292	-	7,620,185,292	15,795,571	-	15,795,571	7,820,375,188	-	7,820,375,188	
Redemption of units													
FSSP-I: 1,983,613 units; FSSP-II: 65,124,278; FSSP-III: 2,763,951 units													
- Capital value (at net assets value per unit at the beginning of the year)	(246,483,751)	(7,724,955)	(254,208,706)	-	(7,056,866,708)	(7,056,866,708)	(31,315,563)	(3,291,299)	(34,606,862)	(7,334,666,072)	(13,654,655)	(7,348,320,727)	
- Element of loss	(8,262,121)	(15,987,076)	(24,249,197)	(3,062,463)	(295,506,289)	(298,568,752)	(2,867,237)	(2,867,237)	(5,734,474)	(13,654,655)	(13,654,655)	(27,389,129)	
Total payments on redemption of units	(254,745,872)	(24,249,197)	(279,000,000)	(3,062,463)	(7,352,373,047)	(7,355,435,510)	(31,379,623)	(5,734,474)	(37,114,097)	(7,348,320,727)	(13,654,655)	(7,361,975,382)	
Cash distribution for the year ended June 30, 2024 @													
Rs. 12.04 per unit (declared on June 27, 2024) in FSSP-I	(31,912)	(61,523)	(93,435)	-	-	-	-	-	-	(31,912)	(61,523)	(93,435)	
Rs. 11.81 per unit (declared on September 1, 2023) in FSSP-II	-	-	-	(61)	(95,453)	(95,514)	-	-	-	-	(95,453)	(95,514)	
Rs. 34.2 per unit (declared on June 27, 2024) in FSSP-I	-	-	-	(281,843,482)	(124,677,906)	(406,521,388)	-	-	-	(281,843,482)	(124,677,906)	(406,521,388)	
Rs. 2.41 per unit (declared on June 27, 2024) in FSSP-III	-	-	-	-	-	-	(87,767)	(626,675)	(714,442)	(87,767)	(626,675)	(714,442)	
Total comprehensive income for the year / period	-	7,878,754	7,878,754	-	127,816,842	127,816,842	-	3,518,950	3,518,950	139,214,546	-	139,214,546	
Net assets at the end of the year	(5,23,934)	1,663,473	1,139,539	962,472	15,763	978,235	3,516,980	238,548	3,755,528	3,355,516	1,917,784	5,273,300	
Undistributed income brought forward													
- Realised income	1,571,197	-	1,571,197	34,743	-	34,743	213,510	-	213,510	1,819,450	-	1,819,450	
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-	
Accounting income available for distribution	1,571,197	-	1,571,197	34,743	-	34,743	213,510	-	213,510	1,819,450	-	1,819,450	
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	
- Excluding capital gains	153,799	-	153,799	124,754,379	-	124,754,379	651,713	-	651,713	125,559,891	-	125,559,891	
Distribution during the year	153,799	-	153,799	124,754,379	-	124,754,379	651,713	-	651,713	125,559,891	-	125,559,891	
Undistributed income carried forward	(61,523)	-	(61,523)	(124,773,359)	-	(124,773,359)	(626,675)	-	(626,675)	(125,461,557)	-	(125,461,557)	
Undistributed income carried forward	1,663,473	-	1,663,473	15,763	-	15,763	238,548	-	238,548	1,917,784	-	1,917,784	
- Realised income	1,663,473	-	1,663,473	15,763	-	15,763	238,548	-	238,548	1,917,784	-	1,917,784	
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-	
Net asset value per unit at beginning of the year	124.26	-	124.26	108.36	-	108.36	11.33	-	11.33	11.49	-	11.49	
Net asset value per unit at the end of the year	135.04	-	135.04	106.78	-	106.78	11.49	-	11.49	11.49	-	11.49	

The annexed notes from 1 to 29 form an integral part of these 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 Year Ended June 30, 2024

	For the year ended June 30, 2023			For the period from July 26, 2022 to June 30, 2023			For the period from October 1, 2022 to June 30, 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)		
Net assets at the beginning of the year / period	928,647,807	1,259,175	929,906,982	-	-	-	-	-	-	928,647,807	1,259,175	929,906,982
Issuance of units												
FSSP-I: 14,044,290 units; FSSP-II: 37,563,012 units; FSSP-III: 115,652,148 units												
- Capital value (at net assets value at the beginning of the year / at par value per unit)	1,490,559,872	-	1,490,559,872	3,756,301,255	-	3,756,301,255	1,156,521,480	-	1,156,521,480	6,403,382,607	-	6,403,382,607
- Element of income	153,792,021	-	153,792,021	36,331,513	-	36,331,513	55,199,249	-	55,199,249	245,232,774	-	245,232,774
Total proceeds on issuance of units	1,644,351,893	-	1,644,351,893	3,792,632,768	-	3,792,632,768	1,211,630,729	-	1,211,630,729	6,648,615,381	-	6,648,615,381
Redemption of units												
FSSP-I: 22,231,162 units; FSSP-II: 37,458,122 units; FSSP-III: 113,907,732 units												
- Capital value (at net assets value at the beginning of the year / at par value per unit)	(2,359,455,453)	-	(2,359,455,453)	(3,745,812,227)	-	(3,745,812,227)	(1,139,077,317)	-	(1,139,077,317)	(7,244,344,997)	-	(7,244,344,997)
- Element of loss	(143,684,722)	(110,614,388)	(254,299,110)	(11,650,841)	(3,856,763)	(15,507,604)	(53,004,602)	(7,628,910)	(60,633,512)	(208,340,165)	(122,100,053)	(330,440,218)
Total payments on redemption of units	(2,503,140,175)	(110,614,388)	(2,613,754,563)	(3,757,463,068)	(3,856,763)	(3,761,319,831)	(1,192,081,919)	(7,628,910)	(1,199,710,829)	(7,452,685,162)	(122,100,053)	(7,574,785,215)
Cash distribution for the year ended June 30, 2023 @ Rs. 1.85 per unit (declared on February 13, 2023)	-	-	-	(23,838,393)	(85,821,874)	(109,660,267)	-	-	-	(23,838,393)	(85,821,874)	(109,660,267)
Total comprehensive income for the year / period	-	110,926,402	110,926,402	-	89,713,380	89,713,380	-	7,842,420	7,842,420	-	208,482,202	208,482,202
Net assets at the end of the year / period	69,859,525	1,571,197	71,430,722	11,331,307	34,743	11,366,050	19,548,801	213,510	19,762,312	100,739,433	1,819,450	102,559,884
Undistributed income brought forward												
- Realised income	1,259,175	-	1,259,175	-	-	-	-	-	-	1,259,175	-	1,259,175
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution												
- Relating to capital gains	312,022	-	312,022	85,856,617	-	85,856,617	213,510	-	213,510	86,382,149	-	86,382,149
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
Distribution during the year / period	-	-	-	(85,821,874)	-	(85,821,874)	-	-	-	(85,821,874)	-	(85,821,874)
Undistributed income carried forward	1,571,197	-	1,571,197	34,743	-	34,743	213,510	-	213,510	1,819,450	-	1,819,450
Undistributed income carried forward												
- Realised income	1,571,197	-	1,571,197	34,743	-	34,743	213,510	-	213,510	1,819,450	-	1,819,450
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-
Net asset value per unit at beginning of the year / period	106.13	-	106.13	-	-	-	-	-	-	-	-	-
Net asset value per unit at the end of the year / period	124.26	-	124.26	108.36	-	108.36	11.33	-	11.33	119.45	-	119.45

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	For the year ended June 30, 2024			Total
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	
Note	(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the year before taxation	7,878,754	127,816,842	3,518,950	139,214,546
Adjustments for:				
Amortisation of preliminary expenses and floatation cost	8 33,423	33,306	33,306	100,035
	7,912,177	127,850,148	3,552,256	139,314,581
Decrease / (Increase) in assets				
Advances, profit and other receivable	2,222,643	(166,981)	79,198	2,134,860
Preliminary expenses and floatation costs paid	-	-	-	-
	2,222,643	(166,981)	79,198	2,134,860
(Decrease) / increase in liabilities				
Payable to Faysal Asset Management Limited - Management Company	(205,338)	1,235,033	(46,488)	983,207
Payable to Central Depository Company of Pakistan Limited - Trustee	(4,162)	(688)	(802)	(5,652)
Payable to the Securities and Exchange Commission of Pakistan	(142,247)	(112,767)	(9,506)	(264,520)
Accrued expenses and other liabilities	(79,919)	398,069	85,040	403,190
	(431,666)	1,519,647	28,244	1,116,225
Net cash generated from operating activities	9,703,154	129,202,814	3,659,698	142,565,666
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received against issuance of units - net of refund of capital	184,394,325	7,620,185,292	15,795,571	7,820,375,188
Payments made against redemption of units	(262,470,827)	(7,352,373,047)	(34,640,099)	(7,649,483,973)
Dividend paid	(93,435)	(406,616,902)	(714,442)	(407,424,779)
Net cash used in from financing activities	(78,169,937)	(138,804,657)	(19,558,970)	(236,533,564)
Net decrease in cash and cash equivalents during the year	(68,466,783)	(9,601,843)	(15,899,272)	(93,967,898)
Cash and cash equivalents at the beginning of the year	68,739,502	10,609,767	19,457,016	98,806,285
Cash and cash equivalents at the end of the year	4 272,719	1,007,924	3,557,744	4,838,387

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	For the year ended June 30, 2023	For the period from July 26, 2022 to June 30, 2023	For the period from October 1, 2022 to June 30, 2023	Total
	Faysal Special Savings Plan-I	Faysal Special Savings Plan-II	Faysal Special Savings Plan-III	
Note (Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the year / period before taxation	110,926,402	89,713,380	7,842,420	208,482,202
Adjustments for:				
Amortisation of preliminary expenses and floatation cost	8 33,332	30,849	24,570	88,751
	110,959,734	89,744,229	7,866,990	208,570,953
Decrease / (Increase) in assets				
Advances, profit and other receivable	1,163,532	(1,300,829)	(667,116)	(804,413)
Preliminary expenses and floatation costs paid	-	(166,667)	(166,667)	(333,334)
	1,163,532	(1,467,496)	(833,783)	(1,137,747)
(Decrease) / increase in liabilities				
Payable to Faysal Asset Management Limited - Management Company	(75,763)	263,726	223,154	411,117
Payable to Central Depository Company of Pakistan Limited - Trustee	(38,133)	1,974	1,002	(35,157)
Payable to the Securities and Exchange Commission of Pakistan	112,088	112,791	9,746	234,625
Accrued expenses and other liabilities	(2,289,801)	301,873	236,778	(1,751,150)
	(2,291,609)	680,364	470,680	(1,140,565)
Net cash generated from operating activities	109,831,657	88,957,097	7,503,887	206,292,641
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received against issuance of units - net of refund of capital	1,644,351,893	3,792,632,768	1,211,630,720	6,648,615,381
Payments made against redemption of units	(2,613,754,555)	(3,761,319,831)	(1,199,677,591)	(7,574,751,977)
Dividend paid	-	(109,660,267)	-	(109,660,267)
Net cash (used in) / generated from financing activities	(969,402,662)	(78,347,330)	11,953,129	(1,035,796,863)
Net (decrease) / increase in cash and cash equivalents during the year / period	(859,571,005)	10,609,767	19,457,016	(829,504,222)
Cash and cash equivalents at the beginning of the year / period	928,310,507	-	-	928,310,507
Cash and cash equivalents at the end of the year / period	4 68,739,502	10,609,767	19,457,016	98,806,285

The annexed notes from 1 to 29 form an integral part of these 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**For The Year Ended June 30, 2024****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 (FSSP-I), Faysal Special Saving Plan-II (FSSP-II) and Faysal Special Saving Plan-III (FSSP-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 VIS Credit Rating Company Limited has awarded an "AM2++" asset manager rating to the Management Company as of December 29, 2023 (2023: "AM2++" as of December 31, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. PACRA Credit Rating Company Limited has assigned a "CP2+" stability rating to Faysal Special Savings Fund as of February 29, 2024.
- 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.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, 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.

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

2

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.5 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

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

3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

3

3.2.2 Classification and subsequent measurement**3.2.2.1 Debt instruments**

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

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

based on the business model of the entity.

However, IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.3 Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.5 Regular way contracts

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

3.2.6 Subsequent measurement**a) At amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are subsequently measured at amortised cost.

b) Fair value through other comprehensive income (FVOCI):

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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c) Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement in the year in which it arises.

3.2.7 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net Asset Value per unit

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

3.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Distributions to unit holders

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year / period.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the year in which these arise.
- Profit on savings accounts is recognised on an accrual basis.
- Income on debt securities is recognized on a time proportionate basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

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

3.13 Foreign currency translation

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

3.14 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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		June 30, 2024				
		FSSP-I	FSSP-II	FSSP-III	Total	
		(Rupees)				
6	RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	6.1	-	-	1,162,549	1,162,549

6.1 The Total Expense Ratio (TER) of the Fund is required to be within the maximum limit of 2.5% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a capital protected scheme. However, the TER of FSSP-III exceeded the above limit as at June 30, 2024. As a result, the Fund had recorded reimbursement from the Management Company to comply with the TER limit.

		June 30, 2024				
		FSSP-I	FSSP-II	FSSP-III	Total	
		(Rupees)				
7	ADVANCES, PROFIT AND OTHER RECEIVABLE					
	Profit receivable on bank balances	7.1	83,656	1,447,810	537,918	2,069,384
	Advance tax	7.2	1,106,301	-	-	1,106,301
	Other receivable		30,000	20,000	50,000	100,000
			1,219,957	1,467,810	587,918	3,275,685

		June 30, 2023				
		FSSP-I	FSSP-II	FSSP-III	Total	
		(Rupees)				
	Profit receivable on bank balances	7.1	3,322,813	1,300,829	667,116	5,290,758
	Advance tax	7.2	89,786	-	-	89,786
	Other receivable		30,001	-	-	30,001
			3,442,600	1,300,829	667,116	5,410,545

7.1 This includes profit receivable amounting to Rs. 0.029 million in FSSP-I (2023: 0.152 million), Rs. 0.076 million (2023: 0.098 million) in FSSP-II and Rs. 0.098 million (2023: 0.047 million) in FSSP-III, on bank balance held with Faysal Bank Limited, a related party.

7.2 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 151 and 150. However, withholding tax profit on bank deposits paid to the Fund has been 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 withholdlee. The tax withheld on profit on bank balances amounts to Rs.1.11 million (2023: 0.09 million).

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 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 (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP 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 profit on savings accounts, sukuk certificates and commercial papers has been shown as advance tax under assets as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

		June 30, 2024				
		FSSP-I	FSSP-II	FSSP-III	Total	
		(Rupees)				
8	PRELIMINARY EXPENSES AND FLOATATION COSTS					
	At the beginning of the year		108,404	135,818	142,097	386,319
	Less: amortisation for the year		(33,423)	(33,306)	(33,306)	(100,035)
	At the end of the year	8.1	74,981	102,512	108,791	286,284

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Note		June 30, 2023			
		FSSP-I	FSSP-II	FSSP-III	Total
		(Rupees)			
At the beginning of the year / incurred		141,736	166,667	166,667	475,070
Less: amortisation for the year / period		(33,332)	(30,849)	(24,570)	(88,751)
At the end of the year / period		108,404	135,818	142,097	386,319

8.1 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.

Note		June 30, 2024			
		FSSP-I	FSSP-II	FSSP-III	Total
		(Rupees)			
Management remuneration payable		-	-	-	-
Sindh Sales Tax on remuneration of the Management Company		-	-	-	-
Selling and marketing expenses payable		10,423	1,302,063	-	1,312,486
Flotation cost payable		8,852	196,696	176,666	382,214
		19,275	1,498,759	176,666	1,694,700

		June 30, 2023			
		FSSP-I	FSSP-II	FSSP-III	Total
		(Rupees)			
Management remuneration payable		42,316	9,902	8,064	60,282
Sindh Sales Tax on remuneration of the Management Company		5,501	1,287	1,048	7,865
Selling and marketing expenses payable		167,944	55,841	37,376	261,161
Flotation cost payable		8,852	196,696	176,666	382,185
		224,613	263,726	223,154	711,493

9.1 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 year / period ended June 30, 2024 and June 30, 2023 at the following rates:

Faysal Special Savings Plan-I
0% to 1% (2023: 0.1% to 0.6%) of average annual net assets.

Faysal Special Savings Plan-II
0% to 1.2% (2023: 0.15% to 0.6%) of average annual net assets.

Faysal Special Savings Plan-III
0.05% to 0.5% (2023: 0.15% to 0.5%) of average annual net assets.

9.2 During the year / period, an amount of Rs 0.034 million (2023: Rs. 0.0327 million) in FSSP-I, Rs 0.856 million (2023: Rs. 0.107 million) in FSSP-II and Rs 0.004 million (2023: Rs. 0.026 million) in FSSP-III was charged on account of Sindh sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13%.

9.3 The SECP has allowed the asset management companies to charge selling and marketing 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% to 0.6% (2023: 0.12% to 0.6%) of average annual net assets.

Faysal Special Savings Plan-II
0% to 1% (2023: 0.05% to 1.06%) of average annual net assets.

Faysal Special Savings Plan-III
0% to 0.6% (2023: 0.05% to 0.6%) of average annual net assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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- 9.4 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore charged the expense to the Fund at the following rates:

Faysal Special Savings Plan-I

0% to 0.06% (2023: Nil) of average annual net assets.

Faysal Special Savings Plan-II

Nil (2023: 0% to 0.29%) of average annual net assets.

- 9.5 During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and accounting & operational charges to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations on the financial statements, if any, is not determinable as at the reporting date.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2024			
			FSSP-I	FSSP-II	FSSP-III	Total
			(Rupees)			
	Trustee fee payable	10.1	196	1,138	177	1,511
	Sindh Sales Tax on remuneration of the Trustee	10.2	25	148	23	196
			221	1,286	200	1,707

June 30, 2023			
FSSP-I	FSSP-II	FSSP-III	Total
(Rupees)			
3,879	1,747	887	6,513
504	227	115	826
4,383	1,974	1,002	7,339

- 10.1 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% (2023: 0.055%) per annum of net assets of the Fund.
- 10.2 During the year / period, an amount of Rs 0.003 million (2023: Rs. 0.051 million) in FSSP-I, Rs 0.047 million (2023: Rs. 0.040 million) in FSSP-II and Rs 0.001 million (2023: Rs. 0.003 million) in FSSP-III 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%.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		June 30, 2024			
			FSSP-I	FSSP-II	FSSP-III	Total
			(Rupees)			
	Annual fee payable	11.1	66	24	240	330

	Annual fee payable	11.1	June 30, 2023			
			FSSP-I	FSSP-II	FSSP-III	Total
			(Rupees)			
			142,313	112,791	9,746	264,850

- 11.1 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). Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2023: 0.02%) per annum of the daily net assets during the year / period ended June 30, 2024.

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

For The Year Ended June 30, 2024

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12 ACCRUED EXPENSES AND OTHER LIABILITIES

June 30, 2024			
FSSP-I	FSSP-II	FSSP-III	Total
(Rupees)			
42,675	130,470	65,521	238,666
200,576	86,754	65,572	352,902
29,376	-	-	29,376
5,751	5,751	5,751	17,253
34,152	6,985	4,459	45,596
5,604	452,711	-	458,315
8,956	13,820	177,055	199,831
-	-	2,759	2,759
-	-	38	38
81,466	3,451	663	
408,556	699,942	321,818	1,344,736

Auditors' remuneration payable	26,524	114,320	49,370	190,214
Legal and professional charges payable	204,099	43,197	22,015	269,311
Annual listing fee payable	29,376	-	-	29,376
Printing charges payable	31,551	11,011	8,509	51,091
Transaction charges payable	6,112	12,035	-	18,147
Withholding tax payable	-	-	14,474	14,474
Capital gain tax payable	190,813	121,310	142,410	454,533
	<u>488,475</u>	<u>301,873</u>	<u>236,778</u>	<u>1,027,146</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

14 AUDITORS' REMUNERATION

For the year ended June 30, 2024			Total
FSSP-I	FSSP-II	FSSP-III	
(Rupees)			
118,951	118,951	118,951	356,853
101,667	101,666	101,667	304,999
13,237	13,237	13,237	39,711
233,855	233,854	233,855	701,563
18,708	18,708	18,708	56,124
252,563	252,562	252,563	757,687

	For the year ended June 30, 2023	For the period from July 26, 2022 to June 30, 2023	For the period from October 1, 2022 to June 30, 2023	Total
	FSSP-I	FSSP-II	FSSP-III	
	(Rupees)			
Audit fee	168,104	63,700	44,931	276,735
Review and other certifications	125,000	35,000	34,485	194,485
Out of pocket	18,709	6,300	5,069	30,078
	311,813	105,000	84,485	501,298
Sindh Sales Tax	24,945	8,400	6,759	40,104
	336,758	113,400	91,244	541,402

15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund for the year ended June 30, 2024 is 2.51%, 2.39% and 2.56% in FSSP-I, FSSP-II & FSSP-III respectively (2023: 0.88%, 0.73% and 1.04% in FSSP-I, FSSP-II & FSSP-III) which includes 0.18%, 0.22% and 0.10% in FSSP-I, FSSP-II & FSSP-III respectively (2023: 0.08%, 0.04% and 0.06% in FSSP-I, FSSP-II & FSSP-III) representing government levies on the Fund such as sales taxes and 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

For The Year Ended June 30, 2024

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16 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 has distributed 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 / 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.

18 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 18.1** 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.
- 18.2** 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.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 18.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 18.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 18.6** The details of transactions carried out by the Fund with connected persons during the year / period and balances with them as at year / period end are as follows:

Transactions during the year :**Faysal Asset Management Limited - Management Company**

	For the year ended June 30, 2024			
	FSSP-I	FSSP-II	FSSP-III	Total
(Rupees)				
Remuneration of the Management Company	263,825	6,586,964	29,243	6,880,032
Sales Tax on remuneration of the Management Company	34,297	856,305	3,802	894,404
Selling and marketing expenses	225,594	6,581,355	24,071	6,831,020
Allocated expenses	15,004	-	-	15,004
Units issued:	558,499	1,461,686	819,991	2,840,176
In FSSP- I 3,935 units				
In FSSP- II 3,628 units				
In FSSP-III 70,285 units				
Units redeemed:	12,850,000	13,293,878	16,754,507	42,898,385
In FSSP- I 90,776 units				
In FSSP- II 116,083 units				
In FSSP-III 1,269,281 units				
Dividend reinvested	49,622	1,053,629	-	1,103,251
In FSSP- I 399 units				
In FSSP- II 9,723 units				
Reimbursement of expenses from the Management Company	-	-	1,212,549	1,212,549

Faysal Bank Limited - Group company

Profit on bank balance	307,130	483,767	360,308	1,151,205
Bank charges	3,883	8,892	1,194,635	1,207,410

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Transactions during the year :

For the year ended June 30, 2024			
FSSP-I	FSSP-II	FSSP-III	Total
(Rupees)			

Central Depository Company of Pakistan
Limited (the Trustee)

Remuneration of the Trustee	23,177	364,026	9,971	397,174
Sindh sales tax on remuneration of the Trustee	3,013	47,323	1,296	51,632

Unit holders with more than 10% holding

Units issued:	57,371,639	44,201	82	57,415,922
In FSSP- I 441,041 units				
In FSSP- II 399 units				
In FSSP-III 6 units				
Units redeemed:	116,082,005	-	253,064	116,335,069
In FSSP- I 890,043 units				
In FSSP-III 21,212 units				
Dividend reinvested:	2,661	105,717	48	108,426
In FSSP- I 21 units				
In FSSP- II 976 units				
In FSSP- III 4 units				

Transactions during the year :

For the year ended June 30, 2023	For the period from July 26, 2022 to June 30, 2023	For the period from October 1, 2022 to June 30, 2023	Total
FSSP-I	FSSP-II	FSSP-III	
(Rupees)			

Faysal Asset Management Limited -
Management Company

Remuneration of the Management Company	2,513,743	821,813	199,037	3,534,593
Sales Tax on remuneration of the Management Company	326,787	106,836	25,875	459,498
Selling and marketing expenses	2,411,760	1,598,583	222,275	4,232,618
Allocated expenses	-	1,125,011	-	1,125,011
Units issued	543,022,228	770,583,871	977,705,913	2,291,312,012
In FSSP- I 3,756,735 units				
In FSSP- II 7,591,436 units				
In FSSP-III 93,324,368 units				
Units redeemed	553,637,386	761,050,051	969,205,398	2,283,892,835
In FSSP- I 4,335,894 units				
In FSSP- II 7,488,703 units				
In FSSP-III 92,125,372 units				

Faysal Bank Limited (Group / Associated company)

Profit on bank balance	178,428	364,629	167,006	710,063
Bank charges	2,349	4,263	2,180	8,792

Central Depository Company of Pakistan
Limited (the Trustee)

Remuneration of the Trustee	391,362	310,175	26,801	728,338
Sindh sales tax on remuneration of the Trustee	50,877	40,323	3,484	94,684

Unit holders with more than 10% holding

FSSP - I

Units issued: 13,718 units	538,465,195	-	-	538,465,195
Units redeemed: 2,448,213 units	1,316,791,733	-	-	1,316,791,733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Amounts / balances outstanding as
at year / period end:

**Faysal Asset Management Limited -the
Management Company**

	June 30, 2024			
	FSSP-I	FSSP-II	FSSP-III	Total
Management remuneration payable	-	-	-	-
Sindh Sales Tax on remuneration of the Management Company	-	-	-	-
Selling & Marketing	10,423	1,302,063	-	1,312,486
Flotation cost payable	8,852	196,696	176,666	382,214
Outstanding units:	953,382	-	-	953,382

In FSSP-I 7,060 units

Receivable from Faysal Asset Management Limited - Management Company	-	-	1,162,549	1,162,549
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**Faysal Bank Limited - group company /
associated company**

Balance with bank	220,815	398,284	1,727,075	2,346,174
Profit receivable on balance with bank	29,055	76,278	97,705	203,038

