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Faysal Halal Amdani Fund

Financial Statements
For The Year Ended June 30, 2026



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Disclaimer: All investments in mutual & pension funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies, taxation policies and risks involved. Use of the name and logo of Faysal Bank Limited does not mean that it is responsible for the liabilities/obligation of Faysal Funds or any investment scheme managed by it. All our operations have been approved by our Shariah Advisor Mufti Abdul Basit whose registration number is (SECP/IFD/SA/192).

Faysal Halal Amdani Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Dubai Islamic Bank
Zarai Taraqiati Bank Limited
Habib bank Limited (Islamic Banking)
Habib Metropolitan (Islamic Banking)
Meezan Bank Limited
Allied Bank Limited (Islamic Banking)
UBL (Ameen) Islamic Banking

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 Halal Amdani Fund is to provide competitive rate of return with maximum possible preservation of capital by investing in liquid and low risk Shariah compliant securities.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