**Central Depository Company of Pakistan
Limited - the Trustee**

Trustee fee payable	196	1,138	177	1,511
Sindh Sales Tax on remuneration of the Trustee	25	148	23	196

Unit holders with more than 10% holding*

Outstanding units:	186,085	377,254	376	563,715
FSSP-I 1,378 units				
FSSP-II 3,533 units				
FSSP-III 33 units				

*This reflects the position of related party / connected persons status as at June 30, 2024

Amounts / balances outstanding as
at year / period end:

**Faysal Asset Management Limited -the
Management Company**

	June 30, 2023			
	FSSP-I	FSSP-II	FSSP-III	Total
Management remuneration payable	42,316	9,902	8,064	60,282
Sindh Sales Tax on remuneration of the Management Company	5,501	1,287	1,048	7,836
Selling & Marketing	167,944	55,841	37,376	261,161
Flotation cost payable	8,852	196,696	176,666	382,214
Outstanding units:	11,618,559	11,132,040	13,584,625	36,335,224
FSSP-I 93,502				
FSSP-II 102,732				
FSSP-III 1,198,996				

**Faysal Bank Limited - group company /
associated company**

Balance with bank	3,245,680	599,465	1,917,472	5,762,617
Profit receivable on balance with bank	152,355	97,991	47,153	297,499

**Central Depository Company of
Pakistan Limited - the Trustee**

Trustee fee payable	3,879	1,747	887	6,513
Sindh Sales Tax on remuneration of the Trustee	504	227	115	846

Unit holders with more than 10% holding*

Outstanding units :	1,704,599	-	-	1,704,599
FSSP-I 13,718				

*This reflects the position of related party / connected persons status as at June 30, 2023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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19 FINANCIAL INSTRUMENTS BY CATEGORY**FSSP-I**

	June 30, 2024			June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees						
Financial assets						
Balances with banks	272,719	-	272,719	68,739,502	-	68,739,502
Profit and other receivable	113,656	-	113,656	3,352,814	-	3,352,814
	<u>386,375</u>	<u>-</u>	<u>386,375</u>	<u>72,092,316</u>	<u>-</u>	<u>72,092,316</u>
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	19,275	-	19,275	224,613	-	224,613
Payable to Central Depository Company of Pakistan Limited - Trustee	221	-	221	4,383	-	4,383
Accrued expenses and other liabilities	399,600	-	399,600	297,662	-	297,662
	<u>419,096</u>	<u>-</u>	<u>419,096</u>	<u>526,658</u>	<u>-</u>	<u>526,658</u>

FSSP-II

	June 30, 2024			June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees						
Financial assets						
Balances with banks	1,007,924	-	1,007,924	10,609,767	-	10,609,767
Profit and other receivable	1,467,810	-	1,467,810	1,300,829	-	1,300,829
	<u>2,475,734</u>	<u>-</u>	<u>2,475,734</u>	<u>11,910,596</u>	<u>-</u>	<u>11,910,596</u>
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	1,498,759	-	1,498,759	263,726	-	263,726
Payable to Central Depository Company of Pakistan Limited - Trustee	1,286	-	1,286	1,974	-	1,974
Accrued expenses and other liabilities	686,122	-	686,122	180,563	-	180,563
	<u>2,186,167</u>	<u>-</u>	<u>2,186,167</u>	<u>446,263</u>	<u>-</u>	<u>446,263</u>

FSSP-III

	June 30, 2024			June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
Rupees						
Financial assets						
Balances with banks	2,395,195	-	2,395,195	19,457,016	-	19,457,016
Profit and other receivable	587,918	-	587,918	667,116	-	667,116
	<u>2,983,113</u>	<u>-</u>	<u>2,983,113</u>	<u>20,124,132</u>	<u>-</u>	<u>20,124,132</u>
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	176,666	-	176,666	223,154	-	223,154
Payable to Central Depository Company of Pakistan Limited - Trustee	200	-	200	1,002	-	1,002
Payable against redemption of units	-	-	-	33,237	-	33,237
Accrued expenses and other liabilities	142,004	-	142,004	79,894	-	79,894
	<u>318,870</u>	<u>-</u>	<u>318,870</u>	<u>337,287</u>	<u>-</u>	<u>337,287</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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20.1 Market risk

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

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

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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year / period and net assets of the Fund would have been higher / lower by Rs. 0.037 million (2023: Rs. 0.988 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

FSSP-I

June 30, 2024					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
10.00% to 21.40%	272,719	-	-	-	272,719
	-	-	-	113,656	113,656
	272,719	-	-	113,656	386,375
imited	-	-	-	19,275	19,275
	-	-	-	221	221
	-	-	-	399,600	399,600
	-	-	-	419,096	419,096
	272,719	-	-	(305,440)	(32,721)
	-	-	-	-	-
	-	-	-	-	-
	272,719	-	-		
	272,719	272,719	272,719		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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June 30, 2023					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

Financial assets

Balances with banks

10.00% to 19.50%

Profit and other receivables

68,739,502	-	-	-	68,739,502
-	-	-	3,352,814	3,352,814
68,739,502	-	-	3,352,814	72,092,316

Financial liabilities

Payable to Faysal Asset Management Limited

- Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable against redemption of units

Accrued expenses and other liabilities

-	-	-	224,613	224,613
-	-	-	4,383	4,383
-	-	-	-	-
-	-	-	297,662	297,662
-	-	-	526,658	526,658

On-balance sheet gap (a)

68,739,502	-	-	2,826,156	71,565,658
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap (b)

-	-	-	-	-
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Total interest rate sensitivity gap (a+b)

68,739,502	-	-	-	-
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Cumulative interest rate sensitivity gap

68,739,502	68,739,502	68,739,502	-	-
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FSSP-II

June 30, 2024					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

Financial assets

Balances with banks

20.00% to 21.40%

Profit and other receivable

1,007,924	-	-	-	1,007,924
-	-	-	1,467,810	1,467,810
1,007,924	-	-	1,467,810	2,475,734

Financial liabilities

Payable to Faysal Asset Management Limited

- Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Accrued expenses and other liabilities

-	-	-	1,498,759	1,498,759
-	-	-	1,286	1,286
-	-	-	686,122	686,122
-	-	-	2,186,167	2,186,167

On-balance sheet gap (a)

1,007,924	-	-	(718,357)	289,567
-----------	---	---	-----------	---------

Off-balance sheet financial instruments

-	-	-	-	-
---	---	---	---	---

Off-balance sheet gap (b)

-	-	-	-	-
---	---	---	---	---

Total interest rate sensitivity gap (a+b)

1,007,924	-	-	-	-
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Cumulative interest rate sensitivity gap

1,007,924	1,007,924	1,007,924	-	-
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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June 30, 2023					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

Financial assets

Balances with banks

11.00% to 19.50%

Profit and other receivables

10,609,767	-	-	-	-	10,609,767
-	-	-	-	1,300,829	1,300,829
10,609,767	-	-	-	1,300,829	11,910,596

Financial liabilities

Payable to Faysal Asset Management Limited

- Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Accrued expenses and other liabilities

-	-	-	-	263,726	263,726
-	-	-	-	1,974	1,974
-	-	-	-	180,563	180,563
-	-	-	-	446,263	446,263

On-balance sheet gap (a)

10,609,767	-	-	-	854,566	11,464,333
------------	---	---	---	---------	------------

Off-balance sheet financial instruments

-	-	-	-	-	-
---	---	---	---	---	---

Off-balance sheet gap (b)

-	-	-	-	-	-
---	---	---	---	---	---

Total interest rate sensitivity gap (a+b)

10,609,767	-	-	-	-	-
------------	---	---	---	---	---

Cumulative interest rate sensitivity gap

10,609,767	10,609,767	10,609,767	-	-	-
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FSSP-III

June 30, 2024					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

Financial assets

Balances with banks

20.00% to 21.40%

Profit and other receivable

2,395,195	-	-	-	-	2,395,195
-	-	-	-	587,918	587,918
2,395,195	-	-	-	587,918	2,983,113

Financial liabilities

Payable to Faysal Asset Management Limited

- Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable against redemption of units

Accrued expenses and other liabilities

-	-	-	-	176,666	176,666
-	-	-	-	200	200
-	-	-	-	-	-
-	-	-	-	142,004	142,004
-	-	-	-	318,870	318,870

On-balance sheet gap (a)

2,395,195	-	-	-	269,048	2,664,243
-----------	---	---	---	---------	-----------

Off-balance sheet financial instruments

-	-	-	-	-	-
---	---	---	---	---	---

Off-balance sheet gap (b)

-	-	-	-	-	-
---	---	---	---	---	---

Total interest rate sensitivity gap (a+b)

2,395,195	-	-	-	-	-
-----------	---	---	---	---	---

Cumulative interest rate sensitivity gap

2,395,195	2,395,195	2,395,195	-	-	-
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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June 30, 2023					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
Financial assets					
Balances with banks	11.00% to 19.50%	19,457,016	-	-	19,457,016
Profit and other receivables		-	-	667,116	667,116
		19,457,016	-	667,116	20,124,132
Financial liabilities					
Payable to Faysal Asset Management Limited		-	-	223,154	223,154
- Management Company		-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,002	1,002
Payable against redemption of units		-	-	33,237	33,237
Accrued expenses and other liabilities		-	-	79,894	79,894
		-	-	337,287	337,287
On-balance sheet gap (a)		19,457,016	-	329,829	19,786,845
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		19,457,016	-	-	-
Cumulative interest rate sensitivity gap		19,457,016	19,457,016	19,457,016	

(ii) Currency risk

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

(iii) Price risk

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

The Fund does not have any investment that is exposed to price risk as at June 30, 2024 and June 30, 2023.

20.2 Liquidity risk

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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FSSP-I

June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Balances with banks	272,719	-	-	-	-	272,719
Profit and other receivables	113,656	-	-	-	-	113,656
	386,375	-	-	-	-	386,375
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	19,275	-	-	-	-	19,275
Payable to Central Depository Company of Pakistan Limited - Trustee	221	-	-	-	-	221
Accrued expenses and other liabilities	356,925	42,675	-	-	-	399,600
	376,421	42,675	-	-	-	419,096
Net financial assets	9,954	(42,675)	-	-	-	(32,721)

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Balances with banks	68,739,502	-	-	-	-	68,739,502
Profit and other receivables	3,352,814	-	-	-	-	3,352,814
	72,092,316	-	-	-	-	72,092,316
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	224,613	-	-	-	-	224,613
Payable to Central Depository Company of Pakistan Limited - Trustee	4,383	-	-	-	-	4,383
Payable against redemption of units	-	-	-	-	-	-
Accrued expenses and other liabilities	271,138	26,524	-	-	-	297,662
	500,134	26,524	-	-	-	526,658
Net financial assets	71,592,182	(26,524)	-	-	-	71,565,658

FSSP-II

June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Balances with banks	1,007,924	-	-	-	-	1,007,924
Profit and other receivables	1,467,810	-	-	-	-	1,467,810
	2,475,734	-	-	-	-	2,475,734
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	1,498,759	-	-	-	-	1,498,759
Payable to Central Depository Company of Pakistan Limited - Trustee	1,286	-	-	-	-	1,286
Payable against redemption of units	-	-	-	-	-	-
Accrued expenses and other liabilities	555,652	130,470	-	-	-	686,122
	2,055,697	130,470	-	-	-	2,186,167
Net financial assets	420,037	(130,470)	-	-	-	289,567

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	10,609,767	-	-	-	-	10,609,767
Profit and other receivables	1,300,829	-	-	-	-	1,300,829
	11,910,596	-	-	-	-	11,910,596
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	263,726	-	-	-	-	263,726
Payable to Central Depository Company of Pakistan Limited - Trustee	1,974	-	-	-	-	1,974
Payable against redemption of units	-	-	-	-	-	-
Accrued expenses and other liabilities	66,243	114,320	-	-	-	180,563
	331,943	114,320	-	-	-	446,263
Net financial assets	11,578,653	(114,320)	-	-	-	11,464,333

FSPP-III

June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	2,395,195	-	-	-	-	2,395,195
Profit and other receivables	587,918	-	-	-	-	587,918
	2,983,113	-	-	-	-	2,983,113
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	176,666	-	-	-	-	176,666
Payable to Central Depository Company of Pakistan Limited - Trustee	200	-	-	-	-	200
Payable against redemption of units	-	-	-	-	-	-
Accrued expenses and other liabilities	76,483	65,521	-	-	-	142,004
	253,349	65,521	-	-	-	318,870
Net financial assets	2,729,764	(65,521)	-	-	-	2,664,243

June 30, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	19,457,016	-	-	-	-	19,457,016
Profit and other receivables	667,116	-	-	-	-	667,116
	20,124,132	-	-	-	-	20,124,132
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	223,154	-	-	-	-	223,154
Payable to Central Depository Company of Pakistan Limited - Trustee	1,002	-	-	-	-	1,002
Payable against redemption of units	33,237	-	-	-	-	33,237
Accrued expenses and other liabilities	30,524	49,370	-	-	-	79,894
	287,917	49,370	-	-	-	337,287
Net financial assets	19,836,215	(49,370)	-	-	-	19,786,845

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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20.3 Credit risk

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

FSSP-I

2024		2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees		Rupees	

Balances with banks	272,719	272,719	68,739,502	68,739,502
Profit and other receivables	113,656	113,656	3,352,814	3,352,814
	<u>386,375</u>	<u>386,375</u>	<u>72,092,316</u>	<u>72,092,316</u>

FSSP-II

2024		2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees		Rupees	

Balances with banks	1,007,924	1,007,924	10,609,767	10,609,767
Profit and other receivables	1,467,810	1,467,810	1,300,829	1,300,829
	<u>2,475,734</u>	<u>2,475,734</u>	<u>11,910,596</u>	<u>11,910,596</u>

FSSP-III

2024		2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees		Rupees	

Balances with banks	2,395,195	2,395,195	19,457,016	19,457,016
Advances, profit and other receivable	587,918	587,918	667,116	667,116
	<u>2,983,113</u>	<u>2,983,113</u>	<u>20,124,132</u>	<u>20,124,132</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets.

20.3.2 Credit quality of financial assets

The credit rating profile of balances with banks is as follows:

FSSP-I**Rating**

% of financial assets exposed to credit risk	
2024	2023
-%	
AAA	2.72
AA+	4.50
AA-	92.66
AA	-

FSSP-II**Rating**

% of financial assets exposed to credit risk	
2024	2023
-%	
AA	18.41
AA-	76.84
AA+	5.79

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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FSSP-III**Rating**

AA
AA-
AA+

% of financial assets exposed to credit risk	
2024	2023
-----%	
42.89	-
26.05	89.60
-	9.69

20.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

20 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.

20.1 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 June 30, 2024, and June 30, 2023 the Fund does not hold any instrument that are measured at fair value.

21 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, 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 maintained and complied with the requirement of minimum fund size at all times for the period from July 19, 2023 to August 20, 2023, August 29, 2023 to October 9, 2023, and January 10, 2024 to June 30, 2024. As part of Management Company's conversion to a full-fledged Shariah Compliant AMC in line with the parent bank, the Management Company is in the process of transferring the management rights of all conventional funds being managed by FAML to another Asset Management Company. Accordingly, the Management Company is not soliciting additional investments in this Fund due to the said transfer of management rights.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2024		
	Number of unit holders	Number of units held	Percentage of total
Faysal Special Savings Plan-I			
Individuals	1	1,378	16.33%
Associate Company	1	7,060	83.67%
	<u>2</u>	<u>8,438</u>	<u>100.00%</u>
Faysal Special Savings Plan-II			
Individuals	2	9	0.24%
Other Corporate	3	3,533	99.76%
	<u>5</u>	<u>3,542</u>	<u>100.00%</u>
Faysal Special Savings Plan-III			
Individuals	25,833	329,410	100.00%
	<u>25,833</u>	<u>329,410</u>	<u>100.00%</u>
Category	2023		
	Number of unit holders	Number of units held	Percentage of total
Faysal Special Savings Plan-I			
Individuals	5	481,356	83.73%
Associate Company	1	93,502	16.27%
	<u>6</u>	<u>574,858</u>	<u>100.00%</u>
Faysal Special Savings Plan-II			
Associate Company	1	102,732	97.94%
other	1	2,158	2.06%
	<u>2</u>	<u>104,890</u>	<u>100.00%</u>
Faysal Special Savings Plan-III			
Individuals	17,741	545,421	31.27%
Associate Company	1	1,198,995	68.73%
	<u>17,742</u>	<u>1,744,416</u>	<u>100.00%</u>

23 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2024	2023
	Percentage of commission paid	
AKD Securities Limited	3.07%	-
Bright Capital (Private) Limited	70.33%	-
Continental Exchange (Private) Limited	23.44%	-
C&M Management (Private) Limited	-	33.96%
Magenta Capital (Private) Limited	3.16%	63.26%
JS Global Capital Limited	-	2.78%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Operating Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA, CFA	Over 9 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Research Analyst	BSC	Over 5 Years
Syed Eunus Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Mohammed Qasim	Senior Manager Risk Management	MBA	Over 16 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Syed Shahid Iqbal	Fund Manager	Bachelors in Commerce	Faysal Cash Fund, Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation Fund, Faysal Halal Amdani Fund, Faysal Islamic Cash Fund, Faysal Islamic Special Income Fund, Faysal Islamic Financial Planning Fund II, Faysal Islamic Sovereign Fund, Faysal Islamic Financial Growth Fund, Faysal Islamic Mustakil Munafa Fund, Faysal Income & Growth Fund, Faysal Money Market Fund, Faysal Savings Growth Fund, Faysal Financial Sector Opportunity Fund, Faysal Financial Value Fund and Faysal Government Securities Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August, 18 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri*	Director	-	-	-	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Mr Ehsen Zafar Puri has been appointed as director on the Board with effect from October 20, 2023.

27 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

28 GENERAL

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)
AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

	June 30, 2024 (Rupees)	June 30, 2024 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2023 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
(i) PERFORMANCE TABLE							
	Faysal Special Saving Plan -I	Faysal Special Saving Plan -II	Faysal Special Saving Plan -III	Faysal Special Saving Plan -I	Faysal Special Saving Plan -II	Faysal Special Saving Plan -III	Faysal Special Saving Plan -I
Net assets	1,139,539	378,235	3,755,529	71,430,727	11,366,050	19,762,312	929,906,982
Net assets value per unit	135.05	106.78	11.40	124.26	108.36	11.33	106.13
Offer price per unit	138.11	109.20	11.66	127.07	110.81	11.59	108.53
Repurchase price per unit	135.05	106.78	11.40	124.26	108.36	11.33	106.13
Highest offer price per unit	145.23	149.53	14.04	127.07	110.81	11.59	108.53
Highest repurchase price per unit	142.02	1,197.02	13.73	124.26	108.36	11.33	106.83
Lowest offer price per unit	126.94	109.20	11.59	106.32	102.26	10.23	100
Lowest repurchase price per unit	124.13	106.78	11.33	106.18	100.00	10.00	100
Total return:	19.21%	43.78%	22.02%	13.30%	19.05%	17.08%	6.44%
- capital growth	9.52%	6.75%	0.75%	13.30%	19.05%	17.08%	6.15%
- income distribution	9.69%	37.03%	21.27%	0.00%	0.00%	0.00%	0.29%
Average annual return: (Launch date: Oct 01, 2021)							
- one year	19.21%	43.78%	22.02%	13.30%	19.05%	17.08%	6.44%
- two years	16.26%	31.42%	19.55%	N/A	N/A	N/A	N/A
- three years	9.66%	N/A	N/A	N/A	N/A	N/A	N/A
Distribution per unit:							
- Interim distribution (% per unit) *	9.69%	37.03%	21.27%	0.00%	0.00%	0.00%	0.29%
- Final distribution (% per unit)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	9.69%	37.03%	21.27%	0.00%	0.00%	0.00%	0.29%

* Announced on 27 June 2024

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(ii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On			
		17-Aug-23	19-Oct-23	01-Feb-24	18-Apr-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes	Yes	Yes

(iii) MEETINGS OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On				
		08-Aug-23	17-Oct-23	08-Nov-23	01-Feb-24	06-May-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes	Yes	Yes

(iv) MEETINGS OF THE BOARD RISK MANAGEMENT COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Risk Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On		
		10-Aug-23	16-Oct-23	18-Apr-24
Mr. Mian Salman Ali	Chairman	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes	Yes

(v) MEETINGS OF THE BOARD STRATEGY COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Strategy Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On	
		09-Aug-23	16-Oct-23
Mr. Yousaf Hussain	Chairman	Yes	Yes
Syed Majid Ali	Member	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes
*Mr. Ehsan Zafar Pui	Member	N/A	N/A

*Mr. Ehsan Zafar Pui was appointed as director board strategy committee, effective from October 20, 2023.

Head Office

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

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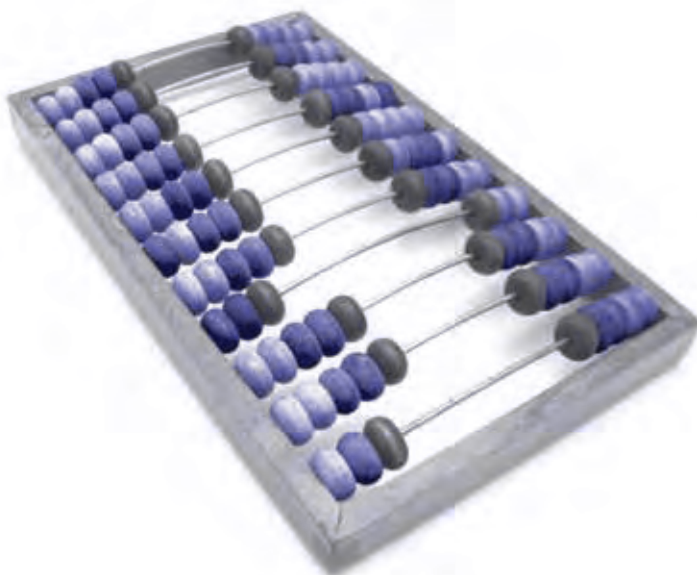
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Faysal Stock Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

Equities review:

During FY24, the index surged by ~79% from 41,453 points at the end of Jun'23 to 78,445 points. Positive developments on the external front (IMF program success and reapproval, stable PKR, modest Fx reserves), as well as diminishing inflationary pressures and political stability among others, bolstered investor sentiment during the year.

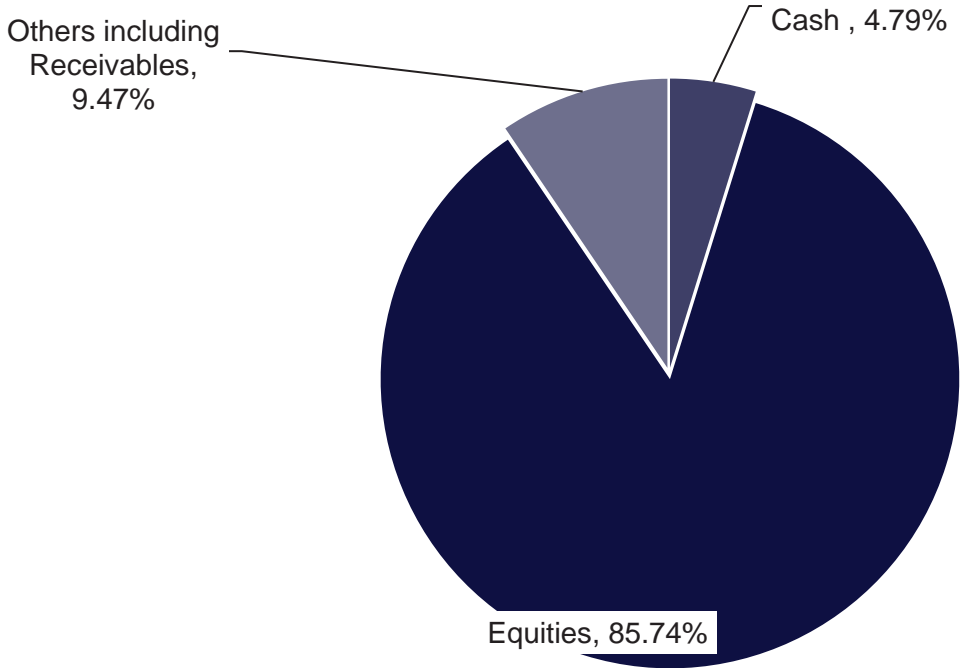
During the FY24, Foreigners and Insurance drove the market with a net purchase of ~USD 152m and ~USD 126m. On the flipside, Banks/DFIs, Individuals, Mutual Funds and Others were net sellers to the tune of ~USD 141mn, ~USD 59mn, ~USD 47mn and ~USD 33m respectively.

During FY24 the sectors which contributed positively to the index include Banks (13,262 points), Fertilizer (5,074 points), Oil & Gas Exploration Companies (4,300 points), Power Generation & Distribution (4,192 points), Cement (2,513 points) and Automobile Assembler (1,095 points). The sectors which dragged in the bourse in FY24 majorly include Technology & Communication (-52 points) and Textile Spinning (-17 points). The market experienced a sustained bull run in FY24, driven by improving macroeconomic indicators, rising corporate profitability, expectations of a rate cut in 2HFY24, and attractive market valuations.

Fund Information	
Fund Type	Open Ended
Category	Equity Scheme
Stability Rating	1-Star (PACRA) February 14 ,2024
Risk Profile	High
Launch Date	April 21, 2004
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 2% of Average Annual N.A. (Actual Rate of Management Fee Charged is 2.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark	KSE 100 index
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon - Thu 9:00 am - 3:30 pm, Fri 9:00 am - 4:30 pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	40.49
Net Assets (mn)	46
Total Expense Ratio (Annualized)	4.76%
Total Expense Ratio (Monthly)	-9.15%

Fund Returns (% p.a)		
	FY24	FY23
YTD	-15.59%	-12.73%
Benchmark (YTD)	89.82%	-0.52%

Asset Allocation



FUND PERFORMANCE

During the period under review, the fund posted an absolute return of -15.59% in FY24 against its benchmark return of +89.82%. The fund's exposure in Equities, Cash and Other Receivables stood at 85.74%, 4.79% and 9.47% of assets, respectively. During this period, an overweight stance was taken in Oil & Gas Exploration, Cement and Pharmaceutical sectors, whereas an Underweight stance was taken in the remaining sectors.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

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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 STOCK FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V 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), would like to draw the attention of the unit holders towards the fact that Faysal Asset Management Limited (Management Company) due to its conversion from Conventional to Shariah Compliant Asset Management Company did not intend to operate this conventional Fund and therefore Management Company will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund 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 the Non-Banking Finance Companies and Notified Entities 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 and in case of any breach, the Asset Management Company shall ensure compliance with the minimum fund size within three months of its breach. In this regard, the Fund was non-complaint with the said requirement from October 12, 2023 till date as the fund size of the scheme was reduced to the minimum of Rs.45.92 million as on June 30, 2024. 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: September 26, 2024



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Faysal Stock Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Faysal Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	<p>Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 2.38 million and investments aggregated to Rs. 42.69 million.</p> <p>The existence of balances with banks and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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■ KARACHI ■ LAHORE ■ ISLAMABAD



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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to



A.F. FERGUSON & CO.

the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 27, 2024
Karachi
UDIN: AR202410068bM4N1zl6p

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Assets			
Balances with banks	4	2,385,709	14,889,796
Investments	5	42,687,150	154,297,551
Advances, deposits, dividend and profit receivable	6	3,448,300	35,388,137
Receivable from Faysal Asset Management Limited - Management Company	7	1,265,000	40,000
Total assets		49,786,159	204,615,484
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	359,022	1,632,453
Payable to Central Depository Company of Pakistan Limited - Trustee	9	8,474	36,410
Payable to the Securities and Exchange Commission of Pakistan	10	3,275	136,309
Payable against purchase of investments - net		-	9,982,342
Accrued expenses and other liabilities	11	3,490,568	3,200,353
Total liabilities		3,861,339	14,987,867
Net assets		<u>45,924,820</u>	<u>189,627,617</u>
Unit holders' fund (as per statement attached)		<u>45,924,820</u>	<u>189,627,617</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>1,134,139</u>	<u>3,952,964</u>
		----- (Rupees) -----	
Net asset value per unit		<u>40.49</u>	<u>47.97</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer_____
Chief Executive Officer_____
Director

INCOME STATEMENT

For The Year Ended June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Income			
Dividend income		14,491,078	41,388,544
Profit on balances with banks		4,040,220	13,084,068
Other income		2,552,223	-
Loss on sale of investments - net		(29,801,094)	(9,869,995)
		(8,717,573)	44,602,617
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	5,870,414	(21,605,240)
Total (loss) / income		(2,847,159)	22,997,377
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	1,130,282	10,614,973
Sindh Sales Tax on remuneration of the Management Company	8.2	146,937	1,379,946
Selling and marketing expenses	8.3	934,116	8,471,326
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	168,871	1,319,095
Sindh Sales Tax on remuneration of the Trustee	9.2	21,953	171,482
Fee to the Securities and Exchange Commission of Pakistan	10.1	80,242	136,333
Legal and professional charges		389,481	283,390
Transaction charges		999,092	9,211,542
Bank charges		23,641	29,066
Auditors' remuneration	13	1,015,711	812,865
Fees and subscription		305,779	749,842
Printing charges		9,800	29,390
Reimbursement from Faysal Asset Management Limited - Management Company	7	(1,225,000)	(40,000)
Total expenses		4,000,905	33,169,250
Net loss for the year before taxation		(6,848,064)	(10,171,873)
Taxation	14	-	-
Net loss for the year after taxation		(6,848,064)	(10,171,873)
Loss per unit	15		
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer_____
Chief Executive Officer_____
Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	2024	2023
	(Rupees)	
Net loss for the year after taxation	(6,848,064)	(10,171,873)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(6,848,064)	(10,171,873)

The annexed notes from 1 to 28 form an integral part of these 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 Year Ended June 30, 2024

	2024			2023		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	997,115,510	(807,487,893)	189,627,617	1,975,210,595	(797,316,020)	1,177,894,575
Issuance of 20,529,581 units (2023: 90,736,337 units)						
- Capital value (at net asset value per unit at the beginning of the year)	984,804,001	-	984,804,001	4,987,776,445	-	4,987,776,445
- Element of loss	(101,064,112)	-	(101,064,112)	(341,560,009)	-	(341,560,009)
Total proceeds on issuance of units	883,739,889	-	883,739,889	4,646,216,436	-	4,646,216,436
Redemption of 23,348,406 units (2023: 108,211,598 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(1,120,023,080)	-	(1,120,023,080)	(5,948,391,542)	-	(5,948,391,542)
- Element of income	99,428,458	-	99,428,458	324,080,021	-	324,080,021
Total payments on redemption of units	(1,020,594,622)	-	(1,020,594,622)	(5,624,311,521)	-	(5,624,311,521)
Total comprehensive loss for the year	-	(6,848,064)	(6,848,064)	-	(10,171,873)	(10,171,873)
Distribution during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(6,848,064)	(6,848,064)	-	(10,171,873)	(10,171,873)
Net assets at the end of the year	<u>860,260,777</u>	<u>(814,335,957)</u>	<u>45,924,820</u>	<u>997,115,510</u>	<u>(807,487,893)</u>	<u>189,627,617</u>
Accumulated loss brought forward						
- Realised loss		(785,882,653)			(659,309,102)	
- Unrealised loss		(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 year after taxation		(6,848,064)			(10,171,873)	
Accumulated loss carried forward		<u>(814,335,957)</u>			<u>(807,487,893)</u>	
Accumulated loss carried forward						
- Realised loss		(820,206,371)			(785,882,653)	
- Unrealised income / (loss)		5,870,414			(21,605,240)	
		<u>(814,335,957)</u>			<u>(807,487,893)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>47.97</u>			<u>54.97</u>	
Net asset value per unit at the end of the year		<u>40.49</u>			<u>47.97</u>	

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(6,848,064)	(10,171,873)
Adjustments for:			
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(5,870,414) (12,718,478)	21,605,240 11,433,367
Decrease / (increase) in assets			
Investments - net		107,498,473	812,837,699
Receivable from Faysal Asset Management Limited - Management Company		(1,225,000)	4,445,478
Advances, deposits, dividend and profit receivable		31,939,837	(31,473,584)
		138,213,310	785,809,593
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		(1,273,431)	(10,283,802)
Payable to Central Depository Company of Pakistan Limited - Trustee		(27,936)	(177,760)
Payable to the Securities and Exchange Commission of Pakistan		(133,034)	(317,605)
Accrued expenses and other liabilities		290,215	(2,313,568)
		(1,144,186)	(13,092,735)
Net cash generated from operating activities		124,350,646	784,150,225
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		883,739,889	4,646,216,436
Payments against redemption and conversion of units		(1,020,594,622)	(5,624,311,521)
Net cash used in financing activities		(136,854,733)	(978,095,085)
Net decrease in cash and cash equivalents during the year		(12,504,087)	(193,944,860)
Cash and cash equivalents at the beginning of the year		14,889,796	208,834,656
Cash and cash equivalents at the end of the year	4	2,385,709	14,889,796

The annexed notes from 1 to 28 form an integral part of these 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**For The Year Ended June 30, 2024****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. The Fund was under the Sindh Trusts Act, 2020 on November 29, 2021.

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.

- 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 'Equity 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 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments. 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 ('AM2+' dated December 30, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, Pakistan Credit Rating Agency Limited (PACRA) has assigned a "1-Star" performance ranking to the Fund dated February 14, 2024 (2023: "4-Star" dated February 10, 2023).
- 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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 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 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 IFRS Accounting Standards, 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**For The Year Ended June 30, 2024**

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 has not been adopted yet in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgments

The preparation of the 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 reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement**3.2.2.1 Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investments at FVOCI. The management considers its investment in equity securities being managed as a group of assets hence has classified as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement. Since all investments in equity instruments have been designated as FVPL, subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Regular way contracts

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

3.2.5 Derecognition

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

3.3 Financial liabilities**3.3.1 Classification and subsequent measurement**

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

3.3.2 Derecognition

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Distribution to unit holders

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

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

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of the date of book closure of the investee company / institution declaring the dividend; and
- Profit on balances with banks is recognised on an accrual basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

3.13 Loss per unit

Loss per unit is calculated by dividing the net loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of loss per unit is not practicable as disclosed in note 15.

3.14 Foreign currency translation

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

	Note	2024	2023
		----- (Rupees) -----	
4 BALANCES WITH BANKS			
Balances with banks in savings accounts	4.1	<u>2,385,709</u>	<u>14,889,796</u>
4.1 These include a balance of Rs. 0.954 million (2023: Nil) maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 20.00% (2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 18.81% to 21.00% (2023: 10.00% to 19.75%) per annum.			
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	5.1	<u>42,687,150</u>	<u>154,297,551</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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5.1 Listed equity securities

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	(Number of shares held)					(Rupees)			%		
CHEMICALS											
Dyneem Pakistan Limited	-	3,400	-	650	2,750	513,183	620,180	106,997	1.35%	1.45%	0.01%
Nimr Industrial Chemicals Limited	-	12,000	-	3,600	8,400	902,800	1,016,232	113,432	2.21%	2.38%	0.01%
						1,415,983	1,636,412	220,429	3.56%	3.83%	
FERTILIZER											
Engro Fertilizers Limited *	10,000	75,750	-	76,172	9,578	1,321,292	1,592,055	270,763	3.47%	3.73%	-
Engro Corporation Limited *	3,900	22,550	-	22,450	4,000	1,356,158	1,330,840	(25,318)	2.90%	3.12%	-
Fauji Fertilizer Company Limited *	-	57,010	-	45,050	11,960	1,579,810	1,954,025	374,215	4.25%	4.58%	-
						4,257,260	4,876,920	619,660	10.62%	11.43%	
CEMENT											
Attock Cement Pakistan Limited	-	11,100	-	3,550	7,550	753,253	733,407	(19,846)	1.60%	1.72%	0.01%
Cherat Cement Company Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
Fauji Cement Company Limited *	160,000	279,000	-	328,500	110,500	2,119,650	2,531,555	411,905	5.51%	5.93%	-
Lucky Cement Limited *	-	6,384	-	3,690	2,694	2,155,019	2,442,731	287,712	5.32%	5.72%	-
Maple Leaf Cement Factory Limited *	-	194,500	-	158,600	35,900	1,374,709	1,364,200	(10,509)	2.97%	3.20%	-
Pioneer Cement Limited *	-	13,150	-	6,200	6,950	958,213	1,172,118	213,905	2.55%	2.75%	-
						7,360,844	8,244,010	883,166	17.95%	19.32%	
ENGINEERING											
International Industries Limited *	-	4,500	-	1,710	2,790	425,059	546,031	120,972	1.19%	1.28%	-
International Steels Limited	-	5,500	-	5,500	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	19,796	-	-	19,796	-	-	-	-	-	-	-
						425,059	546,031	120,972	1.19%	1.28%	
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited *	-	1,550	-	580	970	386,904	374,653	(12,251)	0.82%	0.88%	-
Pakistan State Oil Company Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	50,000	72,200	-	122,200	-	-	-	-	-	-	-
						386,904	374,653	(12,251)	0.82%	0.88%	
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited *	1,300	3,400	-	4,065	635	1,570,638	1,722,336	151,698	3.75%	4.03%	-
Oil & Gas Development Company Limited *	-	114,900	-	93,750	21,150	2,727,323	2,863,076	135,753	6.23%	6.71%	-
Pakistan Petroleum Limited *	-	136,100	-	114,100	22,000	2,558,725	2,576,420	17,695	5.61%	6.04%	-
						6,856,686	7,161,831	305,145	15.59%	16.78%	
REFINERY											
Attock Refinery Limited	-	2,500	-	2,500	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	91,500	-	91,500	-	-	-	-	-	-	-
TEXTILE COMPOSITE											
Interloop Limited *	-	45,300	-	27,400	17,900	1,316,981	1,267,857	(49,124)	2.76%	2.97%	-
Nishat Chunian Limited	-	16,900	-	16,900	-	-	-	-	-	-	-
Nishat Mills Limited *	-	11,500	-	8,200	3,300	243,663	233,805	(9,858)	0.51%	0.55%	-
						1,560,644	1,501,662	(58,982)	3.27%	3.52%	
PHARMACEUTICALS											
AGP Limited *	-	11,100	-	3,850	7,250	558,636	669,683	111,047	1.46%	1.57%	-
Ferozsons Laboratories Limited *	-	2,200	-	750	1,450	332,759	361,645	28,886	0.79%	0.85%	-
Haleon Pakistan Limited *	-	5,450	-	1,600	3,850	880,618	1,144,875	264,256	2.49%	2.68%	-
Highnoon Laboratories Limited *	-	2,100	-	740	1,360	715,239	970,469	255,230	2.11%	2.27%	-
The Seattle Company Limited *	-	-	-	-	-	2,487,252	3,146,670	659,418	6.85%	7.37%	-
COMMERCIAL BANKS											
Bank Alfalah Limited *	-	70,900	-	34,800	36,100	1,996,525	2,455,522	458,997	5.35%	5.75%	-
Bank AL Habib Limited *	-	24,200	-	11,400	12,800	1,146,507	1,435,904	289,397	3.13%	3.36%	-
Faysal Bank Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
Habib Bank Limited *	-	18,450	-	14,650	3,800	474,164	471,314	(2,850)	1.03%	1.10%	-
Habib Metropolitan Bank Limited *	-	40,000	-	15,500	24,500	1,464,256	1,682,415	218,159	3.66%	3.94%	-
MCB Bank Limited	-	21,608	-	21,608	-	-	-	-	-	-	-
Meezan Bank Limited	-	18,143	-	18,143	-	-	-	-	-	-	-
United Bank Limited *	-	33,832	-	22,700	11,132	2,090,273	2,852,464	762,191	6.21%	6.68%	-
						7,171,725	8,897,619	1,725,894	19.38%	20.83%	
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited *	-	78,500	-	64,350	14,150	1,746,512	2,307,582	561,070	5.02%	5.41%	-
						1,746,512	2,307,582	561,070	5.02%	5.41%	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised (diminution) / appreciation as at June 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	(Number of shares held)					(Rupees)			-%		
AUTOMOBILE ASSEMBLER											
Sazgar Engineering Works Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
MISCELLANEOUS											
Pakistan Aluminum Beverage Cans Limited	-	8,050	-	8,050	-	-	-	-	-	-	-
INSURANCE											
TPL Insurance Limited	5,252,875	-	-	5,252,875	-	-	-	-	-	-	-
AUTOMOBILE PARTS AND ACCESSORIES											
Exide Pakistan Limited	-	1,250	-	140	1,110	484,543	654,134	169,591	1.42%	1.53%	0.01%
Thal Limited *	-	3,462	-	1,510	1,952	629,000	943,480	314,480	2.05%	2.21%	-
						1,113,543	1,597,614	484,071	3.47%	3.74%	
LEATHER & TANNERIES											
Service Global Footwear Limited	-	-	-	-	-	-	-	-	-	-	-
Service Industries Limited *	-	1,250	-	320	930	570,441	884,272	313,831	1.93%	2.07%	-
						570,441	884,272	313,831	1.93%	2.07%	
FOOD AND PERSONAL CARE PRODUCTS											
Fauji Foods Limited	-	1,300	-	1,300	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
INVESTMENT COMPANIES											
MCB Investment Management Limited	1,441,000	-	-	1,441,000	-	-	-	-	-	-	-
GLASS & CERAMICS											
Tariq Glass Industries Limited *	18,500	18,450	-	31,400	5,550	437,530	460,373	22,843	1.00%	1.08%	-
						437,530	460,373	22,843	1.00%	1.08%	
PAPER, BOARD & PACKAGING											
Pak Agro Packaging Limited	333,970	-	-	333,970	-	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION											
Systems Limited *	-	9,180	-	6,740	2,440	994,853	1,020,652	25,799	2.22%	2.39%	-
						994,853	1,020,652	25,799	2.22%	2.39%	
TRANSPORT											
Pakistan International Bulk Terminal Limited *	-	135,000	-	130,000	5,000	31,500	30,850	(650)	0.07%	0.07%	-
						31,500	30,850	(650)	0.07%	0.07%	
Total as at June 30, 2024						<u>36,816,736</u>	<u>42,687,150</u>	<u>5,870,414</u>	<u>92.94%</u>	<u>100.00%</u>	
Total as at June 30, 2023						<u>175,902,791</u>	<u>154,297,551</u>	<u>(21,605,240)</u>			

* Nil figures due to rounding off difference.

5.1.1 All shares have a nominal value of Rs.10 each except for the shares of Dynea Pakistan Limited and Thal Limited which have a nominal value of Rs. 5 each.

5.1.2 The above investments includes shares of the following companies 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 of 2007 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

	2024 ----- (Number of shares) -----	2023 ----- (Rupees) -----	2024 ----- (Rupees) -----	2023 ----- (Rupees) -----
Bank Alfalah Limited	23,000	-	1,564,460	-
United Bank Limited	10,000	-	2,562,400	-
Lucky Cement Limited	1,800	-	1,632,114	-
Maple Leaf Cement Factory Limited	2,000	-	76,000	-
Engro Corporation Limited	1,500	-	499,065	-
Engro Fertilizers Limited	8,000	-	1,329,760	-
The Hub Power Company Limited	11,000	-	1,793,880	-
Oil & Gas Development Company Limited	5,000	-	676,850	-
Pakistan Petroleum Limited	7,500	-	878,325	-
	<u>69,800</u>	<u>-</u>	<u>11,012,854</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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	Note	2024	2023
		(Rupees)	
5.2 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	42,687,150	154,297,551
Less: carrying value of investments	5.1	(36,816,736)	(175,902,791)
		<u>5,870,414</u>	<u>(21,605,240)</u>

6 ADVANCES, DEPOSITS, DIVIDEND AND PROFIT RECEIVABLE

Security deposit with:

National Clearing Company of Pakistan Limited
Central Depository Company of Pakistan Limited

3,000,000	33,500,000
107,500	107,500
3,107,500	33,607,500

Profit receivable on balances with banks

105,927 1,625,264

Dividend receivable

133,727 54,227

Advance tax

6.1 101,146 101,146

3,448,300	35,388,137
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- 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 savings accounts and dividends paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its 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 profit on savings accounts and dividends amounts to Rs. 0.101 million (2023: Rs. 0.101 million).

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 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 (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP 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 profit on savings accounts and dividends has been shown as advance tax under assets as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded

7 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per the SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the Total Expense Ratio (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 year ended June 30, 2024, the Fund was in breach of the TER ratio of 4.5% as prescribed under NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'. As a result, the Fund has recorded receivable from the Management Company to comply with the TER.

	Note	2024	2023
		(Rupees)	
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	8.1	75,295	-
Sindh Sales Tax payable on remuneration of the Management Company	8.2	9,788	-
Selling and marketing expenses payable	8.3	273,939	962,402
Sales load payable		-	670,051
		<u>359,022</u>	<u>1,632,453</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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- 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 its remuneration at rates ranging from 0.5% to 2% (2023: 0% to 2.5%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 During the year, an amount of Rs. 0.147 million (2023: Rs. 1.380 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% (2023: 13%).
- 8.3 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% (2023: 0% to 1.5%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024 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.
- 8.4 During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and accounting & operational charges to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations on the financial statements, if any, is not determinable as at the reporting date.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			----- (Rupees) -----	
	Remuneration payable	9.1	7,499	32,221
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	975	4,189
			<u>8,474</u>	<u>36,410</u>

- 9.1 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	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher.
- On exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

- 9.2 During the year, an amount of Rs. 0.022 million (2023: Rs. 0.171 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% (2023: 13%).

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			----- (Rupees) -----	
	Fee payable	10.1	<u>3,275</u>	<u>136,309</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) at the rate of 0.095% (2023: 0.02%) per annum of the daily net assets during the year.

The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2024	2023
			----- (Rupees) -----	
	Brokerage payable		-	135,648
	Capital gain tax payable		17,692	274,500
	Withholding tax payable		485,634	232,762
	Fees and subscription payable		148,710	-
	Transaction charges payable		45,390	-
	Auditors' remuneration payable		804,667	699,558
	Zakat payable		78,366	78,366
	Provision for Federal Excise Duty on remuneration of the Management Company	11.1	1,209,652	1,209,652
	Legal and professional charges payable		624,380	440,340
	Printing charges payable		33,263	40,037
	Others		42,814	89,490
			<u>3,490,568</u>	<u>3,200,353</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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- 11.1** 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% 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 made 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 Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 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 1.210 million (2023: Rs. 1.210 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Asset Value of the Fund at at June 30, 2024 would have been higher by Rs. 1.067 (2023: Re. 0.306) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

	2024	2023
	(Rupees)	
13 AUDITORS' REMUNERATION		
Annual audit fee	500,000	500,000
Fee for half yearly review of condensed interim financial statements	302,500	200,000
Fee for other certifications	85,000	-
Out of pocket expenses	52,973	52,653
	940,473	752,653
Sindh Sales Tax	75,238	60,212
	1,015,711	812,865

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 Fund has incurred net loss during the current year, therefore no provision for taxation has been made in these 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 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.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 4.76% (2023: 4.64%) which includes 0.40% (2023: 0.38%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** 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.
- 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 Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 17.4** Remuneration to the Trustee is determined in accordance with the provisions of 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 during the year and balances with them as at year end are as follows:

Transactions during the year	2024	2023
	----- (Rupees) -----	-----
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	1,130,282	10,614,973
Sindh Sales Tax on remuneration of the Management Company	146,937	1,379,946
Selling and marketing expenses	934,116	8,471,326
Units issued: 1,013,332 units (2023: 15,154,107 units)	49,107,583	769,569,730
Units redeemed: 1,013,332 units (2023: 16,466,034 units)	37,000,000	855,189,368
Faysal Bank Limited - Group Company		
Profit on balances with bank	380,654	1,723,701
Units issued: Nil units (2023: 956,206 units)	-	50,000,000
Units redeemed: Nil units (2023: 7,936,610 units)	-	406,618,918
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	168,871	1,319,095
Sindh Sales Tax on remuneration of the Trustee	21,953	171,482
Settlement charges	53,345	199,288
Directors, their close family members and Key Management Personnel of the Management Company		
Units issued: Nil units (2023: 554 units)	-	30,328
Units redeemed: 497 units (2023: 75,356 units)	14,280	4,127,788
Unit holders holding 10% or more units of the Fund *		
Units issued: 1,065,148 units (2023: 16,668,917 units)	45,952,277	824,124,174
Units redeemed: 897,152 units (2023: 15,533,875 units)	30,855,880	783,580,523
Amounts / balances outstanding as at year end	2024	2023
	----- (Rupees) -----	-----
Faysal Asset Management Limited - Management Company		
Remuneration payable	75,295	-
Sindh Sales Tax payable on remuneration of the Management Company	9,788	-
Selling and marketing expenses payable	273,939	962,402
Sales load payable	-	670,051
Receivable from the Management Company	1,265,000	40,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Amounts / balances outstanding as at year end

	2024	2023
	(Rupees)	
Faysal Bank Limited - Group Company		
Balance with bank	954,464	-
Profit receivable on balance with bank	49,595	1,455,955
Units outstanding: Nil units (2023: Nil units)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	7,499	32,221
Sindh Sales Tax payable on remuneration of the Trustee	975	4,189
Security deposit	107,500	107,500
Directors, their close family members and Key Management		
Personnel of the Management Company		
Units outstanding: Nil units (2023: 497 units)	-	23,841
Unit holders holding 10% or more units of the Fund *		
Units outstanding: 712,729 units (2023: 2,348,880 units)	28,858,378	112,675,774

* The Fund had different unit holders holding more than 10% units of the Fund as at June 30, 2024 and June 30, 2023.

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	2,385,709	-	2,385,709
Investments	-	42,687,150	42,687,150
Deposits, dividend and profit receivable	3,347,154	-	3,347,154
Receivable from Faysal Asset Management Limited - Management Company	1,265,000	-	1,265,000
	<u>6,997,863</u>	<u>42,687,150</u>	<u>49,685,013</u>
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	359,022	-	359,022
Payable to Central Depository Company of Pakistan Limited - Trustee	8,474	-	8,474
Accrued expenses and other liabilities	1,699,224	-	1,699,224
	<u>2,066,720</u>	<u>-</u>	<u>2,066,720</u>
	2023		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	14,889,796	-	14,889,796
Investments	-	154,297,551	154,297,551
Deposits, dividend and profit receivable	35,286,991	-	35,286,991
Receivable from Faysal Asset Management Limited - Management Company	40,000	-	40,000
	<u>50,216,787</u>	<u>154,297,551</u>	<u>204,514,338</u>
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	1,632,453	-	1,632,453
Payable to Central Depository Company of Pakistan Limited - Trustee	36,410	-	36,410
Accrued expenses and other liabilities	1,405,073	-	1,405,073
Payable against purchase of investments - net	9,982,342	-	9,982,342
	<u>13,056,278</u>	<u>-</u>	<u>13,056,278</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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19.1 Market risk

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

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

Market risk comprises of three types of risks: interest rate risk, currency risk, and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net loss for the year and net assets of the Fund would have been lower / higher by Rs. 0.024 million (2023: Rs. 0.149 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30 2024, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

2024					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(%)	Rupees				
Financial assets					
Balances with banks	18.81% - 21.00%	2,385,709	-	-	2,385,709
Investments		-	-	42,687,150	42,687,150
Deposits, dividend and profit receivable		-	-	3,347,154	3,347,154
Receivable from Faysal Asset Management Limited - Management Company		-	-	1,265,000	1,265,000
		2,385,709	-	47,299,304	49,685,013
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	359,022	359,022
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	8,474	8,474
Accrued expenses and other liabilities		-	-	1,699,224	1,699,224
		-	-	2,066,720	2,066,720
On-balance sheet gap (a)		2,385,709	-	45,232,584	47,618,293
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		2,385,709	-	-	-
Cumulative interest rate sensitivity gap		2,385,709	2,385,709	2,385,709	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2023					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(%)	Rupees				
Financial assets					
Balances with banks	11.00% - 19.75%	14,889,796	-	-	14,889,796
Investments		-	-	154,297,551	154,297,551
Deposits, advances and other receivables		-	-	35,286,991	35,286,991
Receivable from Faysal Asset Management Limited - Management Company		-	-	40,000	40,000
		14,889,796	-	189,624,542	204,514,338
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	1,632,453	1,632,453
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	36,410	36,410
Payable against purchase of investments - net		-	-	9,982,342	9,982,342
Accrued expenses and other liabilities		-	-	1,405,073	1,405,073
		-	-	13,056,278	13,056,278
On-balance sheet gap (a)		14,889,796	-	176,568,264	176,568,264
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		14,889,796	-	-	-
Cumulative interest rate sensitivity gap		14,889,796	14,889,796	14,889,796	

(ii) Currency risk

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

(iii) Price risk

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

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

In case of 1% increase / decrease in KSE 100 index on June 30, 2024, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 0.427 million (2023: Rs. 1.543 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

19.2 Liquidity risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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

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

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

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

----- 2024 -----							
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	
----- Rupees -----							
Financial assets							
Balances with banks	2,385,709	-	-	-	-	2,385,709	
Investments	-	-	-	-	42,687,150	42,687,150	
Deposits, dividend and profit receivable	239,654	-	-	-	3,107,500	3,347,154	
Receivable from Faysal Asset Management Limited - Management Company	1,265,000	-	-	-	-	1,265,000	
	3,890,363	-	-	-	45,794,650	49,685,013	
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	359,022	-	-	-	-	359,022	
Payable to Central Depository Company of Pakistan Limited - Trustee	8,474	-	-	-	-	8,474	
Accrued expenses and other liabilities	894,557	804,667	-	-	-	1,699,224	
	1,262,053	804,667	-	-	-	2,066,720	
Net financial assets / (liabilities)	2,628,310	(804,667)	-	-	-	45,794,650	47,618,293
----- 2023 -----							
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total	
----- Rupees -----							
Financial assets							
Balances with banks	14,889,796	-	-	-	-	14,889,796	
Investments	-	-	-	-	154,297,551	154,297,551	
Deposits, dividend and profit receivable	1,679,491	-	-	-	33,607,500	35,286,991	
Receivable from Faysal Asset Management Limited - Management Company	40,000	-	-	-	-	40,000	
	16,609,287	-	-	-	187,905,051	204,514,338	
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	1,632,453	-	-	-	-	1,632,453	
Payable to Central Depository Company of Pakistan Limited - Trustee	36,410	-	-	-	-	36,410	
Payable against purchase of investments - net	9,982,342	-	-	-	-	9,982,342	
Accrued expenses and other liabilities	705,515	699,558	-	-	-	1,405,073	
	12,356,720	699,558	-	-	-	13,056,278	
Net financial assets / (liabilities)	4,252,567	(699,558)	-	-	-	187,905,051	191,458,060

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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19.3 Credit risk

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees				
Balances with banks	2,385,709	2,385,709	14,889,796	14,889,796
Investments	42,687,150	-	154,297,551	-
Deposits, dividend and profit receivable	3,347,154	3,347,154	35,286,991	35,286,991
Receivable from Faysal Asset Management Company - Management Company	1,265,000	1,265,000	40,000	40,000
	<u>49,685,013</u>	<u>6,997,863</u>	<u>204,514,338</u>	<u>50,216,787</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in equity securities, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.1 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2024	2023
Bank balances and profit accrued thereon		
AAA	3.17%	6.32%
AA	1.83%	0.82%
AA-	0.01%	-

19.3.2 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

20 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 June 30, 2024. As part of Management Company's conversion to a full-fledged Shariah Compliant AMC in line with the parent bank, the Management Company is in the process of transferring the management rights of all conventional funds being managed by FAML to another Asset Management Company. Accordingly, the Management Company is not soliciting additional investments in this Fund due to the said transfer of management rights.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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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.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 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.

21.1 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 June 30, 2024, and June 30, 2023 the Fund held the following financial instruments measured at fair value:

ASSETS

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees)			
Listed equity securities	42,687,150	-	-	42,687,150

ASSETS

	2023			
	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

22 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Number of unit held	Percentage of total	Number of unit holders	Number of unit held	Percentage of total
Insurance company	-	-	-	1	271,690	6.87%
Retirement funds	3	42,424	3.74%	3	285,254	7.22%
Individuals	242	1,019,966	89.93%	277	2,477,827	62.68%
Other	5	71,749	6.33%	10	918,193	23.23%
	250	1,134,139	100.00%	291	3,952,964	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2024	2023
	Percentage of commission paid	Percentage of commission paid
Alfalsh CLSA Securities (Private) Limited	9.59%	5.76%
Khadim Ali Shah Bukhari Securities (Private) Limited	-	8.34%
EFG Hermes Pakistan Limited	3.39%	0.96%
Intermarket Securities Limited	-	8.32%
Fortune Securities Limited	-	5.94%
AKD Securities Limited	-	2.98%
Topline Securities Limited	-	1.92%
Akik Capital (Private) Limited	4.43%	3.18%
Ismail Iqbal Securities (Private) Limited	-	3.60%
IGI Finex Securities Limited	-	3.57%
Insight Securities (Private) Limited	8.29%	-
DJM Securities (Private) Limited	7.65%	-
A. H. M. Securities (Private) Limited	7.57%	-
Summit Capital (Private) Limited	7.50%	-
ABA Ali Habib Securities (Private) Limited	6.34%	-
BMA Capital Management Limited	6.14%	-
Next Capital Limited	5.92%	-

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA & CFA	Over 9 Years
Mr. Mustafaib Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Research Analyst	BSc	Over 5 Years
Mr. Syed Eunus Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Muhammad Qasim	Senior Manager Risk Management	MBA	Over 16 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Shoaib Danish	Equity Fund Specialist	MBA & CFA	Faysal Asset Allocation Fund, Faysal Islamic Pension Fund, Faysal Islamic Dedicated Equity Fund, Faysal Islamic Stock Fund, Faysal Pension Fund and Faysal Islamic KPK Government Employees Pension Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August 18, 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri *	Director	-	-	-	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Mr. Ehsen Zafar Puri was appointed as Director on the Board with effect from October 20, 2023.

27 GENERAL

27.1 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2024

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28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)
AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

	June 30, 2024	June 30, 2023	June 30, 2022 (Rupees)	June 30, 2021	June 30, 2020
(i) PERFORMANCE TABLE					
Net assets	45,924,820	189,627,617	1,177,894,575	2,425,183,345	104,939,867
Net assets value per unit	40.49	47.97	54.97	74.72	45.04
Offer price per unit	41.87	49.6	56.84	77.26	46.40
Repurchase price per unit	40.49	47.97	54.97	74.72	45.04
Highest offer price per unit	52.02	60.12	80.74	80.68	57.36
Highest repurchase price per unit	50.31	58.14	78.09	78.03	55.68
Lowest offer price per unit	29.15	48.14	55.57	43.52	36.73
Lowest repurchase price per unit	28.20	46.56	53.74	42.09	35.66
Total return:	-15.59%	-12.73%	-26.43%	81.45%	4.57%
- capital growth	-15.59%	-12.73%	-26.43%	81.45%	-4.39%
- income distribution	0.00%	-	-	-	8.96%
Average annual return: (Launch date: April 19, 2004)					
- one year	-15.59%	-12.73%	-26.43%	81.45%	4.57%
- two years	-14.16%	-19.58%	27.51%	43.01%	-11.84%
- three years	-18.25%	14.10%	19.86%	19.26%	N/A
Four Year	6.68%	11.72%	7.84%	N/A	N/A
Five Years	6.25%				
Distribution per unit:					
- Interim distribution (% per unit)		-	-	-	8.96%
- Final distribution (% per unit)		-	-	-	-
	-	-	-	-	8.96%

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(ii) Responsibilities towards Proxy Voting as per Regulation 38A

The proxy voting policy of the Faysal Asset Management Limited is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML in respect of the CIS is also available without charge, upon request, to all unit holders.

SUMMARY OF ACTUAL PROXY VOTED BY THE FUND

	Resolutions	For	Against	Abstain
Number	0	0	0	0
Percentage		0%	0%	0%

(iii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On			
		17-Aug-23	19-Oct-23	01-Feb-24	18-Apr-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes
Mr. Mian Salman A	Member	Yes	Yes	Yes	Yes

(iv) MEETINGS OF THE HUMAN REOUSRCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On				
		08-Aug-23	17-Oct-23	08-Nov-23	01-Feb-24	06-May-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes	Yes	Yes

(v) MEETINGS OF THE BOARD RISK MANAGEMENT COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Risk Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On		
		10-Aug-23	16-Oct-23	18-Apr-24
Mr. Mian Salman Ali	Chairman	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes	Yes

(vi) MEETINGS OF THE BOARD STRATEGY COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Strategy Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On	
		09-Aug-23	16-Oct-23
Mr. Yousaf Hussain	Chairman	Yes	Yes
Syed Majid Ali	Member	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes
*Mr. Ehsan Zafar Puri	Member	N/A	N/A

*Mr. Ehsan Zafar Puri was appointed as director board strategy committee, effective from October 20, 2023.

Head Office

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

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Faysal Asset Allocation Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook

MONEY MARKET REVIEW

During FY24, the index surged by ~79% from 41,453 points at the end of Jun'23 to 78,445 points. Positive developments on the external front (IMF program success and reapproval, stable PKR, modest Fx reserves), as well as diminishing inflationary pressures and political stability among others, bolstered investor sentiment during the year.

During the FY24, Foreigners and Insurance drove the market with a net purchase of ~USD 152m and ~USD 126m. On the flipside, Banks/DFIs, Individuals, Mutual Funds and Others were net sellers to the tune of ~USD 141mn, ~USD 59mn, ~USD 47mn and ~USD 33m respectively.

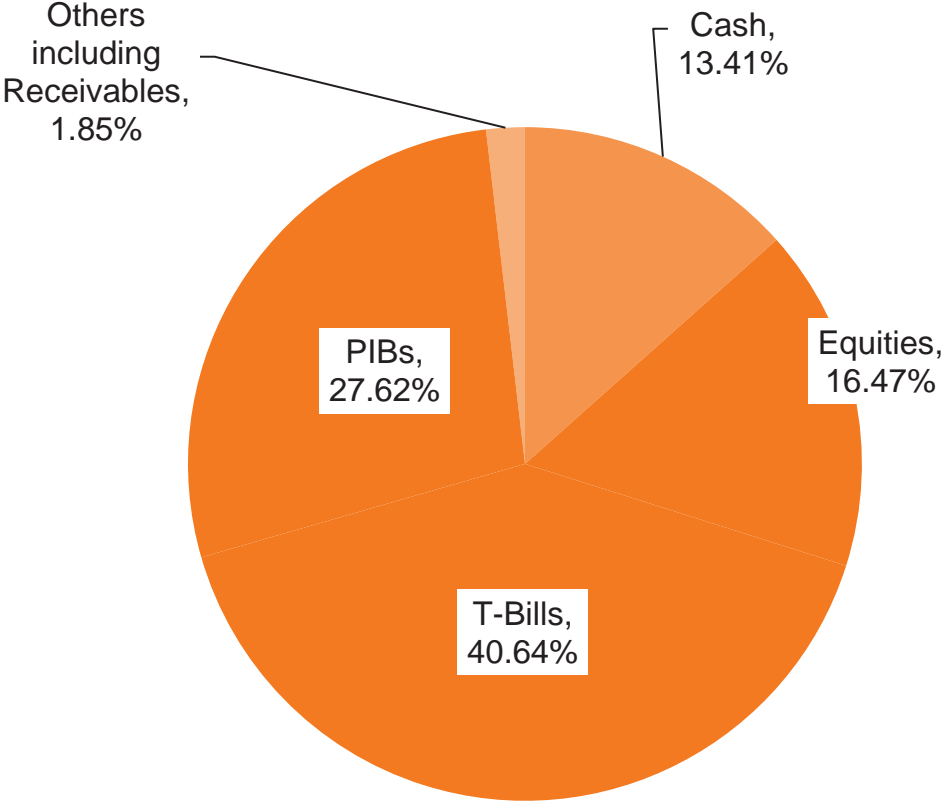
During FY24 the sectors which contributed positively to the index include Banks (13,262 points), Fertilizer (5,074 points), Oil & Gas Exploration Companies (4,300 points), Power Generation & Distribution (4,192 points), Cement (2,513 points) and Automobile Assembler (1,095 points). The sectors which dragged in the bourse in FY24 majorly include Technology & Communication (-52 points) and Textile Spinning (-17 points). The market experienced a sustained bull run in FY24, driven by improving macroeconomic indicators, rising corporate profitability, expectations of a rate cut in 2HFY24, and attractive market valuations.

Fund Information	
Fund Type	Open Ended
Category	Asset Allocation Scheme
Stability Rating	3-Star (PACRA) February 14 ,2024
Risk Profile	High
Launch Date	July 24, 2006
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 2% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.96%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	KSE 100 Index / 6M KIBOR
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon - Thu 9:00 am - 3:30 pm, Fri 9:00 am - 4:30 pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR)	61.56
Net Assets (mn)	1035
Total Expense Ratio (Annualized)	3.23%
Total Expense Ratio (Absolute)	1.57%

* weighted average of 6M KIBOR & percentage invested in equities

Fund Returns (% p.a)		
	FY24	FY23
YTD	67.65%	5.09%
Benchmark (YTD)	74.32%	2.72%

Asset Allocation



FUND PERFORMANCE

During the period under review, Faysal Asset Allocation Fund (FAAF) posted an FY24 absolute return of 67.65% against its benchmark return of 74.32%. By the end of the period, 16.47% of the fund's assets were allocated in Equities, 13.41% in Cash, 40.64% in T-Bills, 27.62% in PIBs and 1.85% in Other Receivables. During this period, an overweight stance was taken in the Cement sector; meanwhile, an underweight stance was taken in the other remaining sectors.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

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

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL ASSET ALLOCATION FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V 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), would like to draw the attention of the unit holders towards the fact that Faysal Asset Management Limited (Management Company) due to its conversion from Conventional to Shariah Compliant Asset Management Company did not intend to operate this conventional Fund and therefore Management Company will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund 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 Non-Banking Finance Companies and Notified Entities 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 and in case of any breach, the Management Company shall ensure compliance with the minimum fund size within three months of its breach. In this regard, the Fund was non-compliant with the said requirement from January 17, 2024 to May 28, 2024. 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: September 26, 2024



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Faysal Asset Allocation Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Faysal Asset Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	<p>Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 140.68 million and investments aggregated to Rs. 888.77 million.</p> <p>The existence of balances with banks and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 27, 2024
Karachi
UDIN: AR2024100689qZdTnjRi

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Assets			
Balances with banks	4	140,679,487	4,613,723
Investments	5	888,768,792	62,943,167
Deposit and other receivables	6	19,732,826	8,031,261
Receivable against sale of investments		-	12,967,468
Total assets		1,049,181,105	88,555,619
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	1,228,751	193,129
Payable to Central Depository Company of Pakistan Limited - Trustee	8	186,024	12,068
Payable to the Securities and Exchange Commission of Pakistan	9	80,326	24,714
Accrued expenses and other liabilities	10	12,258,506	5,993,966
Payable against purchase of investments		-	3,150,375
Total liabilities		13,753,607	9,374,252
Net assets		1,035,427,498	79,181,367
Unit holders' fund (as per statement attached)		1,035,427,498	79,181,367
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		16,819,245	1,287,092
		----- (Rupees) -----	
Net asset value per unit		61.56	61.52

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Income			
Dividend income		6,113,802	11,534,935
Income from Treasury Bills (T-Bills)		7,302,681	-
Income from Pakistan Investment Bonds (PIBs)		5,587,803	-
Profit on balances with banks		6,342,280	3,627,221
Realised gain on sale of investments - net		<u>22,163,711</u>	<u>3,654,583</u>
		47,510,277	18,816,739
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	<u>17,208,334</u>	<u>(2,158,038)</u>
Total income		<u>64,718,611</u>	<u>16,658,701</u>
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	7.1	1,084,258	1,484,513
Sindh sales tax on remuneration of the Management Company	7.2	140,954	192,987
Selling and marketing expenses	7.4	313,623	978,248
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	325,494	243,106
Sindh sales tax on remuneration of the Trustee	8.2	42,314	32,160
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	155,456	24,739
Brokerage expense		1,825,166	1,787,359
Legal and professional charges		324,387	214,509
Bank charges		9,507	12,794
Auditors' remuneration	12	901,293	650,244
Fee and subscription		210,776	308,559
Printing and other expenses		<u>10,184</u>	<u>27,156</u>
Total expenses		<u>5,343,412</u>	<u>5,956,374</u>
Net income for the year before taxation		<u>59,375,199</u>	<u>10,702,327</u>
Taxation	14	-	-
Net income for the year after taxation		<u>59,375,199</u>	<u>10,702,327</u>
Earnings per unit	15		
Allocation of net income for the year			
Net income for the year after taxation		59,375,199	10,702,327
Income already paid on units redeemed		<u>(42,398,967)</u>	<u>(6,943,818)</u>
		<u>16,976,232</u>	<u>3,758,508</u>
Accounting income available for distribution			
Relating to capital gains		16,976,232	1,496,545
Excluding capital gains		<u>-</u>	<u>2,261,963</u>
		<u>16,976,232</u>	<u>3,758,508</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

Chief Financial Officer_____
Chief Executive Officer_____
Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	2024	2023
	(Rupees)	
Net income for the year after taxation	59,375,199	10,702,327
Other comprehensive income for the year	-	-
Total comprehensive income for the year	59,375,199	10,702,327

The annexed notes from 1 to 27 form an integral part of these 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 Year Ended June 30, 2024

	2024			2023		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	388,546,018	(309,364,651)	79,181,367	468,162,259	(309,424,651)	158,737,608
Issuance of 29,494,464 units (2023: 6,222,490 units)						
- Capital value (at ex-net assets value per unit at beginning of the year)	1,814,499,425	-	1,814,499,425	382,247,561	-	382,247,561
- Element of income	799,372,685	-	799,372,685	21,798,777	-	21,798,777
Total proceeds on issuance of units	2,613,872,110	-	2,613,872,110	404,046,338	-	404,046,338
Redemption of 13,962,311 units (2023: 7,519,259 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	(858,961,373)	-	(858,961,373)	(461,908,080)	-	(461,908,080)
- Element of loss	(396,933,332)	(42,398,967)	(439,332,299)	(21,690,943)	(6,943,819)	(28,634,762)
Total payments on redemption of units	(1,255,894,705)	(42,398,967)	(1,298,293,672)	(483,599,023)	(6,943,819)	(490,542,842)
Total comprehensive income for the year	-	59,375,199	59,375,199	-	10,702,327	10,702,327
Interim cash distribution for the year ended June 30, 2023						
@ Rs. 3.04 per unit (declared on June 27, 2023)	-	-	-	(63,556)	(3,698,508)	(3,762,064)
Interim cash distribution for the year ended June 30, 2024	(402,420,621)	(16,286,885)	(418,707,506)	-	-	-
@ Rs. 41.55 per unit (declared on June 28, 2024)						
Net assets at end of the year	<u>1,344,102,802</u>	<u>(308,675,304)</u>	<u>1,035,427,498</u>	<u>388,546,018</u>	<u>(309,364,651)</u>	<u>79,181,367</u>
Accumulated loss brought forward						
- Realised loss		(307,206,613)			(288,215,178)	
- Unrealised loss		(2,158,038)			(21,209,473)	
		<u>(309,364,651)</u>			<u>(309,424,651)</u>	
Accounting income available for distribution						
- Relating to capital gains	16,976,232			1,496,545		
- Excluding capital gains	-			2,261,963		
	<u>16,976,232</u>			<u>3,758,508</u>		
Distribution during the year	-	(16,286,885)		-	(3,698,508)	
Accumulated loss carried forward		<u>(308,675,304)</u>			<u>(309,364,651)</u>	
Accumulated loss carried forward						
- Realised loss		(325,883,638)			(307,206,613)	
- Unrealised income / (loss)		17,208,334			(2,158,038)	
		<u>(308,675,304)</u>			<u>(309,364,651)</u>	
		<u>(Rupees)</u>			<u>(Rupees)</u>	
Net asset value per unit at the beginning of the year		<u>61.52</u>			<u>61.43</u>	
Net asset value per unit at the end of the year		<u>61.56</u>			<u>61.52</u>	

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	Note	2024	2023
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		59,375,199	10,702,327
Adjustment for:			
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	(17,208,334)	2,158,038
		42,166,865	12,860,365
(Increase) / decrease in assets			
Investments - net		(808,617,291)	43,412,175
Deposit and other receivables		(11,701,565)	(4,204,549)
Receivable against sale of investments		12,967,468	(4,101,219)
Receivable from the Management Company		-	1,049,910
		(807,351,388)	36,516,317
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		1,035,622	(1,282,958)
Payable to Central Depository Company of Pakistan Limited - Trustee		173,956	(18,610)
Payable to the Securities and Exchange Commission of Pakistan		55,612	(33,510)
Accrued expenses and other liabilities		6,264,540	162,945
Payable against purchase of investments		(3,150,375)	3,150,375
		4,379,355	1,978,242
Net cash (used in) / generated from operating activities		(760,805,168)	51,354,924
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units - net of refund of capital		2,211,451,489	404,046,338
Payments made against redemption of units		(1,298,293,672)	(490,542,842)
Dividend paid		(16,286,885)	(3,762,064)
Net cash generated from / (used in) financing activities		896,870,932	(90,258,568)
Net increase / (decrease) in cash and cash equivalents during the year		136,065,764	(38,903,644)
Cash and cash equivalents at the beginning of the year		4,613,723	43,517,367
Cash and cash equivalents at the end of the year	4	4,749,787	4,478,723

The annexed notes from 1 to 27 form an integral part of these 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

For The Year Ended June 30, 2024

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, Shahr-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, on July 29, 2022, the above-mentioned Trust Deed had 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 optimising through broad mix of asset classes encompassing equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in constitutive documents and allowed by the SECP.
- 1.4 The title to the assets of the Fund are held in the name of 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. Pakistan Credit Rating Agency Limited (PACRA) has assigned a short term 3-Star rating to the Fund on February 14, 2024 (2023: 5-Star dated April 10, 2023).

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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 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 IFRS Standards, 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**For The Year Ended June 30, 2024**

2

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and hence, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Significant accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement**3.2.2.1 Debt instruments**

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

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

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Distributions to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on MUFAP guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place.
- Unrealised appreciation / (diminution) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company declaring the dividend.
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 15 to these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.14 Foreign currency translation

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

		Note	2024	2023
4	BALANCES WITH BANKS		Rupees	
	Savings accounts	4.1	140,679,487	4,613,723
4.1	These carry mark-up at rates ranging from 10.00% to 21.00% (2023: 7.00% to 22.10%) per annum and include balance of Rs. 2.965 million (2023: Rs. 1.690 million) held with Faysal Bank Limited, a related party, and carry mark-up at the rate of 20% (2023: 11%) per annum.			
5	INVESTMENTS	Note	2024	2023
			Rupees	
	At fair value through profit or loss			
	Listed Equity Securities	5.1	172,797,292	62,943,167
	Market Treasury Bills	5.2	426,231,500	-
	Pakistan Investment Bonds	5.3	289,740,000	-
	Term Finance Certificates	5.4	-	-
			888,768,792	62,943,167

5.1 Listed Equity Securities - at fair value through profit or loss

Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Disposed off during the year	As at June 30, 2024	As at June 30, 2024			Market Value as a percentage of		
						Carrying Value	Market Value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments of the Fund	Investee company paid-up capital
Number of shares						%					
Chemical											
Engro Polymer & Chemicals Limited	-	13,500	-	13,500	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	-	7,500	-	-	7,500	790,000	907,350	117,350	0.09%	0.10%	0.01%
Descon Oxychem Limited	63,000	44,000	-	107,000	-	-	-	-	-	-	-
Dynea Pakistan Limited	-	3,300	-	-	3,300	649,648	744,216	94,568	0.07%	0.08%	0.02%
Lotte Chemical Pakistan Limited	-	20,830	-	20,830	-	-	-	-	-	-	-
						1,439,648	1,651,566	211,918	0.16%	0.18%	0.03%
Investment Banks / Investment Companies / Securities Companies											
Mcb-Arif Habib Savings And Investments Limited	125,500	-	-	125,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Engineering											
Agha Steel Industries Limited	-	70,000	-	70,000	-	-	-	-	-	-	-
International Industries Limited *	-	15,887	-	12,087	3,800	601,781	743,698	141,917	0.07%	0.08%	-
International Steels Limited	-	37,000	-	37,000	-	-	-	-	-	-	-
Mughal Iron & Steels Industries Limited	22,000	16,000	-	38,000	-	-	-	-	-	-	-
						601,781	743,698	141,917	0.07%	0.08%	-
Commercial Banks											
Bank Alfalah Limited *	54,441	286,162	-	283,950	56,653	2,748,056	3,853,537	1,105,481	0.37%	0.43%	-
Bank Al-Habib Limited *	82,348	211,600	-	267,450	26,498	2,044,558	2,972,529	927,971	0.29%	0.33%	-
Meezan Bank Limited *	29,701	75,652	-	98,837	6,516	1,192,175	1,559,865	367,690	0.15%	0.18%	-
BankIslami Pakistan Limited	48,000	-	-	48,000	-	-	-	-	-	-	-
Faysal Bank Limited	50,381	226,400	-	276,781	-	-	-	-	-	-	-
Habib Bank Limited	40,300	124,585	-	164,885	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited *	-	39,500	-	1,000	38,500	2,368,214	2,643,795	275,581	0.26%	0.30%	-
MCB Bank Limited	14,723	58,388	-	73,111	-	-	-	-	-	-	-
United Bank Limited *	13,700	119,100	-	109,880	22,920	4,060,339	5,873,021	1,812,682	0.57%	0.66%	-
						12,413,342	16,902,747	4,489,405	1.64%	1.90%	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Disposed off during the year	As at June 30, 2024	As at June 30, 2024			Market Value as a percentage of		
						Carrying Value	Market Value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments of the Fund	Investee company paid-up capital
Automobile Assembler											
Pak Suzuki Motor Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
Sagzor Engineering Works Limited	-	33,200	-	33,200	-	-	-	-	-	-	-
Milat Tractors Limited	1,230	-	-	1,230	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	15,610	-	15,610	-	-	-	-	-	-	-
Cement											
Cherat Cement Company Limited	19,344	80,800	-	100,144	-	-	-	-	-	-	-
Attock Cement Pakistan Limited	-	7,800	-	-	7,800	763,411	757,692	(5,719)	0.07%	0.09%	0.01%
D.G. Khan Cement Company Limited	-	45,100	-	45,100	-	-	-	-	-	-	-
Kohat Cement Company Limited	4,830	6,580	-	11,410	-	-	-	-	-	-	-
Lucky Cement Limited *	3,809	15,400	-	14,579	4,630	3,708,051	4,198,160	490,109	0.41%	0.47%	-
Fauji Cement Company Limited	211,500	4,985,400	-	810,500	4,386,400	96,245,944	100,492,424	4,246,480	9.71%	11.32%	0.18%
Maple Leaf Cement Factory Limited	89,700	494,300	-	506,190	77,810	3,126,554	2,956,780	(169,774)	0.29%	0.33%	0.01%
Pioneer Cement Limited	3,100	37,200	-	26,100	14,200	2,026,823	2,394,830	368,007	0.23%	0.27%	0.01%
						105,870,783	110,799,886	4,929,103	10.71%	12.47%	0.21%
Glass & Ceramics											
Tariq Glass Industries Limited *	36,982	76,700	-	109,280	4,402	443,142	513,053	69,911	0.05%	0.06%	-
						443,142	513,053	69,911	0.05%	0.06%	-
Fertilizer											
Engro Fertilizers Limited *	37,300	66,050	-	84,600	18,750	2,153,311	3,116,625	963,314	0.30%	0.35%	-
Fauji Fertilizer Company Limited *	-	81,900	-	60,600	21,300	2,662,816	3,479,994	817,178	0.34%	0.39%	-
Engro Corporation Limited *	18,462	24,050	-	34,750	7,762	2,483,506	2,582,495	98,989	0.25%	0.29%	-
						7,299,633	9,179,114	1,879,481	0.89%	1.03%	-
Food & Personal Care Products											
At-Tahur Limited	-	67,000	-	67,000	-	-	-	-	-	-	-
Fauji Foods Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	117,500	-	117,500	-	-	-	-	-	-	-
Power Generation & Distribution											
Hub Power Company Limited *	50,819	215,900	-	234,876	31,843	3,700,319	5,192,956	1,492,637	0.50%	0.58%	-
Kot Addu Power Company Limited	-	47,500	-	47,500	-	-	-	-	-	-	-
Lalpur Power Limited	-	98,000	-	98,000	-	-	-	-	-	-	-
Nishat Power Limited	-	60,000	-	60,000	-	-	-	-	-	-	-
						3,700,319	5,192,956	1,492,637	0.50%	0.58%	-
Cable & Electrical Goods											
Pak Elektron Limited	-	127,000	-	127,000	-	-	-	-	-	-	-
Technology & Communication											
Avanceon Limited	-	21,000	-	21,000	-	-	-	-	-	-	-
Systems Limited *	8,650	26,350	-	28,620	6,380	2,744,893	2,668,754	(76,139)	0.26%	0.30%	-
Air Link Communication Limited	-	45,500	-	45,500	-	-	-	-	-	-	-
Hum Network Limited	356,000	580,500	-	936,500	-	-	-	-	-	-	-
						2,744,893	2,668,754	(76,139)	0.26%	0.30%	-
Oil & Gas Exploration Companies											
Oil and Gas Development Company Limited	41,778	233,700	-	241,900	33,578	4,247,676	4,545,454	297,778	0.44%	0.51%	-
Mari Petroleum Company Limited *	2,785	5,237	-	6,512	1,510	3,783,207	4,095,633	312,426	0.40%	0.46%	-
Pakistan Oilfields Limited	-	6,700	-	6,700	-	-	-	-	-	-	-
Pakistan Petroleum Limited *	54,147	279,653	-	298,400	35,400	3,992,612	4,145,694	153,082	0.40%	0.47%	-
						12,023,495	12,786,781	763,286	1.24%	1.44%	-
Oil & Gas Marketing Companies											
Attock Petroleum Limited *	-	1,500	-	-	1,500	590,691	579,360	(11,331)	0.06%	0.07%	-
Pakistan State Oil Company Limited	-	105,850	-	105,850	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	6,000	151,300	-	157,300	-	-	-	-	-	-	-
						590,691	579,360	(11,331)	0.06%	0.07%	-
Automobiles Parts and Accessories											
Panther Tyres Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
Thal Limited *	-	2,406	-	-	2,406	894,743	1,162,916	268,173	0.11%	0.13%	-
Exide Pakistan Limited	-	1,950	-	-	1,950	867,100	1,149,155	282,055	0.11%	0.13%	0.03%
						1,761,843	2,312,071	550,228	0.22%	0.26%	0.03%

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Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Disposed off during the year	As at June 30, 2024	As at June 30, 2024			Market Value as a percentage of		
						Carrying Value	Market Value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments of the Fund	Investee company paid-up capital
Number of shares						%					
Miscellaneous											
TPL Properties Limited	16,700	111,500	-	128,200	-	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	18,500	-	18,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Leather & Tanneries											
Service Industries Limited *	-	1,600	-	-	1,600	1,106,644	1,521,328	414,684	0.15%	0.17%	-
						1,106,644	1,521,328	414,684	0.15%	0.17%	-
Refinery											
Attock Refinery Limited	-	11,871	-	11,871	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	193,500	-	193,500	-	-	-	-	-	-	-
National Refinery Limited	-	6,000	-	6,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Pharmaceuticals											
Ferozsons Laboratories Limited	-	15,900	-	13,500	2,400	569,666	598,584	28,918	0.06%	0.07%	0.01%
AGP Limited *	-	22,600	-	10,800	11,800	998,615	1,089,966	91,351	0.11%	0.12%	-
Haleon Pakistan Limited	-	9,800	-	2,900	6,900	1,688,300	2,051,853	363,553	0.20%	0.23%	0.01%
Highnoon Laboratories Limited *	-	4,540	-	2,200	2,340	1,400,741	1,669,777	269,036	0.16%	0.19%	-
The Searle Company Limited	-	51,000	-	51,000	-	-	-	-	-	-	-
Citi Pharma Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
						4,657,322	5,410,180	752,858	0.53%	0.61%	0.02%
Synthetic & Rayon											
Image Pakistan Limited	-	34,000	-	34,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Textile Composite											
Nishat Chunian Limited	-	103,000	-	103,000	-	-	-	-	-	-	-
Interloop Limited *	-	85,500	-	53,900	31,600	2,211,672	2,238,228	26,556	0.22%	0.25%	-
Nishat Mills Limited *	-	16,900	-	12,700	4,200	316,769	297,570	(19,199)	0.03%	0.03%	-
Gul Ahmed Textile Mills Limited	-	148,500	-	148,500	-	-	-	-	-	-	-
						2,528,441	2,535,798	7,357	0.25%	0.28%	-
Transport											
Pakistan International Bulk Terminal Limited	-	90,000	-	90,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Total as at June 30, 2024						157,181,977	172,797,292	15,615,315	16.73%	19.44%	
Total as at June 30, 2023						65,101,205	62,943,167	(2,158,038)			

*Nil figure due to roundoff

5.1.1 All shares have a face value of Rs. 10 each except for the shares of Thal Limited and Dynea Pakistan Limited that have face value of Rs. 5 each.

5.1.2 Following shares 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.

	2024	2023	2024	2023
	----- (Number of shares) -----		----- (Rupees) -----	
Lucky Cement Limited	2,000	-	1,813,460	-
Fauji Fertilizer Company Limited	11,200	-	1,829,856	-
Bank Alfalah Limited	31,441	79,441	2,138,617	2,418,184
Systems Limited	4,150	10,150	1,735,945	4,093,800
Engro Fertilizers Limited	11,900	-	1,978,018	-
Engro Corporation Limited	4,262	-	1,418,010	-
The HUB Power Company Limited	20,443	-	3,333,844	-
	85,396	89,591	14,247,750	6,511,984

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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5.2 Market Treasury Bills - at fair value through profit or loss

Tenor	Issue date	Yield	Face Value			As at June 30, 2024			Market value as percentage of		
			As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total Investments of the Fund
			----- Rupees -----								----- % -----
Market Treasury Bills											
- 12 Months	May 30, 2024	19.92%	-	500,000,000	-	500,000,000	424,234,681	426,231,500	1,996,819	41.16%	47.96%

5.3 Pakistan Investment Bonds - at fair value through profit or loss

Tenor	Issue date	Yield	Face Value			As at June 30, 2024			Market value as a percentage of		
			As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised diminution	Net assets of the Fund	Total Investments of the Fund
			----- Rupees -----								
Pakistan Investment											
Bond - 5 years	April 18, 2024	22.41%	-	300,000,000	-	300,000,000	290,143,800	289,740,000	(403,800)	27.98%	32.60%

5.4 Term finance certificates - Impaired

Name of the Investee Company	Maturity	Profit / mark-up rate	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying Value as at June 30, 2024	Impairment as at June 30, 2024	Market Value as at June 30, 2024	Percentage in relation to Total market value of investments of the Fund	
			Number of certificates				Rupees			Net assets of the Fund	%
Trust Investment Bank Limited (note 5.4.1)	July 2013	6m KIBOR +1.85%	7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
As at June 30, 2024			7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
As at June 30, 2023			7,000	-	-	7,000	13,137,043	13,137,043	-	-	-

- 5.4.1 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.

5.5 Unrealised appreciation / (diminution) on re-measurement of investments classified 'as 'financial assets at 'fair value through 'profit or loss' - net	Note	2024	2023
		Rupees	
Market value of investments	5.1, 5.2, 5.3 & 5.4	888,768,792	62,943,167
Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	871,560,458	65,101,205
		<u>17,208,334</u>	<u>(2,158,038)</u>

5.6 Details of non-compliant investments with the investment criteria of the assigned category

The 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 SECP, 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 June 30, 2024, 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

For The Year Ended June 30, 2024

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Name of non-compliant investment	Type of investment	Note	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of	
						Net assets of the Fund	Gross assets of the Fund
					(Rupees)		
Listed							
Trust Investment Bank Limited	Term finance certificates	5.4.1	13,137,043	13,137,043	-	-	-
Total - June 30, 2024			13,137,043	13,137,043	-	-	-
Total - June 30, 2023			13,137,043	13,137,043	-	-	-

6	DEPOSIT AND OTHER RECEIVABLES	Note	2024	2023
			(Rupees)	
	Security deposit with National Clearing Company of Pakistan Limited		1,000,000	2,500,000
	Profit receivable on balances with banks		3,696,142	227,310
	Profit receivable on Pakistan Investment Bonds		12,921,795	-
	Dividend receivable		1,410,638	4,599,461
	Advance tax	6.1	704,251	704,251
	Other receivables		-	239
			<u>19,732,826</u>	<u>8,031,261</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 and dividend paid to the Fund has been 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 12 May 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 profit on debt amounts to Rs. 0.704 million (2023: Rs. 0.704 million).

For this purpose, the 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 the FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, 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 profits on debt and dividend received by the Fund has been shown as other receivables as at June 30, 2024, as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2024	2023
			(Rupees)	
	Management remuneration payable	7.1	808,476	8,643
	Sindh sales tax payable on management remuneration	7.2	105,275	1,123
	Allocated expenses payable	7.3	-	-
	Selling and marketing expenses payable	7.4	-	183,363
	Other payable		315,000	-
			<u>1,228,751</u>	<u>193,129</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 at the rates ranging from 0.05% to 1.5% (2023: 2.5% to 5%) per annum of the average net assets of the Fund during the period.
- 7.2 During the year, an amount of Rs. 0.141 million (2023 Rs. 0.192 million) was charged on account of Sindh sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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- 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore, charged allocated expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations. The Management Company has, therefore, not charged any expense to the Fund during the year ended June 30, 2024 and June 30, 2023.

- 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) up to 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 rates ranging from 0% to 2% (2023: 1.5% to 3%) per annum of the average net assets of the Fund during the period.

During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses and accounting & operational charges to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Board of Directors of the Management Company has responded to the observations highlighted by the SECP and the management is engaged with SECP in this regard. Accordingly, the impact of the SECP's observations on the financial statements, if any, is not determinable as at the reporting date.

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			----- (Rupees) -----	-----
	Remuneration of the Trustee	8.1	163,891	10,189
	Sindh sales tax payable on remuneration of the trustee	8.2	22,133	1,879
			<u>186,024</u>	<u>12,068</u>

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

Net Assets (Rs.)	Remuneration
up to Rs. 1,000 million	0.20% per annum of net assets.
over Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

- 8.2** During the year, an amount of Rs. 0.042 million (2023: Rs. 0.032 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			----- (Rupees) -----	-----
	Annual fee payable	9.1	<u>80,326</u>	<u>24,714</u>

- 9.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.095% (2023: 0.02%) of average annual net assets of the Fund.

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

For The Year Ended June 30, 2024

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10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2024	2023
			----- (Rupees) -----	-----
	Auditors' remuneration payable		655,833	584,358
	Printing charges payable		172,454	179,466
	Legal and professional charges payable		554,607	371,459
	Zakat payable		9,753	9,753
	Withholding tax payable		5,999,949	237,723
	Rating fee payable		-	160,902
	Listing fee payable		38,003	34,488
	Brokerage payable		1,163,618	918,359
	Provision for Federal Excise Duty and related			
	sindh sales tax on management fee	10.1	3,497,459	3,497,459
	Other liabilities		166,830	-
			<u>12,258,506</u>	<u>5,993,966</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.

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 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 would have been higher by Rs. 0.208 (2022: Rs. 2.717) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024 and June 30, 2023.

12	AUDITORS' REMUNERATION	2024	2023
		----- (Rupees) -----	-----
	Audit fee	452,500	370,000
	Review and other certifications	340,031	170,000
	Out of pocket expenses	42,000	62,078
		<u>834,531</u>	<u>602,078</u>
	Sindh sales tax	66,762	48,166
		<u>901,293</u>	<u>650,244</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 3.23% (2023: 4.82%) which includes 0.30% (2023: 0.35%) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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14 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a 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.

15 EARNINGS PER UNIT

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, CDC being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and 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 year end.

16.2 Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

16.6 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Transactions during the year	2024	2023
	----- (Rupees) -----	
Faysal Asset Management Limited - Management Company		
Remuneration of the Faysal Asset Management Limited- Management Company	1,084,258	1,484,513
Sindh sales tax on management remuneration	140,954	192,987
Issue of Nil units (2023: 36,994 units)	-	2,408,653
Redemption of Nil units (2023: 215,131 units)	-	13,308,008
Selling and marketing expenses	313,623	978,248
Faysal Bank Limited - Group / Associated Company		
Profit on balances with banks	110,495	3,627,221
Bank charges	13,372	12,794
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	325,494	243,106
Sindh sales tax on trustee fee	42,314	32,160
Settlement charges	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Transactions during the year	2024	2023
	(Rupees)	
Directors, their close family members and Key Management Personnel of the Faysal Asset Management Limited - Management Company		
Issue of Nil units (2023: 93 units)	-	6,043
Redemption of Nil units (2023: 17,840 Units)	-	1,182,413
Unit holders holding 10% or more units		
Issuance of 24,852,171 (2023: Nil units)	2,279,566,631	-
Redemption of 9,302,232 (2023: Nil units)	958,781,051	-
Dividend Paid	-	1,832,173
Outstanding balances	2024	2023
	(Rupees)	
Faysal Asset Management Limited - Management Company		
Management remuneration payable	808,476	8,643
Sindh sales tax payable on management remuneration	105,275	1,123
Other payable	315,000	-
Selling and marketing expenses payable	-	184,468
Outstanding Nil units (2023: Nil units)	-	-
Faysal Bank Limited		
Balance in savings account	2,964,590	1,689,996
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	163,891	10,189
Sindh sales tax payable on remuneration of the trustee	22,133	1,881
Directors, their close family members and Key Management Personnel of the Faysal Asset Management Limited - Management Company		
Outstanding Nil units (2023: Nil units)	-	-
Unit holders holding 10% or more units		
Outstanding 15,549,939 units (2023: 769,952 units)	957,254,234	47,367,447

17 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL INSTRUMENTS BY CATEGORY		2024		
		At amortised cost	At fair value through profit or loss	Total
Note		Rupees		
Financial assets				
Balances with banks	4	140,679,487	-	140,679,487
Investments	5	-	888,768,792	888,768,792
Deposit and other receivables	6	19,028,575	-	19,028,575
		<u>159,708,062</u>	<u>888,768,792</u>	<u>1,048,476,854</u>
Financial liabilities				
Payable to Faysal Asset Management Limited - Management Company	7	1,228,751	-	1,228,751
Payable to Central Depository Company of Pakistan Limited - Trustee	8	186,024	-	186,024
Accrued expenses and other liabilities	10	2,751,345	-	2,751,345
		<u>4,166,120</u>	<u>-</u>	<u>4,166,120</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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		2023		
		At amortised cost	At fair value through profit or loss	Total
Rupees				
Financial assets				
Balances with banks	4	4,613,723	-	4,613,723
Investments	5	-	62,943,167	62,943,167
Deposit and other receivables	6	7,327,010	-	7,327,010
Receivable against sale of investments		12,967,468	-	12,967,468
		24,908,201	62,943,167	87,851,368
Financial liabilities				
Payable to Faysal Asset Management Limited - Management Company	7	193,129	-	193,129
Payable to Central Depository Company of Pakistan Limited - Trustee	8	12,068	-	12,068
Accrued expenses and other liabilities	10	2,249,032	-	2,249,032
Payable against purchase of investments		3,150,375	-	3,150,375
		5,604,603	-	5,604,603

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2024, the Fund is exposed to such risk on Pakistan Investment Bonds, Market Treasury Bills and balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds interest based Pakistan Investment Bonds, Market Treasury Bills and balances with banks which expose the Fund to profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 8.567 million (2023: Rs. 0.046 million).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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2024					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
Financial assets					
Balances with banks	10.00% to 21.00%	140,679,487	-	-	140,679,487
Investments					
- Listed Equity securities		-	-	172,797,292	172,797,292
- Market Treasury Bills	19.98%	-	426,231,500	-	426,231,500
- Pakistan Investments Bonds	22.41%	-	289,740,000	-	289,740,000
Deposit and other receivables		-	-	19,028,575	19,028,575
		140,679,487	715,971,500	191,825,867	1,048,476,854
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	1,228,751	1,228,751
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	186,024	186,024
Accrued expenses and other liabilities		-	-	2,751,345	2,751,345
		-	-	4,166,120	4,166,120
On-balance sheet gap (a)		140,679,487	715,971,500	187,659,747	1,044,310,734
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		140,679,487	715,971,500	-	-
Cumulative interest rate sensitivity gap		140,679,487	856,650,987	856,650,987	-

2023					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----					
Financial assets					
Balances with banks	7.00% - 19.75%	4,613,723	-	-	4,613,723
Investments - Listed Equity Securities		-	-	62,943,167	62,943,167
Deposit and other receivables		-	-	7,327,010	7,327,010
Receivable against sale of investments		-	-	12,967,468	12,967,468
		4,613,723	-	83,237,645	87,851,368
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	193,129	193,129
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	12,068	12,068
Accrued expenses and other liabilities		-	-	2,249,032	2,249,032
Payable against purchase of investments		-	-	3,150,375	3,150,375
		-	-	5,604,604	5,604,604
On-balance sheet gap (a)		4,613,723	-	77,633,041	82,246,764
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		4,613,723	-	-	-
Cumulative interest rate sensitivity gap		4,613,723	4,613,723	4,613,723	-

(ii) Currency risk

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

(iii) Price risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed.

In case of 1% increase / decrease in KSE-100 index on June 30, 2024, with all other variables held constant, the net income of the Fund for the year would increase / decrease by Rs. 1.728 million (2023: Rs. 0.629 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE-100 Index.

18.2 Liquidity risk

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

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund.

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

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

	2024					
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity
						Total
Rupees						
Financial assets						
Balances with banks	140,679,487	-	-	-	-	140,679,487
Investments	-	-	426,231,500	289,740,000	-	888,768,792
Deposit and other receivables	18,028,575	-	-	-	-	1,000,000
	158,708,062	-	426,231,500	289,740,000	-	1,044,476,854
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	1,228,751	-	-	-	-	1,228,751
Payable to Central Depository Company of Pakistan Limited - Trustee	186,024	-	-	-	-	186,024
Accrued expenses and other liabilities	2,751,345	-	-	-	-	2,751,345
	4,166,120	-	-	-	-	4,166,120
Net financial assets	154,541,942	-	426,231,500	289,740,000	-	1,044,310,734

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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	2023					Financial instruments with no fixed maturity	Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years		
Rupees							
Financial assets							
Balances with banks	4,613,723	-	-	-	-	-	4,613,723
Investments	-	-	-	-	-	62,943,167	62,943,167
Deposit and other receivables	4,827,010	-	-	-	-	2,500,000	7,327,010
Receivable against sale of investments	12,967,468	-	-	-	-	-	12,967,468
	22,408,201	-	-	-	-	65,443,167	87,851,368
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	193,129	-	-	-	-	-	193,129
Payable to Central Depository Company of Pakistan Limited - Trustee	12,068	-	-	-	-	-	12,068
Accrued expenses and other liabilities	2,249,032	-	-	-	-	-	2,249,032
Payable against purchase of investments	3,150,375	-	-	-	-	-	3,150,375
	5,604,604	-	-	-	-	-	5,604,604
Net financial assets	16,803,597	-	-	-	-	65,443,167	82,246,764

18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The table below analyses the Fund's maximum exposure to credit risk:

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees			
Balances with banks	140,679,487	140,679,487	4,613,723	4,613,723
Investments	888,768,792	-	62,943,167	-
Deposit and other receivables	19,028,575	6,106,780	7,327,010	7,327,010
Receivable against sale of investments	-	-	12,967,468	12,967,468
	1,048,476,854	146,786,267	87,851,368	24,908,201

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs. 172.797 million (2023: Rs. 62.943 million) is not exposed to credit risk. Further Investment in government securities and related profit receivable, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.3.2 Credit quality of financial assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Rating category	2024	2023
	Percentage	
AAA	97.87%	81.34%
AA+	-	7.40%
AA-	-	0.18%
AA	2.13%	11.08%
	<u>100%</u>	<u>100%</u>

18.3.3 Concentration of credit risk

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

19 FAIR VALUE MEASUREMENT

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

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

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.

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 June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

Note		2024		
		Level 1	Level 2	Level 3
Rupees				
Financial assets				
Listed Equity Securities	5	172,797,292	-	-
Market Treasury Bills	5	-	426,231,500	-
Pakistan Investment Bonds	5	-	289,740,000	-
		<u>172,797,292</u>	<u>715,971,500</u>	<u>-</u>
2023				
		Level 1	Level 2	Level 3
Rupees				
Financial assets				
Listed Equity Securities	5	62,943,167	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

20

20 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, 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 maintained and complied with the requirement of minimum fund size (i.e 100 million) except in certain days from July 1, 2023 till July 5, 2023, July 10, 2023 till July 30, 2023, August 15, 2023 till August 23, 2023, August 28, 2023 till December 4, 2023, December 6, 2023, December 22, 2023 till December 28, 2023 and January 17, 2024 till May 28, 2024 the Fund was below the minimum requirement of Rs 100 million.

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.

In accordance with the risk management policies as stated in note 19, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Associated company	-	-	-	-	-	-
Retirement funds	-	-	-	5	134,103	10.42%
Individuals	259	16,817,106	99.99%	320	547,253	42.52%
Other	3	2,139	0.01%	11	605,736	47.06%
	<u>262</u>	<u>16,819,245</u>	<u>100.00%</u>	<u>336</u>	<u>1,287,092</u>	<u>100.00%</u>

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2024	2023
	Percentage of commission paid	Percentage of commission paid
Next Capital Limited	9.05%	6.52%
Chase Securities Pakistan (Private) Limited	8.53%	5.09%
Optimus Capital Management (Private) Limited	7.97%	6.04%
Akik Capital (Private) Limited	7.04%	-
Topline Securities Limited	5.49%	-
Trust Securities & Brokerage Limited	5.31%	-
Taurus Securities Limited	4.40%	6.65%
Intermarket Securities Limited	4.35%	4.33%
Insight Securities (Private) Limited	4.34%	-
A. H. M. Securities (Private) Limited	4.15%	-
BMA Capital Management Limited	-	9.80%
Khadim Ali Shah Bukhari Securities (Private) Limited	-	7.42%
DJM Securities (Private) Limited	-	6.22%
Ismail Iqbal Securities (Private) Limited	-	5.64%
Darson Securities (Private) Limited	-	4.30%
	<u>60.63%</u>	<u>62.01%</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

21

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA and CFA	Over 9 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Research Analyst	BSc	Over 5 Years
Syed Eunus Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Mohammed Qasim	Senior Manager Risk Management	MBA	Over 16 Years

24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Shoib Danish	Equity Fund Specialist	MBA, CFA	Faysal Islamic Dedicated Equity Fund, Faysal Islamic Stock Fund, Faysal Islamic Pension Fund, Faysal Pension Fund, Faysal Islamic KPK Government Pension Fund and Faysal Stock Fund.

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August, 18 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri*	Director	N/A	N/A	N/A	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Date of appointment of Mr. Eshen Zafar Puri as Director is October 20, 2023.

26 GENERAL

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

27 DATE OF AUTHORISATION FOR ISSUEThese financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Faysal Asset Management Limited- Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)
AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
			----- (Rupees) -----		
(i) PERFORMANCE TABLE					
Net assets	1,035,427,498	79,181,367	158,737,608	321,977,701	113,694,639
Net assets value per unit	61.56	61.52	61.43	81.46	43.35
Offer price per unit	63.65	63.61	63.43	84.23	44.66
Repurchase price per unit	61.56	61.52	61.43	81.46	43.35
Highest offer price per unit	106.52	70.92	84.44	115.18	58.16
Highest repurchase price per unit	103.03	68.59	87.31	111.4	54.34
Lowest offer price per unit	63.60	61.74	63.3	44.55	43.36
Lowest repurchase price per unit	61.51	59.71	61.22	43.08	37.46
Total return:	67.65%	5.09%	-24.59%	92.39%	1.83%
- capital growth	0.11%	0.14%	-24.59%	90.02%	1.83%
- income distribution	67.54%	4.95%	0.00%	2.37%	0.00%
Average annual return:					
(Launch date: July 24, 2006)					
- one year	67.65%	5.09%	-24.59%	92.39%	1.83%
- two years	36.37%	-9.75%	33.90%	47.11%	-8.49%
- three years	16.05%	24.30%	23.21%	-13.59%	-6.48%
Four Year	35.14%	18.68%	N/A	N/A	N/A
Five Year	28.47%	16.85%			
Distribution per unit:					
- Interim distribution (% per unit)	67.54%	4.95%	-	-	-
- Final distribution (% per unit)*	-	-	0.00%	2.37%	-
	67.54%	4.95%	0.00%	2.37%	-

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(ii) Responsibilities towards Proxy Voting as per Regulation 38A

The proxy voting policy of the Faysal Asset Management Limited is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML in respect of the CIS is also available without charge, upon request, to all unit holders.

SUMMARY OF ACTUAL PROXY VOTED BY THE FUND				
	Resolutions	For	Against	Abstain
Number	0	0	0	0
Percentage		0%	0%	0%

(ii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On			
		17-Aug-23	19-Oct-23	01-Feb-24	18-Apr-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes	Yes	Yes

(iii) MEETINGS OF THE HUMAN REOURSCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On				
		08-Aug-23	17-Oct-23	08-Nov-23	01-Feb-24	06-May-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes	Yes	Yes

(iv) MEETINGS OF THE BOARD RISK MANAGEMENT COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Risk Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On		
		10-Aug-23	16-Oct-23	18-Apr-24
Mr. Mian Salman Ali	Chairman	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes	Yes

(v) MEETINGS OF THE BOARD STRATEGY COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Strategy Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On	
		09-Aug-23	16-Oct-23
Mr. Yousaf Hussain	Chairman	Yes	Yes
Syed Majid Ali	Member	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes
*Mr. Ehsan Zafar Puri	Member	N/A	N/A

*Mr. Ehsan Zafar Puri was appointed as director board strategy committee, effective from October 20, 2023.

Head Office

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

Karachi

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Lahore


T 92 42 35785558
F 92 42 35755196

Islamabad

T 92 51 2605721 / 23
F 92 51 2275252

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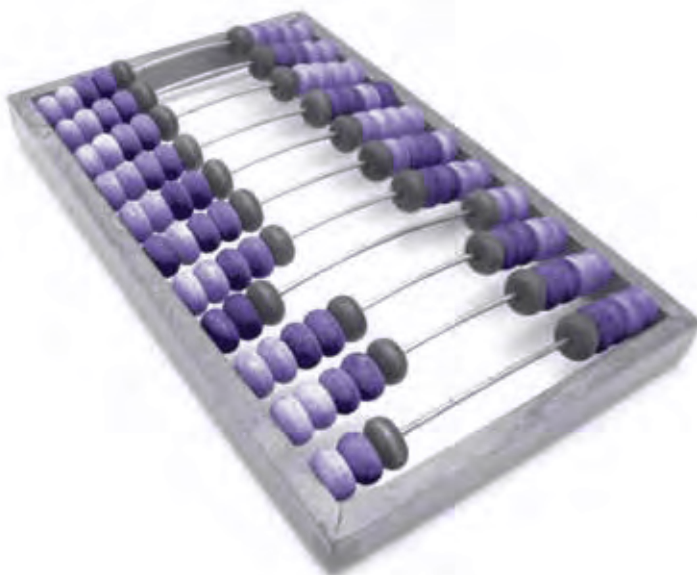
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Faysal Pension Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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

FUND MANAGER'S REPORT

ECONOMIC REVIEW

In 3QFY24, Pakistan's GDP experienced an YoY growth of 2.09%, with a marginal QoQ increase of 0.12%. The Services sector remained flat at 0.83%, offsetting gains in the Industrial and Agriculture sectors, which saw advances of 3.84% and 3.94%, respectively. Albeit Large-Scale Manufacturing Index growth was trivial at 1.47%, improvements in the small-scale sector supported overall industrial growth. Looking ahead, the country's growth rate is likely to be lower than anticipated in the 1HFY25, before gaining momentum in the 2HFY25 due to projected interest rate cuts that could stimulate industrial growth.

Pakistan's external account continued to exhibit improvement, with the Current Account Deficit (CAD) clocking in at ~USD 665mn during FY24, down from ~USD 3.3bn in SPLY. This steep reduction is primarily due to a 12% YoY increase in exports, reaching ~USD 31bn, and an 11% YoY rise in remittances, totaling ~USD 30.2bn. On a QoQ basis, the CAD was ~USD 0.07bn, supported by increased exports and remittances. The trade deficit also improved, decreasing by roughly 11% to USD 22bn in FY24 from USD 24.8bn in the SPLY, attributed to rising exports and declining imports.

The PKR appreciated by ~2.62% since Jun-23, closing 4QFY24 at PKR 278.34 against the USD. Foreign exchange reserves rose by about 10% QoQ to USD 14 bn, driven by strong inflows and roll-overs, including support from the IMF, GCC countries, and FDIs predominantly from China. The FX Reserves improved significantly from USD 9.1bn at the end of June 2023, enhancing the imports cover to above 1.5 months.

The average inflation clocked in at ~24% in FY24, down from ~29.4% in FY23. However, Core inflation rose to about 18.9% in FY24 from 17.8% in the SPLY. However, on QoQ basis, it dropped from 18.1% in 3QFY24 to 14.6% in 4QFY24. Despite higher fuel, power, and food inflation, the appreciation of the PKR and lower international commodity prices helped moderate inflation.

The Federal Board of Revenue (FBR) collected ~PKR 9,285bn in taxes during FY24, surpassing the target of PKR 9,252bn, and marking a 29% YoY increase from PKR 7,167bn in the SPLY. This growth was mainly on account of increased direct taxes and Petroleum Development Levy (PDL), while tax collection on imports remained subdued due to import compression.

Looking forward, the economic outlook for the upcoming quarters is optimistic, bolstered by the IMF program and anticipated rate cuts (a cumulative 250 bps in the last two Monetary Policy Committee meetings). The potential economic rebound FY25, a downward trend in inflation, and PKR stability are key factors supporting this outlook.

MONEY MARKET REVIEW

For the majority of FY24, the SBP kept the policy rate steady at 22%. However, following a decline in CPI readings, the SBP revised down the policy rate by 150 basis points to 20.5%. During the year, SBP held 26 T-Bill and 10 PIB auctions raising a total of ~PKR 21.3tn through T-Bills and ~PKR 4.5tn through the PIB auctions. During the year, the yields depicted volatility, inching upwards and peaking in Sept'24, before gradually declining thereon. In the first T-bill auction of FY24, the State Bank of Pakistan raised ~PKR 597bn, with weighted average yields realized in the 3M / 6M / 12M tenors clocking in at ~22.75% / 22.96% / 22.99%, respectively. However, in the last auction of FY24 held in June'24, SBP held, the weighted average yields realized in the 3M / 6M / 12M fell to ~20.01% / 19.94% / 18.49%, respectively. The decline in yields since Sept'23 followed expectations of interest rate cuts, which materialized in June'24. A similar trend was witnessed during FY24 in the Islamic Money Market / Sukuk yields.

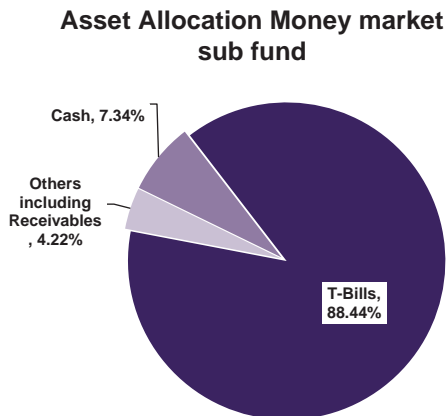
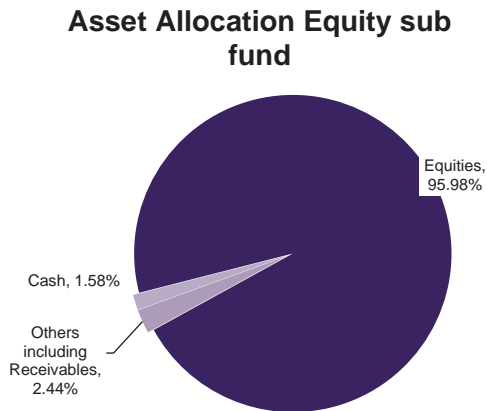
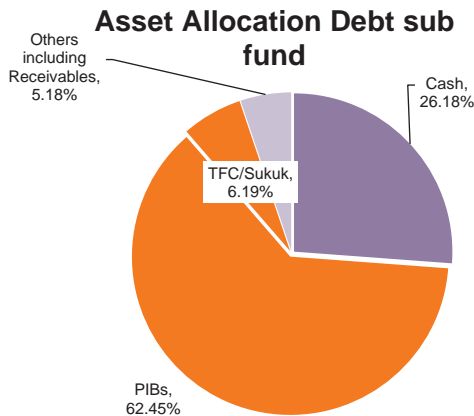
Fund Information	
Fund Type	Open Ended
Category	Voluntary Pension Scheme
Risk Profile	Investor Dependent
Launch Date	October 5, 2021
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee Debt	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.05%)
Management Fee Money market	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.05%)
Management Fee Equity	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV & BEL 0%
Min Subscription	Initial = Rs. 1,000/- Subsequent = Rs. 500/-
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon - Thu 9:00 am - 3:30 pm, Fri 9:00 am - 4:30 pm
AMC Rating	AM2++ (VIS) December 29, 2023
NAV per Unit (PKR) Debt Sub fund	143.47
Net Assets (mn) Debt Sub fund	49
NAV per Unit (PKR) Equity Sub fund	173.08
Net Assets (mn) Equity Sub fund	58
NAV per Unit (PKR) Money market Sub fund	146.41
Net Assets (mn) Money market Sub fund	59
Total Expense Ratio Debt sub fund (Annualized)	1.26%
Total Expense Ratio Debt sub fund (Monthly)	1.19%
Total Expense Ratio Equity sub fund (Annualized)	4.15%
Total Expense Ratio Equity sub fund (Monthly)	3.25%
Total Expense Ratio Money Market sub fund (Annualized)	1.00%
Total Expense Ratio Money Market sub fund (Monthly)	1.00%

* weighted average of 6M KIBOR & percentage invested in equities

Fund Returns (% p.a) Debt sub fund		
	FY24	
FY24 to Date	19.69%	
Month on Month	18.58%	
1 Year Trailing	19.68%	
Since Inception	13.23%%	

Fund Returns (% p.a) Equity sub fund		
	FY24	
FY24to Date	93.06%	
Month on Month	3.17%	
1 Year Trailing	93.07	
Since Inception	73.08%	

Fund Returns (% p.a) Money market sub fund		
	FY24	
FY24to Date	20.36%	
Month on Month	20.26%	
1 Year Trailing	20.36%	
Since Inception	14.22%	



FUND PERFORMANCE

In FY24, Faysal Pension Debt Sub Fund posted an annualized return of 19.69%. Faysal Pension Debt Sub Fund allocations stood as Cash (26.18%), PIBs (62.45%), TFC/Sukuk (6.19%) and Other Receivables (5.18%). Faysal Pension Money Market Sub Fund posted an annualized return of 20.36%. Faysal Pension Money Market Sub Fund allocations stood in T-Bills (88.44%), Cash (7.34%) and Other Receivables (4.22%). Faysal Pension Equity Sub Fund posted an absolute return of 93.06%, with allocations in Equities (95.98%), Cash (1.58%) and Other Receivables (2.44%).

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

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S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
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**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), would like to draw the attention of the Participants towards the fact that Faysal Asset Management Limited (Pension Fund Manager) due to its conversion from Conventional to Shariah Compliant Pension Fund Manager did not intend to operate this conventional Fund and therefore the Pension Fund Manager will either transfer the management rights or wind up this Fund.

However, during the year ended June 30, 2024, the Management Company has materially managed the Fund 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, September 26, 2024




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INDEPENDENT AUDITOR'S REPORT

To the Participants of Faysal Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in participants' sub funds and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	<p>Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 18.44 million and investments aggregated to Rs. 145.02 million.</p> <p>The existence of balances with banks and existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Pension Fund Manager for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Pension Fund Manager is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Pension Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Pension Fund Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Pension Fund Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 27, 2024
Karachi
UDIN: AR202410068lzt4yA8Ft

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

		2024				2023			
		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			
Assets									
Balances with banks	4	921,479	12,954,289	4,566,414	18,442,182	132,130	9,579,734	18,635,279	28,347,143
Investments	5	56,043,521	33,969,899	55,013,110	145,026,530	27,163,871	31,766,720	34,744,850	93,675,441
Deposits and other receivables	6	1,392,771	2,529,894	437,988	4,360,653	2,885,601	213,717	249,954	3,349,272
Receivable against issuance of units				2,150,000	2,150,000	-	-	-	-
Preliminary expenses and floatation costs	7	36,081	36,081	36,081	108,243	57,309	57,309	57,309	171,927
Total assets		58,393,852	49,490,163	62,203,593	170,087,608	30,238,911	41,617,480	53,687,392	125,543,783
Liabilities									
Payable to Faysal Asset Management Limited - Pension Fund Manager	8	68,666	23,725	24,275	116,666	44,303	21,545	21,545	87,393
Payable to Central Depository Company of Pakistan Limited - Trustee	9	9,419	9,109	9,729	28,257	9,289	9,289	9,289	27,867
Payable to the Securities and Exchange Commission of Pakistan	10	17,672	17,996	22,556	58,224	10,549	13,241	14,624	38,414
Accrued expenses and other liabilities	11	533,974	372,056	324,628	1,230,658	286,224	234,231	187,390	707,845
Payable against redemption of units		-	-	2,937,880	2,937,880	-	-	32,584	32,584
Total liabilities		629,731	422,886	3,319,068	4,371,685	350,365	278,306	265,432	894,103
Net assets		57,764,121	49,067,277	58,884,525	165,715,923	29,888,546	41,339,174	53,421,960	124,649,680
Participants' Sub-Funds (as per statement attached)		57,764,121	49,067,277	58,884,525	165,715,923	29,888,546	41,339,174	53,421,960	124,649,680
Contingencies and commitments									
	12	Number of units				Number of units			
Number of units in issue	16	333,749	342,003	402,184		333,388	345,019	439,378	
		Rupees				Rupees			
Net asset value per unit		173.08	143.47	146.41		89.65	119.82	121.59	

The annexed notes from 1 to 30 form an integral part of these financial statements.

**For Faysal Asset Management Limited
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

	2024				2023			
	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			
Income								
Profit on balances with banks	182,832	1,487,509	1,528,320	3,198,661	47,674	1,209,990	1,303,515	2,561,179
Income from Market Treasury Bills	-	7,194,644	9,533,641	16,728,285	-	5,000,322	5,378,809	10,379,131
Gain / (loss) on sale of investments - net	15,756,955	(25,863)	(22,667)	15,708,425	527,169	(9,816)	(13,088)	504,265
Dividend income	3,305,956	-	-	3,305,956	3,341,190	-	-	3,341,190
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5 10,432,324	50,730	23,825	10,506,879	(3,167,698)	(13,938)	(15,245)	(3,196,881)
Total income	29,678,067	8,707,020	11,063,119	49,448,206	748,335	6,186,558	6,653,991	13,588,884
Expenses								
Remuneration of Faysal Asset Management Limited								
- Pension Fund Manager	8.1 442,404	22,526	28,226	493,156	320,347	-	-	320,347
Sindh Sales Tax on remuneration of the Pension Fund Manager	8.2 57,513	2,928	3,669	64,110	41,645	-	-	41,645
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 100,229	99,955	100,229	300,413	100,000	100,000	100,000	300,000
Sindh Sales Tax on remuneration of the Trustee	9.2 13,030	12,994	13,030	39,054	13,000	13,000	13,000	39,000
Fee to the Securities and Exchange Commission of Pakistan	10 17,696	18,021	22,581	58,298	13,047	15,838	17,328	46,213
Auditors' remuneration	18 262,202	262,202	262,202	786,606	180,773	180,773	180,773	542,319
Transaction charges	813,515	16,224	11,979	841,718	648,722	3,959	3,955	656,636
Legal and professional charges	94,236	94,236	94,236	282,708	100,791	123,085	100,791	324,667
Printing charges	3,294	3,294	3,294	9,882	2,920	2,920	2,920	8,760
Amortisation of preliminary expenses and floatation costs	7 21,228	21,228	21,228	63,684	21,170	21,170	21,170	63,510
Bank charges	13,749	17,573	4,197	35,519	11,168	6,890	9,541	27,599
Total expenses	1,839,096	571,181	564,871	2,975,148	1,453,583	467,635	449,478	2,370,696
Net income / (loss) for the year before taxation	27,838,971	8,135,839	10,498,248	46,473,058	(705,248)	5,718,923	6,204,513	11,218,188
Taxation	13 -	-	-	-	-	-	-	-
Net income / (loss) for the year after taxation	27,838,971	8,135,839	10,498,248	46,473,058	(705,248)	5,718,923	6,204,513	11,218,188
Earnings per unit	14							

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

	2024				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			
Net income / (loss) for the year after taxation	27,838,971	8,135,839	10,498,248	46,473,058	(705,248)	5,718,923	6,204,513	11,218,188
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	<u>27,838,971</u>	<u>8,135,839</u>	<u>10,498,248</u>	<u>46,473,058</u>	<u>(705,248)</u>	<u>5,718,923</u>	<u>6,204,513</u>	<u>11,218,188</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS

For The Year Ended June 30, 2024

	2024				2023			
	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			
Net assets at the beginning of the year	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	17 36,604	-	4,481,630	4,518,234	78,377	315,721	15,129,904	15,524,002
Amount paid on redemption of units	-	(407,736)	(9,517,313)	(9,925,049)	(1,850,771)	(1,162,703)	(5,185,583)	(8,199,057)
Gain / (loss) on sale of investments - net	15,756,955	(25,863)	(22,667)	15,708,425	527,169	(9,816)	(13,088)	504,265
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	10,432,324	50,730	23,825	10,506,879	(3,167,698)	(13,938)	(15,245)	(3,196,881)
Other income - net	1,649,692	8,110,972	10,497,090	20,257,754	1,935,281	5,742,677	6,232,846	13,910,804
Total comprehensive income / (loss) for the year	27,838,971	8,135,839	10,498,248	46,473,058	(705,248)	5,718,923	6,204,513	11,218,188
Net assets at the end of the year	<u>57,764,121</u>	<u>49,067,277</u>	<u>58,884,525</u>	<u>165,715,923</u>	<u>29,888,546</u>	<u>41,339,174</u>	<u>53,421,960</u>	<u>124,649,680</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT

For The Year Ended June 30, 2024

	Note	2024				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 -----									
CASH FLOW FROM OPERATING ACTIVITIES									
Net income / (loss) for the year after taxation		27,838,971	8,135,839	10,498,248	46,473,058	(705,248)	5,718,923	6,204,513	11,218,188
Adjustments for:									
Amortisation of preliminary expenses and floatation costs	7	21,228	21,228	21,228	63,684	21,170	21,170	21,170	63,510
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	(10,432,324)	(50,730)	(23,825)	(10,506,879)	3,167,698	13,938	15,245	3,196,881
		17,427,875	8,106,337	10,495,651	36,029,863	2,483,620	5,754,031	6,240,928	14,478,579
(Increase) / decrease in assets									
Investments - net		(18,447,326)	(33,919,169)	(7,366,479)	(59,732,974)	(804,778)	7,416,619	(15,245)	6,596,596
Deposits and other receivables		1,492,830	(2,316,177)	(2,338,034)	(3,161,381)	(32,912)	145,690	901,244	1,014,022
		(16,954,496)	(36,235,346)	(9,704,513)	(62,894,355)	(837,690)	7,562,309	885,999	7,610,618
Increase / (decrease) in liabilities									
Payable to Faysal Asset Management Limited - Pension Fund Manager		24,363	2,180	2,730	29,273	(94,027)	(99,333)	(95,284)	(288,644)
Payable to Central Depository Company of Pakistan Limited - Trustee		130	(180)	440	390	(1,727)	50	2,610	933
Payable to the Securities and Exchange Commission of Pakistan		7,123	4,755	7,932	19,810	3,130	5,523	6,588	15,241
Accrued expenses and other liabilities		247,750	137,825	137,238	522,813	23,814	113,377	90,677	227,868
		279,366	144,580	148,340	572,286	(68,810)	19,617	4,591	(44,602)
Net cash generated from / (used in) operating activities		752,745	(27,984,429)	939,478	(26,292,206)	1,577,120	13,335,957	7,131,518	22,044,595
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts from issuance of units		36,604	-	4,481,630	4,518,234	78,377	315,721	15,129,904	15,524,002
Payments against redemption of units		-	(407,736)	(6,612,017)	(7,019,753)	(1,850,771)	(1,162,703)	(5,152,999)	(8,166,473)
Net cash generated from / (used in) financing activities		36,604	(407,736)	(2,130,387)	(2,501,519)	(1,772,394)	(846,982)	9,976,905	7,357,529
Net increase / (decrease) in cash and cash equivalents during the year		789,349	(28,392,165)	(1,190,909)	(28,793,725)	(195,274)	12,488,975	17,108,423	29,402,124
Cash and cash equivalents at the beginning of the year		132,130	41,346,454	53,380,129	94,858,713	327,404	28,857,479	36,271,706	65,456,589
Cash and cash equivalents at the end of the year	19	921,479	12,954,289	52,189,220	66,064,988	132,130	41,346,454	53,380,129	94,858,713

The annexed notes from 1 to 30 form an integral part of these financial statements.

**For Faysal Asset Management Limited
(Pension Fund Manager)**

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024****1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Faysal Pension Fund (the Fund) has been established under a Trust under the Sindh Trust Act, 2020 constituted under a Trust Deed entered into on July 30, 2021 between Faysal Asset Management Limited as the Pension Fund Manager and the 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 dated September 8, 2021 under the Voluntary Pension System Rules, 2005 (the VPS Rules). 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 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, Faysal House, ST-02, 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. Further, as per the Offering Document, the Fund shall not distribute any income or dividend from the Fund whether in cash or otherwise from any of the Sub-Funds.
- 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 ('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

For The Year Ended June 30, 2024

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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 (4) 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Voluntary Pension System Rules, 20005 (the VPS Rules) 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, the VPS Rules and requirements of the Trust Deed differ from the IFRS Accounting Standards, 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, the VPS Rules and the requirements of the Trust Deed have been followed.

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Cash and cash equivalents

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

3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement**3.2.2.1 Debt instruments**

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

- amortised cost
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL) based on business model of the entity.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investments at FVOCI. The management considers its investment in equity securities being managed as a group of assets hence has classified as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Pension Fund Manager in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Pension Fund Manager may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Pension Fund Manager. The provisioning policy approved by the Board of Directors has also been placed on the Pension Fund Manager's website as required under the SECP's Circular.

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

The prescribed application form, complete in all respects including payment (on realized basis), received by the Pension Fund Manager or distributor at its / their authorized branches during business hours on any dealing day from any participant shall be immediately credited to the individual pension account of the participant after deducting the front-end fee (sale charges) or takaful contributions (if any). Such amount in the individual pension account shall be used to purchase the units of Sub-Funds as per the allocation scheme selected by the participant, at the net asset value notified by the Pension Fund Manager at the close of that dealing day for each Sub-Fund. Any Form received after business hours will be transferred to the next dealing day. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager shall make reallocation of the units between the Sub-Funds as per the VPS Rules and Offering Document to ensure that the allocation of units of all the participants are according to the allocation schemes selected by the participants or where no selection has been made, according to the default allocation scheme.

At the date of retirement of the participant, all the units of the Sub-Funds of participant account shall be redeemed at the net asset value notified at close of the day of retirement and the amount due shall be credited to participant individual pension account in the lower volatility scheme where no option is selected by the participant offered by the Pension Fund Manager.

A participant can transfer his individual pension account with the Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund. Units shall be encashed at the net asset value of each Sub-Fund notified at the date of transfer if a dealing day otherwise on the next dealing day.

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

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

3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise;
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend;
- Profit on commercial papers, Pakistan Investment Bonds and Market Treasury Bills is recognised on an accrual basis using the effective yield method; and
- Profit on bank balances is recognised on an accrual basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3.10 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.11 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

3.12 Earnings / (loss) per unit

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

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

3.13 Foreign currency translation

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

Note	2024				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			

4 BALANCES WITH BANKS

Balances with banks in savings accounts	4.1	921,479	12,954,289	4,566,414	18,442,182	132,130	9,579,734	18,635,279	28,347,143
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4.1 These include a balance of Rs. 0.697 million, Rs. 12.726 million and Rs. 4.768 million in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund (2023: Rs. 0.0150 million, Rs. 5.640 million and Rs. 15.464 million) respectively maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 20.00% (2023: 11.00%) per annum. Other savings accounts of the Fund carry profit rate of 15.50% (2023: 15.50%) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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Note	2024				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			
5								
	Financial assets 'at fair value through profit or loss'							
	Listed equity securities							
	Government securities - Market							
	Treasury Bills							
	Government securities - Pakistan							
	Investment Bonds							
	Term finance certificates							
5.1	56,043,521	-	-	56,043,521	27,163,871	-	-	27,163,871
5.2	-	-	55,013,110	55,013,110	-	31,766,720	34,744,850	66,511,570
5.3	-	30,905,600	-	30,905,600	-	-	-	-
5.4	-	3,064,299	-	3,064,299	-	-	-	-
	56,043,521	33,969,899	55,013,110	145,026,530	27,163,871	31,766,720	34,744,850	93,675,441

5.1 Listed equity securities

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	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
	Number of shares held					Rupees			%		

CEMENT

Cherat Cement Company Limited	-	10,990	-	10,990	-	-	-	-	-	-	-
Fauji Cement Company Limited	50,500	190,300	-	109,000	131,800	2,354,683	3,019,538	664,855	5.39%	5.23%	0.01%
Lucky Cement Limited*	1,970	3,447	-	2,167	3,250	2,317,641	2,946,873	629,232	5.26%	5.10%	-
Maple Leaf Cement Factory Limited*	22,900	57,300	-	28,900	51,300	1,869,475	1,949,400	79,925	3.48%	3.37%	-
Attock Cement Pakistan Limited	-	7,900	-	-	7,900	785,567	767,406	(18,161)	1.37%	1.33%	0.01%
Pioneer Cement Limited*	-	17,100	-	6,700	10,400	1,375,728	1,753,960	378,232	3.13%	3.04%	-
						8,703,094	10,437,177	1,734,083	18.62%	18.07%	0.02%

CHEMICALS

Engro Polymer & Chemicals Limited*	-	30,350	-	18,000	12,350	594,872	554,762	(40,110)	0.99%	0.96%	-
Nimir Industrial Chemicals Limited	-	9,000	-	-	9,000	931,000	1,088,820	157,820	1.94%	1.88%	0.01%
Dyneen Pakistan Limited (note 5.1.1)	-	3,500	-	300	3,200	616,331	721,664	105,333	1.29%	1.25%	0.02%
Lotte Chemical Pakistan Limited	-	35,000	-	35,000	-	-	-	-	-	-	-
						2,142,203	2,365,246	223,043	4.22%	4.09%	0.03%

COMMERCIAL BANKS

Bank Alfalah Limited*	40,799	63,350	-	57,149	47,000	2,246,128	3,196,940	950,812	5.70%	5.53%	-
Bank AL Habib Limited*	16,220	56,200	-	53,420	19,000	1,406,991	2,131,420	724,429	3.80%	3.69%	-
BankIslami Pakistan Limited	30,000	19,185	-	49,185	-	-	-	-	-	-	-
Faysal Bank Limited	91,000	36,036	-	127,036	-	-	-	-	-	-	-
Habib Bank Limited	-	7,550	-	7,550	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited*	-	27,900	-	-	27,900	1,640,195	1,915,893	275,698	3.42%	3.32%	-
Meezan Bank Limited	11,200	22,275	-	33,475	-	-	-	-	-	-	-
United Bank Limited*	-	19,800	-	4,800	15,000	2,831,675	3,843,600	1,011,925	6.86%	6.65%	-
						8,124,989	11,087,853	2,962,864	19.78%	19.20%	-

FERTILIZER

Engro Fertilizers Limited*	8,500	12,200	-	8,523	12,177	1,578,770	2,024,061	445,291	3.61%	3.50%	-
Engro Corporation Limited*	4,330	9,595	-	7,785	6,140	1,814,759	2,042,839	228,080	3.65%	3.54%	-
Fauji Fertilizer Bin Qasim Limited	-	8,500	-	8,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited*	-	13,900	-	-	13,900	1,876,184	2,270,982	394,798	4.05%	3.93%	-
						5,269,713	6,337,882	1,068,169	11.31%	10.97%	-

OIL & GAS EXPLORATION COMPANIES

Oil & Gas Development Company Limited* (note 5.1.2)	27,125	65,970	-	66,375	26,720	3,196,584	3,617,086	420,502	6.45%	6.26%	-
Mari Petroleum Company Limited* (note 5.1.2)	1,210	730	-	1,040	900	1,965,909	2,441,106	475,197	4.36%	4.23%	-
Pakistan Petroleum Limited* (note 5.1.2)	41,206	47,630	-	60,186	28,650	2,676,009	3,355,202	679,193	5.99%	5.81%	-
						7,838,502	9,413,394	1,574,892	16.80%	16.30%	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	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
	Number of shares held					Rupees			%		
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	10,547	25,156	-	35,703	-	-	-	-	-	-	-
Attock Petroleum Limited*	-	1,300	-	-	1,300	510,900	502,112	(8,788)	0.90%	0.87%	-
Sui Northern Gas Pipelines Limited	-	5,300	-	5,300	-	510,900	502,112	(8,788)	0.90%	0.87%	-
POWER GENERATION & DISTRIBUTION											
Lalpir Power Limited	-	21,000	-	21,000	-	-	-	-	-	-	-
The Hub Power Company Limited*	39,192	47,625	-	66,142	20,675	2,261,154	3,371,679	1,110,525	6.02%	5.84%	-
Engro Powergen Qadirpur Limited	14,000	-	-	14,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited	-	27,000	-	27,000	-	-	-	-	-	-	-
K-Electric Limited	140,000	-	-	140,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	84,000	147,000	-	231,000	-	-	-	-	-	-	-
Nishat Power Limited	-	30,900	-	30,900	-	2,261,154	3,371,679	1,110,525	6.02%	5.84%	-
GLASS & CERAMICS											
Tariq Glass Industries Limited*	12,970	22,900	-	30,906	4,964	496,107	578,554	82,447	1.03%	1.00%	-
						496,107	578,554	82,447	1.03%	1.00%	-
TRANSPORT											
Pakistan International Bulk Terminal Limited*	-	252,000	-	174,000	78,000	487,886	481,260	(6,626)	0.86%	0.83%	-
						487,886	481,260	(6,626)	0.86%	0.83%	-
PROPERTY											
TPL Properties Limited	16,400	95,000	-	111,400	-	-	-	-	-	-	-
						-	-	-	-	-	-
AUTOMOBILES PARTS AND ACCESSORIES											
Exide Pakistan Limited	-	1,300	-	-	1,300	566,800	766,103	199,303	1.37%	1.33%	0.02%
Thal Limited* (note 5.1.1)	-	2,580	-	-	2,580	941,907	1,247,017	305,110	2.23%	2.16%	-
						1,508,707	2,013,120	504,413	3.59%	3.49%	0.02%
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	3,701	3,000	-	6,701	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	12,408	-	12,408	-	-	-	-	-	-	-
						-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS											
The Organic Meat Company Limited	14,986	110,000	3,600	128,586	-	-	-	-	-	-	-
Matco Foods Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
ENGINEERING											
International Industries Limited*	-	3,200	-	-	3,200	520,713	626,272	105,559	1.12%	1.08%	-
International Steels Limited	-	9,000	-	9,000	-	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	4,000	-	-	4,000	-	-	-	-	-	-	-
						520,713	626,272	105,559	1.12%	1.08%	-
PHARMACEUTICALS											
AGP Limited*	2,819	5,200	-	-	8,019	546,769	740,715	193,946	1.32%	1.28%	-
Citi Pharma Limited	-	34,200	-	18,200	16,000	382,685	456,000	73,315	0.81%	0.79%	0.01%
Ferozsons Laboratories Limited*	-	1,600	-	-	1,600	362,398	399,056	36,658	0.71%	0.69%	-
Haleon Pakistan Limited*	2,000	3,500	-	800	4,700	948,215	1,397,639	449,424	2.49%	2.42%	-
Highnoon Laboratories Limited*	-	2,000	-	200	1,800	923,445	1,284,444	360,999	2.29%	2.22%	-
The Searle Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
						3,163,512	4,277,854	1,114,342	7.63%	7.41%	0.01%
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	77,500	-	77,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
TEXTILE COMPOSITE											
Interloop Limited*	-	57,300	-	30,000	27,300	2,047,517	1,933,659	(113,858)	3.45%	3.35%	-
Nishat Mills Limited*	-	3,600	-	-	3,600	253,980	255,060	1,080	0.46%	0.44%	-
						2,301,497	2,188,719	(112,778)	3.91%	3.79%	-
LEATHER & TANNERIES											
Service Industries Limited*	-	980	-	-	980	848,890	931,813	82,923	1.66%	1.61%	-
						848,890	931,813	82,923	1.66%	1.61%	-

For The Year Ended June 30, 2024

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	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
						Rupees			%		
SYNTHETIC & RAYON											
Image Pakistan Limited	-	49,000	-	49,000	-	-	-	-	-	-	-
MISCELLANEOUS											
Pakistan Aluminium Beverage Cans Limited	-	5,800	-	5,800	-	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION											
Avanceon Limited	12,650	12,000	-	24,650	-	-	-	-	-	-	-
Octopus Digital Limited	15,525	-	-	15,525	-	-	-	-	-	-	-
Systems Limited* (note 5.1.2)	5,030	10,620	-	12,230	3,420	1,433,330	1,430,586	(2,744)	2.55%	2.48%	-
Air Link Communication Limited	-	57,000	-	57,000	-	-	-	-	-	-	-
						1,433,330	1,430,586	(2,744)	2.55%	2.48%	-
Total as at June 30, 2024						<u>45,611,197</u>	<u>56,043,521</u>	<u>10,432,324</u>			
Total as at June 30, 2023						<u>30,331,569</u>	<u>27,163,871</u>	<u>(3,167,698)</u>			

*Nil figures due to rounding off

- | Name of the investee company | 2024 | 2023 | 2024 | 2023 |
|---|------------------|--------|--------------|-----------|
| | Number of shares | | Rupees ----- | |
| Mari Petroleum Company Limited | 200 | 200 | 542,468 | 302,928 |
| Oil and Gas Development Company Limited | 8,875 | 8,875 | 1,201,409 | 692,250 |
| Pakistan Petroleum Limited | 16,000 | 16,000 | 1,873,760 | 946,240 |
| Systems Limited | 500 | 500 | 209,150 | 201,665 |
| | 25,575 | 25,575 | 3,826,787 | 2,143,083 |

5.2.1 Debt Sub-Fund

Name of the security - Tenor	Issue date	(Face value)				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2024	Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024				Net assets of the Fund	Total investments of the Fund
		(Rupees)							%	
Market Treasury Bills - 03 Months	April 20, 2023	32,000,000	-	32,000,000	-	-	-	-	-	
Market Treasury Bills - 03 Months	Jul 13, 2023	-	33,000,000	33,000,000	-	-	-	-	-	
Market Treasury Bills - 03 Months	Oct 05, 2023	-	38,000,000	38,000,000	-	-	-	-	-	
Market Treasury Bills - 03 Months	Dec 28, 2023	-	36,000,000	36,000,000	-	-	-	-	-	
Market Treasury Bills - 03 Months	Mar 21, 2024	-	6,000,000	6,000,000	-	-	-	-	-	
Market Treasury Bills - 03 Months	Apr 04, 2024	-	5,000,000	5,000,000	-	-	-	-	-	
Total as at June 30, 2024					-	-	-	-	-	
Total as at June 30, 2023					32,000,000	31,780,658	31,766,720	(13.938)	76.84%	100.00%

For The Year Ended June 30, 2024

5.2.2 Money Market Sub-Fund

5.2.2.1 This carries purchase yield of 20.93% and 20.05% per annum and is due to mature on August 30, 2024 and November 30, 2024 respectively.

5.3 Government securities - Pakistan Investment Bonds

5.3.1 Debt Sub-Fund

5.3.2 This carries purchase yield of 21.30% per annum and is due to mature on April 18, 2029.

5.4 Term finance certificates

5.4.1 Debt Sub-Fund

[illegible]

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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

	Note	2024				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			
Market value of investments	5.1, 5.2, 5.3 & 5.4	56,043,521	33,969,899	55,013,110	145,026,530	27,163,871	31,766,720	34,744,850	93,675,441
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	45,611,197	33,919,169	54,989,285	134,519,651	30,331,569	31,780,658	34,760,095	96,872,322
		<u>10,432,324</u>	<u>50,730</u>	<u>23,825</u>	<u>10,506,879</u>	<u>(3,167,698)</u>	<u>(13,938)</u>	<u>(15,245)</u>	<u>(3,196,881)</u>

6 DEPOSITS AND OTHER RECEIVABLES

Security deposit with:
Central Depository Company of Pakistan Limited (CDC)
National Clearing Company of Pakistan Limited (NCCPL)

	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
	1,000,000	-	-	1,000,000	2,500,000	-	-	2,500,000
	1,100,000	100,000	100,000	1,300,000	2,600,000	100,000	100,000	2,800,000
Profit receivable on balances with banks	235,784	535,069	337,988	1,108,841	197,124	103,717	149,954	450,795
Profit receivable on debt securities	-	1,884,825	-	1,884,825	-	-	-	-
Dividend receivable	56,987	-	-	56,987	88,477	-	-	88,477
Other receivable	-	10,000	-	10,000	-	10,000	-	10,000
	<u>1,392,771</u>	<u>2,529,894</u>	<u>437,988</u>	<u>4,360,653</u>	<u>2,885,601</u>	<u>213,717</u>	<u>249,954</u>	<u>3,349,272</u>

7 PRELIMINARY EXPENSES AND FLOATION COSTS

Preliminary expenses and floatation costs at the beginning of the year

	57,309	57,309	57,309	171,927	78,479	78,479	78,479	235,437
Less: amortisation during the year	(21,228)	(21,228)	(21,228)	(63,684)	(21,170)	(21,170)	(21,170)	(63,510)
	<u>36,081</u>	<u>36,081</u>	<u>36,081</u>	<u>108,243</u>	<u>57,309</u>	<u>57,309</u>	<u>57,309</u>	<u>171,927</u>

7.1 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 five years commencing from October 05, 2021 as per the requirements set out in the Trust Deed of the Fund and the VPS Rules.

8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

	Note	2024				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			
Remuneration payable to the Pension Fund Manager	8.1	46,125	1,929	2,416	50,470	24,565	-	-	24,565
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	8.2	5,996	251	314	6,561	3,193	-	-	3,193
Preliminary expenses and floatation costs payable		<u>16,545</u>	<u>21,545</u>	<u>21,545</u>	<u>59,635</u>	<u>16,545</u>	<u>21,545</u>	<u>21,545</u>	<u>59,635</u>
		<u>68,666</u>	<u>23,725</u>	<u>24,275</u>	<u>116,666</u>	<u>44,303</u>	<u>21,545</u>	<u>21,545</u>	<u>87,393</u>

8.1 In accordance with the provisions of the VPS 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 year, the Pension Fund Manager has charged its remuneration at the rate of 1.00% (2023: 1.00%) per annum of daily net assets of the Equity Sub-Fund, 0.05% per annum (2023: Nil) of daily net assets of the Debt Sub-Fund and 0.05% per annum (2023: Nil) of daily net assets of the Money Market Sub-Fund. The remuneration is payable to the Pension Fund Manager monthly in arrears.

8.2 During the year, an aggregate amount of Rs. 0.064 million (2023: Rs. 0.042 million) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024				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			
	Remuneration payable to the Trustee	9.1	8,335	8,061	8,610	25,006	8,220	8,220	8,220	24,660
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	1,084	1,048	1,119	3,251	1,069	1,069	1,069	3,207
			<u>9,419</u>	<u>9,109</u>	<u>9,729</u>	<u>28,257</u>	<u>9,289</u>	<u>9,289</u>	<u>9,289</u>	<u>27,867</u>

- 9.1 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

- 9.2 During the year, an aggregate amount of Rs. 0.039 million (2023: Rs. 0.039 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% (2023: 13%).

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024				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			
	Fee payable	10.1	17,672	17,996	22,556	58,224	10,549	13,241	14,624	38,414

- 10.1 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 0.04% (2023: 0.04%) of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	2024				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			
	Auditors' remuneration payable	137,712	137,712	137,712	413,136	78,261	78,260	78,261	234,782
	Transaction charges payable	145,371	4,485	662	150,518	76,072	2,692	660	79,424
	Legal and professional charges payable	221,619	229,859	186,254	637,732	127,382	151,315	107,710	386,407
	Printing charges payable	-	-	-	-	1,842	1,843	759	4,444
	Withholding tax payable	27,958	-	-	27,958	1,355	121	-	1,476
	Other payable	1,314	-	-	1,314	1,312	-	-	1,312
		533,974	372,056	324,628	1,230,658	286,224	234,231	187,390	707,845

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

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 and hence, 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 (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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14 EARNINGS PER UNIT

Earnings per unit (EPU) 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 EPU is not practicable.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Faysal Pension Fund - Equity Sub-Fund as at June 30, 2024 is 4.15% (2023: 4.54%) which includes 0.29% (2023: 0.32%) representing government levies on the Fund such as sales taxes, fee to the SECP. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

The Total Expense Ratio (TER) of the Faysal Pension Fund - Debt Sub-Fund as at June 30, 2024 is 1.26% (2023: 1.20%) which includes 0.07% (2023: 0.08%) representing government levies on the Fund such as sales taxes, 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'.

The Total Expense Ratio (TER) of the Faysal Pension Fund - Money Market Sub-Fund as at June 30, 2024 is 1.00% (2023: 1.05%) which includes 0.07% (2023: 0.07%) representing government levies on the Fund such as sales taxes, fee to the SECP, etc. This ratio is within the maximum limit of 2.00% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market Scheme'.

16 NUMBER OF UNITS IN ISSUE

	2024				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			
Total units in issue at the beginning of the year	333,388	345,019	439,378	1,117,785	352,338	352,237	353,908	1,058,483
Add: Issuance of units during the year	361	-	33,452	33,813	829	2,939	130,542	134,310
Less: units redeemed during the year	-	3,016	70,646	73,662	19,779	10,157	45,072	75,008
Total units in issue at the end of the year	333,749	342,003	402,184	1,077,936	333,388	345,019	439,378	1,117,785

17 CONTRIBUTION TABLE

	2024						2023					
	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	-	-	-	-	-	-	829	78,377	2,939	315,721	103,368	12,096,344
Individuals	361	36,604	-	-	33,452	4,481,630	-	-	-	-	27,174	3,033,560
	361	36,604	-	-	33,452	4,481,630	829	78,377	2,939	315,721	130,542	15,129,904

18 AUDITORS' REMUNERATION

	2024				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			
Annual audit fee	126,667	126,667	126,666	380,000	117,050	117,050	117,050	351,150
Fee for half yearly review of condensed interim financial statements	73,333	73,333	73,334	220,000	38,627	38,627	38,627	115,881
Out of pocket expenses	42,780	42,780	42,780	128,340	11,705	11,705	11,705	35,115
	242,780	242,780	242,780	728,340	167,382	167,382	167,382	502,146
Sindh Sales tax	19,422	19,422	19,422	58,266	13,391	13,391	13,391	40,173
	262,202	262,202	262,202	786,606	180,773	180,773	180,773	542,319

19 CASH AND CASH EQUIVALENTS

Balances with banks	4	921,479	12,954,289	4,566,414	18,442,182	132,130	9,579,734	18,635,279	28,347,143
Government securities -									
Market Treasury Bills	5	-	-	47,622,806	47,622,806	-	31,766,720	34,744,850	66,511,570
		921,479	12,954,289	52,189,220	66,064,988	132,130	41,346,454	53,380,129	94,858,713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

20.1 Connected persons / related parties include Faysal Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being 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.

20.2 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.

20.3 Remuneration to the Pension Fund Manager of the Fund is determined in accordance with the provisions of the VPS Rules.

20.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

20.5 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Transactions during the year

	2024				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			
Faysal Asset Management Limited - Pension Fund Manager								
Remuneration of the Pension Fund Manager	442,404	22,526	28,226	493,156	320,347	-	-	320,347
Sindh Sales Tax on remuneration of the Pension Fund Manager	57,513	2,928	3,669	64,110	41,645	-	-	41,645
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	100,229	99,955	100,229	300,413	100,000	100,000	100,000	300,000
Sindh Sales Tax on remuneration of the Trustee	13,030	12,994	13,030	39,054	13,000	13,000	13,000	39,000
Settlement charges	20,632	11,703	10,601	42,936	8,754	3,504	3,500	15,758
Sindh Sales Tax on settlement charges	2,682	1,521	1,378	5,581	1,138	455	455	2,048
Security deposit	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Faysal Bank Limited - Group Company								
Profit on balances with bank	77,072	889,064	1,091,000	2,057,136	17,343	683,127	777,621	1,478,091
Bank charges	12,235	16,189	2,813	31,237	8,639	5,117	7,802	21,558

Amounts / balances outstanding as at year end

	2024				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			
Faysal Asset Management Limited - Pension Fund Manager								
Remuneration payable to the Pension Fund Manager	46,125	1,929	2,416	50,470	24,565	-	-	24,565
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	5,996	251	314	6,561	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 units - Equity Sub-Fund (2023: 300,000)	51,922,920	-	-	51,922,920	28,516,170	-	-	28,516,170
Outstanding 300,000 units - Debt Sub-Fund (2023: 300,000)	-	43,041,120	-	43,041,120	-	36,713,160	-	36,713,160
Outstanding 300,000 units - Money Market Sub-Fund (2023: 300,000)	-	-	43,923,540	43,923,540	-	-	30,535,650	30,535,650
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable	8,335	8,061	8,610	25,006	8,220	8,220	8,220	24,660
Sindh Sales Tax payable on remuneration of the Trustee	1,084	1,048	1,119	3,251	1,069	1,069	1,069	3,207
Security deposit	100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Faysal Bank Limited - Group Company								
Profit receivable on savings account	41,393	549,166	160,202	750,761	22,474	75,094	131,480	229,048
Balances with banks	697,352	12,726,829	4,768,032	18,192,213	15,055	5,640,251	15,464,252	21,119,558

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21 FINANCIAL INSTRUMENTS BY CATEGORY

2024										
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
Rupees										
Financial assets										
Balances with banks	921,479	-	921,479	12,954,289	-	12,954,289	4,566,414	-	4,566,414	18,442,182
Investments	-	56,043,521	56,043,521	-	33,969,899	33,969,899	-	55,013,110	55,013,110	145,026,530
Receivable against issuance of units	-	-	-	-	-	-	2,150,000	-	2,150,000	2,150,000
Deposits and other receivables	1,392,771	-	1,392,771	2,529,894	-	2,529,894	437,988	-	437,988	4,360,653
	2,314,250	56,043,521	58,357,771	15,484,183	33,969,899	49,454,082	7,154,402	55,013,110	62,167,512	169,979,365
Financial liabilities										
Payable to Faysal Asset Management Limited - Pension Fund Manager	68,666	-	68,666	23,725	-	23,725	24,275	-	24,275	116,666
Payable to Central Depository Company of Pakistan Limited - Trustee	9,419	-	9,419	9,109	-	9,109	9,729	-	9,729	28,257
Payable against redemption of units	-	-	-	-	-	-	2,937,880	-	2,937,880	2,937,880
Accrued expenses and other liabilities	506,016	-	506,016	372,056	-	372,056	324,628	-	324,628	1,202,700
	584,101	-	584,101	404,890	-	404,890	3,296,512	-	3,296,512	4,285,503

	2023									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	At amortised cost	At fair value through profit or loss	Sub total	
	Rupees									
Financial assets										
Balances with banks	132,130	-	132,130	9,579,734	-	9,579,734	18,635,279	-	18,635,279	28,347,143
Investments	-	27,163,871	27,163,871	-	31,766,720	31,766,720	-	34,744,850	34,744,850	93,675,441
Deposits and other receivables	2,885,601	-	2,885,601	213,717	-	213,717	249,954	-	249,954	3,349,272
Receivable against issuance of units	-	-	-	-	-	-	-	-	-	-
	<u>3,017,731</u>	<u>27,163,871</u>	<u>30,181,602</u>	<u>9,793,451</u>	<u>31,766,720</u>	<u>41,560,171</u>	<u>18,885,233</u>	<u>34,744,850</u>	<u>53,630,083</u>	<u>125,371,856</u>
Financial liabilities										
Payable to Faysal Asset Management Limited - Pension Fund Manager	44,303	-	44,303	21,545	-	21,545	21,545	-	21,545	87,393
Payable to Central Depository Company of Pakistan Limited - Trustee	9,289	-	9,289	9,289	-	9,289	9,289	-	9,289	27,867
Payable against redemption of units	-	-	-	-	-	-	32,584	-	32,584	32,584
Accrued expenses and other liabilities	284,869	-	284,869	234,110	-	234,110	187,390	-	187,390	706,369
	<u>338,461</u>	<u>-</u>	<u>338,461</u>	<u>264,944</u>	<u>-</u>	<u>264,944</u>	<u>250,808</u>	<u>-</u>	<u>250,808</u>	<u>854,213</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

22.1 Market risk

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

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

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(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on balances with banks and investments in Market Treasury Bills, Pakistan Investment Bonds and term finance certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks, Pakistan Investment Bonds and term finance certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Equity Sub-Fund, the Debt Sub-Fund and the Money Market Sub-Fund would have been higher / lower by Rs. 0.009 million, Rs. 0.469 million and Rs. 0.046 million (2023: Rs. 0.001 million, Rs. 0.096 million and Rs. 0.186 million) respectively.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Market Treasury Bills which expose the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Debt Sub-Fund and the Money Market Sub-Fund would have been higher / lower by Rs. Nil and Rs. 0.550 million (2023: Rs. 0.318 million and Rs. 0.347 million) respectively.

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

The Fund's Interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 and June 30, 2023 can be determined as follows:

Faysal Pension Fund - Equity Sub-Fund

2024						2023						
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Upto three months	More than three months and up to one year	More than one year				Upto three months	More than three months and up to one year	More than one year			
Rupees						Rupees						
Financial assets						Financial assets						
Balances with banks	15.50% to 20.00%	921,479	-	-	-	921,479	11.00% to 15.50%	132,130	-	-	-	132,130
Investments		-	-	-	56,043,521	56,043,521		-	-	-	27,163,871	27,163,871
Deposits and other receivables		-	-	-	1,392,771	1,392,771		-	-	-	2,885,601	2,885,601
Receivable against issuance of units		-	-	-	-	-		-	-	-	-	-
		921,479	-	-	57,436,292	58,357,771		132,130	-	-	30,048,472	30,181,602
Financial liabilities						Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	68,666	68,666		-	-	-	44,303	44,303
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	9,419	9,419		-	-	-	9,289	9,289
Accrued expenses and other liabilities		-	-	-	506,016	506,016		-	-	-	284,869	284,869
		-	-	-	584,101	584,101		-	-	-	338,461	338,461
On-balance sheet gap (a)						On-balance sheet gap (a)						
		921,479	-	-	56,852,191	57,773,670		132,130	-	-	29,711,011	29,843,141
Off-balance sheet financial instruments						Off-balance sheet financial instruments						
		-	-	-	-	-		-	-	-	-	-
Off-balance sheet gap (b)						Off-balance sheet gap (b)						
		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a + b)						Total interest rate sensitivity gap (a + b)						
		921,479	-	-	-	-		132,130	-	-	-	-
Cumulative interest rate sensitivity gap						Cumulative interest rate sensitivity gap						
		921,479	921,479	921,479	-	-		132,130	132,130	132,130	-	-

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Faysal Pension Fund - Debt Sub-Fund

	2024					2023						
	Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year				Up to three months	More than three months and up to one year	More than one year		
Rupees												
Financial assets												
Balances with banks	15.50% to 20.00%	12,954,289	-	-	-	12,954,289	11.00% to 15.50%	9,579,734	-	-	-	9,579,734
Investments	14.00% to 22.79%	3,064,299	30,905,600	-	-	33,969,899	21.90%	-	31,766,720	-	-	31,766,720
Deposits and other receivables		-	-	-	2,529,894	2,529,894		-	-	-	213,717	213,717
Receivable against issuance of units		-	-	-	-	-		-	-	-	-	-
		16,018,588	30,905,600	-	2,529,894	49,454,082		9,579,734	31,766,720	-	213,717	41,560,171
Financial liabilities												
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	23,725	23,725		-	-	-	21,545	21,545
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	9,109	9,109		-	-	-	9,289	9,289
Accrued expenses and other liabilities		-	-	-	372,056	372,056		-	-	-	234,110	234,110
		-	-	-	404,890	404,890		-	-	-	264,944	264,944
On-balance sheet gap (a)		16,018,588	30,905,600	-	2,125,004	49,049,192		9,579,734	31,766,720	-	(51,227)	41,295,227
Off-balance sheet financial instruments		-	-	-	-	-		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		16,018,588	30,905,600	-	-	-		9,579,734	31,766,720	-	-	-
Cumulative interest rate sensitivity gap		16,018,588	46,924,188	-	46,924,188	-		9,579,734	41,346,454	-	41,346,454	-

Faysal Pension Fund - Money Market Sub-Fund

	2024					2023						
	Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year				Upto three months	More than three months and up to one year	More than one year		
		Rupees						Rupees				
Financial assets												
Balances with banks	15.50% to 20.00%	4,566,414	-	-	-	4,566,414	11.00% to 15.50%	18,635,279	-	-	-	18,635,279
Investments	20.05%-20.93%	47,622,806	7,390,304	-	-	55,013,110	21.90%	-	34,744,850	-	-	34,744,850
Deposits and other receivables		-	-	-	437,988	437,988		-	-	-	249,954	249,954
Receivable against issuance of units		-	-	-	2,150,000	2,150,000		-	-	-	-	-
		52,189,220	7,390,304	-	2,587,988	62,167,512		18,635,279	34,744,850	-	249,954	53,630,083
Financial liabilities												
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	24,275	24,275		-	-	-	21,545	21,545
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	9,729	9,729		-	-	-	9,289	9,289
Payable against redemption of units		-	-	-	2,937,880	2,937,880		-	-	-	32,584	32,584
Accrued expenses and other liabilities		-	-	-	324,628	324,628		-	-	-	187,390	187,390
		-	-	-	3,296,512	3,296,512		-	-	-	250,808	250,808
On-balance sheet gap (a)		52,189,220	7,390,304	-	(708,524)	58,871,000		18,635,279	34,744,850	-	(854)	53,379,275
Off-balance sheet financial instruments		-	-	-	-	-		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		52,189,220	7,390,304	-	-	-		18,635,279	34,744,850	-	-	-
Cumulative interest rate sensitivity gap		52,189,220	59,579,524	59,579,524	-	-		18,635,279	53,380,129	53,380,129	-	-

(ii) Currency risk

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

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(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the equity sub fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed and the VPS Rules, 2005.

In case of 5% increase / decrease in KSE 100 index on June 30, 2024, with all other variables held constant, the total comprehensive income / loss of the Equity Sub-Fund for the year would decrease / increase by Rs. 2.802 million (2023: Rs. 1.358 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

22.2 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed of and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent (10%) of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

Faysal Pension Fund - Equity Sub-Fund

	2024						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	
Rupees							
Financial assets							
Balances with banks	921,479	-	-	-	-	-	921,479
Investments	-	-	-	-	-	56,043,521	56,043,521
Deposits and other receivables	292,771	-	-	-	-	1,100,000	1,392,771
	1,214,250	-	-	-	-	57,143,521	58,357,771
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	68,666	-	-	-	-	-	68,666
Payable to Central Depository Company of Pakistan - Trustee	9,419	-	-	-	-	-	9,419
Accrued expenses and other liabilities	368,304	137,712	-	-	-	-	506,016
	446,389	137,712	-	-	-	-	584,101
Net financial assets	767,861	(137,712)	-	-	-	57,143,521	57,773,670

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2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	132,130	-	-	-	-	132,130
Investments	-	-	-	-	27,163,871	27,163,871
Deposits and other receivables	285,601	-	-	-	2,600,000	2,885,601
	417,731	-	-	-	29,763,871	30,181,602
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager	44,303	-	-	-	-	44,303
Payable to Central Depository Company of Pakistan - Trustee	9,289	-	-	-	-	9,289
Accrued expenses and other liabilities	206,608	78,261	-	-	-	284,869
	260,200	78,261	-	-	-	338,461
Net financial assets	157,531	(78,261)	-	-	29,763,871	29,843,141

Faysal Pension Fund - Debt Sub-Fund

2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	12,954,289	-	-	-	-	12,954,289
Investments	-	3,064,299	-	30,905,600	-	33,969,899
Deposits and other receivables	2,429,894	-	-	-	100,000	2,529,894
	15,384,183	3,064,299	-	30,905,600	100,000	49,454,082
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager	23,725	-	-	-	-	23,725
Payable to Central Depository Company of Pakistan - Trustee	9,109	-	-	-	-	9,109
Accrued expenses and other liabilities	234,344	137,712	-	-	-	372,056
	267,178	137,712	-	-	-	404,890
Net financial assets	15,117,005	2,926,587	-	30,905,600	100,000	49,049,192

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	9,579,734	-	-	-	-	9,579,734
Investments	31,766,720	-	-	-	-	31,766,720
Deposits and other receivables	113,717	-	-	-	100,000	213,717
	41,460,171	-	-	-	100,000	41,560,171
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager	21,545	-	-	-	-	21,545
Payable to Central Depository Company of Pakistan - Trustee	9,289	-	-	-	-	9,289
Accrued expenses and other liabilities	155,850	78,260	-	-	-	234,110
	186,684	78,260	-	-	-	264,944
Net financial assets	41,273,487	(78,260)	-	-	100,000	41,295,227

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Faysal Pension Fund - Money Market Sub-Fund

2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	4,566,414	-	-	-	-	4,566,414
Investments	-	47,622,806	7,390,304	-	-	55,013,110
Deposits and other receivables	337,988	-	-	-	100,000	437,988
Receivable against issuance of units	2,150,000	-	-	-	-	2,150,000
	7,054,402	47,622,806	7,390,304	-	100,000	62,167,512
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager	24,275	-	-	-	-	24,275
Payable to Central Depository Company of Pakistan - Trustee	9,729	-	-	-	-	9,729
Payable against redemption of units	2,937,880	-	-	-	-	2,937,880
Accrued expenses and other liabilities	186,916	137,712	-	-	-	324,628
Payable against redemption of units	2,937,880	-	-	-	-	2,937,880
	6,096,680	137,712	-	-	-	3,296,512
Net financial assets	957,722	47,485,094	7,390,304	-	100,000	58,871,000

2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees						
Financial assets						
Balances with banks	18,635,279	-	-	-	-	18,635,279
Investments	-	34,744,850	-	-	-	34,744,850
Deposits and other receivables	149,954	-	-	-	100,000	249,954
	18,785,233	34,744,850	-	-	100,000	53,630,083
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager	21,545	-	-	-	-	21,545
Payable to Central Depository Company of Pakistan - Trustee	9,289	-	-	-	-	9,289
Accrued expenses and other liabilities	109,129	78,261	-	-	-	187,390
Payable against redemption of units	32,584	-	-	-	-	32,584
	172,547	78,261	-	-	-	250,808
Net financial assets	18,612,686	34,666,589	-	-	100,000	53,379,275

22.3 Credit risk

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

2024					
Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees					
Balances with banks	921,479	921,479	12,954,289	12,954,289	4,566,414
Investments	56,043,521	-	33,969,899	3,064,299	55,013,110
Deposits and other receivables	1,392,771	1,392,771	2,529,894	1,151,569	437,988
Receivable against issuance of units	-	-	-	2,150,000	2,150,000
	58,357,771	2,314,250	49,454,082	17,170,157	62,167,512
					7,154,402

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

21

----- 2023 -----					
Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees -----					
Balances with banks	132,130	132,130	9,579,734	9,579,734	18,635,279
Investments	27,163,871	-	31,766,720	-	34,744,850
Deposits and other receivables	2,885,601	2,885,601	213,717	213,717	249,954
Receivable against issuance of units	-	-	-	-	-
	<u>30,181,602</u>	<u>3,017,731</u>	<u>41,560,171</u>	<u>9,793,451</u>	<u>53,630,083</u>
				<u>18,885,233</u>	

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in equity securities, investment in government securities and profit accrued thereon, however, are not exposed to credit risk and have been excluded from the above analysis as investment in government securities are guaranteed by the Government of Pakistan.

However, there is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, term finance certificates and profit accrued thereon. The credit rating profile of bank balances and its accrued profit is as follows:

----- 2024 -----			----- 2023 -----		
Financial assets exposed to credit risk			Financial assets exposed to credit risk		
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
----- % -----			----- % -----		

22.3.3 Balances with banks and profit accrued thereon

AAA	0.72%	0.43%	2.48%	0.97%	13.15%	10.57%
AA	1.27%	26.85%	11.39%	0.12%	18.94%	51.67%
	<u>1.99%</u>	<u>27.28%</u>	<u>13.87%</u>	<u>1.09%</u>	<u>32.09%</u>	<u>62.24%</u>
Term finance certificate						
AAA	-	6.20%	-	-	-	-

Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

23 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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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.

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 June 30, 2024, and June 30, 2023 the Fund held the following financial instruments measured at fair value:

2024				2023			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Rupees				Rupees			

Equity Sub-Fund**At fair value through profit or loss**

Listed equity securities	56,043,521	-	-	56,043,521	27,163,871	-	-	27,163,871
--------------------------	------------	---	---	------------	------------	---	---	------------

Debt Sub-Fund**At fair value through profit or loss**

Government securities - Market Treasury Bills	-	-	-	-	31,766,720	-	-	31,766,720
Government securities - Pakistan Investment Bonds	-	30,905,600	-	30,905,600	-	-	-	-
Term finance certificates	-	3,064,299	-	3,064,299	-	-	-	-
	-	33,969,899	-	33,969,899	-	31,766,720	-	31,766,720

Money Market Sub-Fund**At fair value through profit or loss**

Government securities - Market Treasury Bills	-	55,013,110	-	55,013,110	-	34,744,850	-	34,744,850
---	---	------------	---	------------	---	------------	---	------------

24 PARTICIPANTS' SUB-FUND RISK MANAGEMENT

The Participants' Sub-Fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns for participants and to maintain a strong base of asset under management.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

23

25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID**25.1 Faysal Pension Fund - Equity Sub-Fund**

Name of broker	2024	2023
	Percentage of commission paid	
Akik Capital (Private) Limited	12.94%	12.98%
BMA Capital Management Limited	16.84%	11.96%
DJM Securities (Private) Limited	9.68%	12.14%
Ismail Iqbal Securities (Private) Limited*	-	2.44%
Standard Capital Securities (Private) Limited	14.29%	12.83%
Vector Securities (Private) Limited	11.31%	13.71%
Alfa Adhi Securities (Private) Limited	11.78%	13.49%
JS Global Capital Limited	23.16%	9.59%
Darson Securities (Private) Limited*	-	10.86%
	<u>100.00%</u>	<u>100.00%</u>

*Nil due to rounding off difference.

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Orner Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Muhammad Imran	Chief Investment Officer	MBA	Over 22 Years
Mr. Nafees Imtiaz Malik	Chief Operating Officer	MBA	Over 12 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Shoaib Danish	Equity Fund Specialist	MBA/CFA	Over 9 years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Mr. Abdul Ghani Mianoor	Senior Analyst - Research	BSc	Over 5 years
Syed Eunas Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Mohammed Qasim	Senior Manager Risk Management	MBA	Over 16 Years

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Shoaib Danish	Equity Fund Specialist	MBA , CFA	Faysal Islamic Dedicated Equity Fund, Faysal Islamic Stock Fund, Faysal Islamic Pension Fund, Faysal Asset Allocation Fund, Faysal Islamic KPK Government Employees Pension Fund and Faysal Stock Fund.

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name of directors	Designation	Attended meeting held on						
		July 12, 2023	August 18, 2023	October 20, 2023	December 12, 2023	January 5, 2024	February 2, 2024	April 19, 2024
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri*	Director	-	-	-	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Mr Ehsen Zafar Puri has been appointed as director on the Board with effect from October 20, 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

24

29 GENERAL

29.1 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited

(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (I)
AND CLAUSE 11 - PERFORMANCE TABLE OF THE 5TH SCHEDULE TO THE
NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

	FPF MONEY MARKET			FPF EQUITY			FPF DEBT SUB FUND		
	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
(i) PERFORMANCE TABLE									
Net assets	58,884,524	53,421,960	37,273,127	57,764,121	29,888,546	32,366,187	49,067,277	41,339,174	36,467,231
Net assets value per unit	146.4118	121.59	105.32	173.0764	89.65	91.86	143.4704	119.82	103.53
Offer price per unit	151.3752	125.7071	105.1512	178.9437	125.7071	91.8611	148.3341	119.8170	103.41
Repurchase price per unit	146.4118	121.5853	105.1512	173.0764	121.59	91.8611	143.4704	119.8170	103.41
Highest offer price per unit	175.7644	125.7071	104.8581	180.5263	125.7071	102.1045	148.3341	123.8788	103.4114
Highest repurchase price per unit	170.0013	121.59	105.1512	174.6071	121.5853	102.1045	143.4704	121.0368	103.4114
Lowest offer price per unit	0	0	100.03	0	0	0	0	0	0
Lowest repurchase price per unit	0	0	100.03	0	0	0	0	0	0
Total return:	22.13%	15.45%	7.17%	93.06%	-2.41%	-8.14%	19.69%	15.73%	4.82%
- capital growth	22.13%	15.45%	7.17%	89.64%	15.91%	-8.14%	20.73%	15.27%	4.82%
- income distribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average annual return: (Launch date: January 02, 2020)									
- one year	22.13%	15.45%	7.17%	89.64%	15.91%	-3.65%	20.73%	15.27%	-3.65%
- two years	14.92%	11.31%	7.17%	52.78%	6.13%	-3.65%	18.00%	5.81%	-3.65%
- three years	14.92%	11.31%	N/A	33.97%	6.13%	N/A	10.78%	5.81%	N/A
Four Years	14.92%			33.97%			10.78%		
Distribution per unit:									
- Interim distribution (% per unit) *									
- Final distribution (% per unit)									
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

(ii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On			
		17-Aug-23	19-Oct-23	01-Feb-24	18-Apr-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes	Yes	Yes

(iii) MEETINGS OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

Following is the analysis of the attendance in the meetings of the Human Resource and Remuneration Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On				
		08-Aug-23	17-Oct-23	08-Nov-23	01-Feb-24	06-May-24
Ms. Samia Zuberi	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes	Yes	Yes

(iv) MEETINGS OF THE BOARD RISK MANAGEMENT COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Risk Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On		
		10-Aug-23	16-Oct-23	18-Apr-24
Mr. Mian Salman Ali	Chairman	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Yes	Yes
Mr. Ali Waqar	Member	Yes	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes	Yes

(v) MEETINGS OF THE BOARD STRATEGY COMMITTEE

Following is the analysis of the attendance in the meetings of the Board Strategy Committee of the Management Company during the year:

Name of Directors	Designation	Attended Meetings Held On	
		09-Aug-23	16-Oct-23
Mr. Yousaf Hussain	Chairman	Yes	Yes
Syed Majid Ali	Member	Yes	Yes
Mr. Mian Salman Ali	Member	Yes	Yes
Mr. Nadir Rahman	Member	Yes	Yes
*Mr. Ehsan Zafar Puri	Member	N/A	N/A

*Mr. Ehsan Zafar Puri was appointed as director board strategy committee, effective from October 20, 2023.

Head Office

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

Karachi

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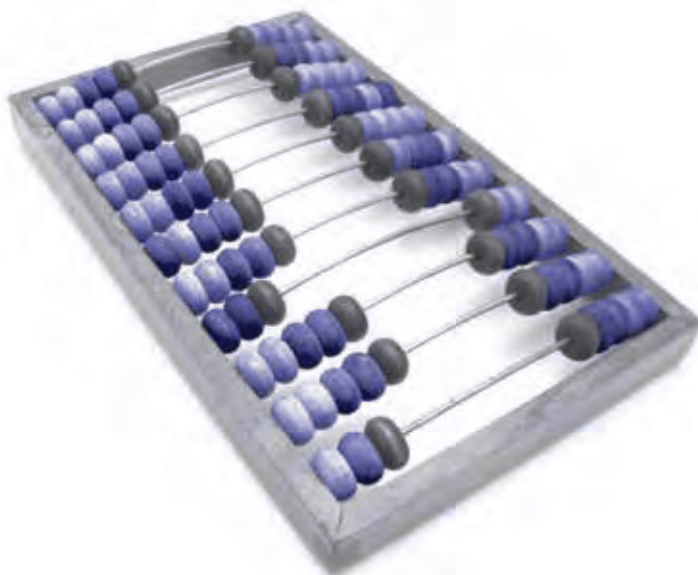
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Faysal Financial Planning Fund

Financial Statements

For The Year Ended June 30, 2024



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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
Mr. Ehsan Zafar Puri, Director

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

Board Strategy Committee

Mr. Yousaf Hussain, Chairman
Syed Majid Ali, Member
Mr. Mian Salman Ali, Member
Mr. Ehsan Zafar Puri, 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.



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INDEPENDENT AUDITOR'S REPORT**To the Unit holders of Faysal Financial Planning Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Faysal Financial Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 4 to the financial statements)	
	<p>Balances with banks constitute the most significant component of the net asset value. Balances with banks of the Fund as at June 30, 2024 amounted to Rs. 0.013 million.</p> <p>The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the balances with banks as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Emphasis of Matter

We draw attention to note 1.5 of the financial statements, which indicates that the only plan in the Fund matured during the year ended June 30, 2022. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

A/ffn



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410068alhBmDEt9

STATEMENT OF ASSETS AND LIABILITIES

As at June 30, 2024

		2024 Faysal Active Principal Preservation Plan	2023 Faysal Active Principal Preservation Plan
	Note	----- (Rupees) -----	
Assets			
Balance with bank	4	12,723	1,707,534
Profit and other receivable		-	-
Total assets		12,723	1,707,534
Liabilities			
Payable to unit holders		1,793	1,236,304
Accrued expenses and other liabilities	5	10,930	471,230
Total liabilities		12,723	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 14 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT

For The Year Ended June 30, 2024

	2024 Faysal Active Principal Preservation Plan	2023 Faysal Active Principal Preservation Plan
Note	(Rupees)	
Income		
Profit on balance with bank	-	-
Dividend income	-	-
Back-end load income	-	-
Gain on sale of investments - net	-	-
Other income	-	-
Total income	-	-
Expenses		
Remuneration of Faysal Asset Management Limited - Management Company	-	-
Sindh Sales Tax on remuneration of the Management Company	-	-
Allocated expenses	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	-	-
Sindh Sales Tax on remuneration of the Trustee	-	-
Annual fee to the Securities and Exchange Commission of Pakistan	-	-
Auditors' remuneration	-	-
Amortisation of preliminary expenses and floatation costs	-	-
Fees and subscription	-	-
Legal and professional charges	-	-
Printing charges	-	-
Bank charges	-	-
Other expenses	-	-
Total expenses	-	-
Net income from operating activities	-	-
Reversal of provision for Sindh Workers' Welfare Fund	-	-
Net income for the year before taxation	-	-
Taxation	7 -	-
Net income for the year after taxation	-	-
Earnings per unit	8	
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
Accounting income available for distribution	-	-
- Relating to capital gains	-	-
- Excluding capital gains	-	-

The annexed notes from 1 to 14 form an integral part of these financial statements.

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

Chief Financial Officer_____
Chief Executive Officer_____
Director

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2024

2024	2023
Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
----- (Rupees) -----	
Net income for the year before taxation	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-

The annexed notes from 1 to 14 form an integral part of these 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 Year Ended June 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	-	-	-	-	-	-
Issuance of Nil units (2023: Nil units)						
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
Redemption of Nil units (2023: Nil units)						
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Net assets at the end of the year	-	-	-	-	-	-
Undistributed income brought forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-
Undistributed income carried forward	-	-	-	-	-	-
Undistributed income carried forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	-	-	-	-	-	-
Net asset value per unit at the end of the year	-	-	-	-	-	-

The annexed notes from 1 to 14 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT
For The Year Ended June 30, 2024

	2024	2023
	Faysal Active Principal Preservation Plan	Faysal Active Principal Preservation Plan
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	-	-
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	-	-
Reversal of provision for Sindh Workers' Welfare Fund	-	-
	-	-
Decrease in assets		
Investments - net	-	-
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	(1,234,511)	(52,170,466)
Accrued expenses and other liabilities	(460,300)	(2,432,508)
	(1,694,811)	(54,863,329)
Net cash used in operating activities	(1,694,811)	(54,550,178)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	-	-
Payments against redemption of units	-	-
Net cash used in from financing activities	-	-
Net decrease in cash and cash equivalents during the year	(1,694,811)	(54,550,178)
Cash and cash equivalents at the beginning of the year	1,707,534	56,257,712
Cash and cash equivalents at the end of the year	4 12,723	1,707,534

The annexed notes from 1 to 14 form an integral part of these 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**For The Year Ended June 30, 2024****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 Fund registered under the Sindh Trusts Act, 2020 on November 16, 2021.

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).

- 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 CPPi 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 (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 financial statements have been prepared for the year ended June 30, 2024. 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 material accounting policy information as disclosed in note 3 to these financial statements. However, in preparing these 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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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 the requirements of the Trust Deed differ from the requirements of IFRS Accounting Standards, 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.

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

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

2.3 Standards, interpretations and amendments to 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 will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 has not been adopted yet in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.4 Critical accounting estimates and judgments

The preparation of the 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 reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

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

3.2 Financial assets**3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification**3.2.2.1 Debt instruments**

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

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

based on the business model of the entity.

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

3.2.2.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

'Financial assets at fair value through profit or loss'**Basis of valuation in the collective investment scheme**

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

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

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

3.2.3 Impairment (other than debt securities)

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.4 Regular way contracts

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

3.2.5 Derecognition

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

3.3 Financial liabilities**3.3.1 Classification and subsequent measurement**

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

3.3.2 Derecognition

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

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

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

3.8 Distributions to unit holders

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise;
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company declaring the dividend; and
- Profit on balances with banks and other income is recognised on an accrual basis.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 8.

3.14 Foreign currency translation

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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		2024 Faysal Active Principal Preservation Plan	2023 Faysal Active Principal Preservation Plan
	Note	(Rupees)	
4 BALANCE WITH BANK			
Balance with bank in savings account	4.1	12,723	1,707,534

- 4.1 This represents balance maintained with Faysal Bank Limited (a related party) that carries mark-up at the rate of 20% (2023: 11.00%) per annum.

	2024 Faysal Active Principal Preservation Plan	2023 Faysal Active Principal Preservation Plan
	(Rupees)	
5 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	-	316,250
Fees and subscription payable	-	-
Printing charges payable	-	-
Annual listing fee payable	-	-
Legal and professional charges payable	10,930	154,980
Capital gain tax payable	-	-
	10,930	471,230

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

7 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 Fund has not earned any income during the year ended June 30, 2024, therefore 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.

8 EARNINGS PER UNIT

Earnings per unit (EPU) 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 EPU is not practicable.

9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 9.1 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.

- 9.2 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2024

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9.3 The details of balances of the Fund with connected persons as at year end are as follows:

	2024 Faysal Active Principal Preservation Plan	2023 Faysal Active Principal Preservation Plan
Amounts / balances outstanding as at year end	(Rupees)	
Faysal Bank Limited - Group Company		
Balance with bank	12,723	1,707,534

10 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balance with bank	12,723	-	12,723
Financial liabilities			
Payable to unit holders	1,793	-	1,793
Accrued expenses and other liabilities	10,930	-	10,930
	12,723	-	12,723
	2023		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balance with bank	1,707,534	-	1,707,534
Financial liabilities			
Payable to unit holders	1,236,304	-	1,236,304
Accrued expenses and other liabilities	471,230	-	471,230
	1,707,534	-	1,707,534

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

11.1 Market risk

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

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

Market risk comprises of three types of risks: interest rate risk, currency risk, and price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on its balances with banks. However, the impact of such risk is insignificant and is not disclosed in these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**For The Year Ended June 30, 2024**

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(ii) Currency risk

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

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As of June 30, 2024, the Fund does not hold any financial assets that may expose the Fund to price risk.

11.2 Liquidity risk

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

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

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

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

11.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The Fund's credit risk arises only on account of its placements in balances with banks having high credit rating.

12 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.

12.1 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 June 30, 2024 and June 30, 2023, the Fund did not hold any financial instruments measured at fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2024

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13 GENERAL

13.1 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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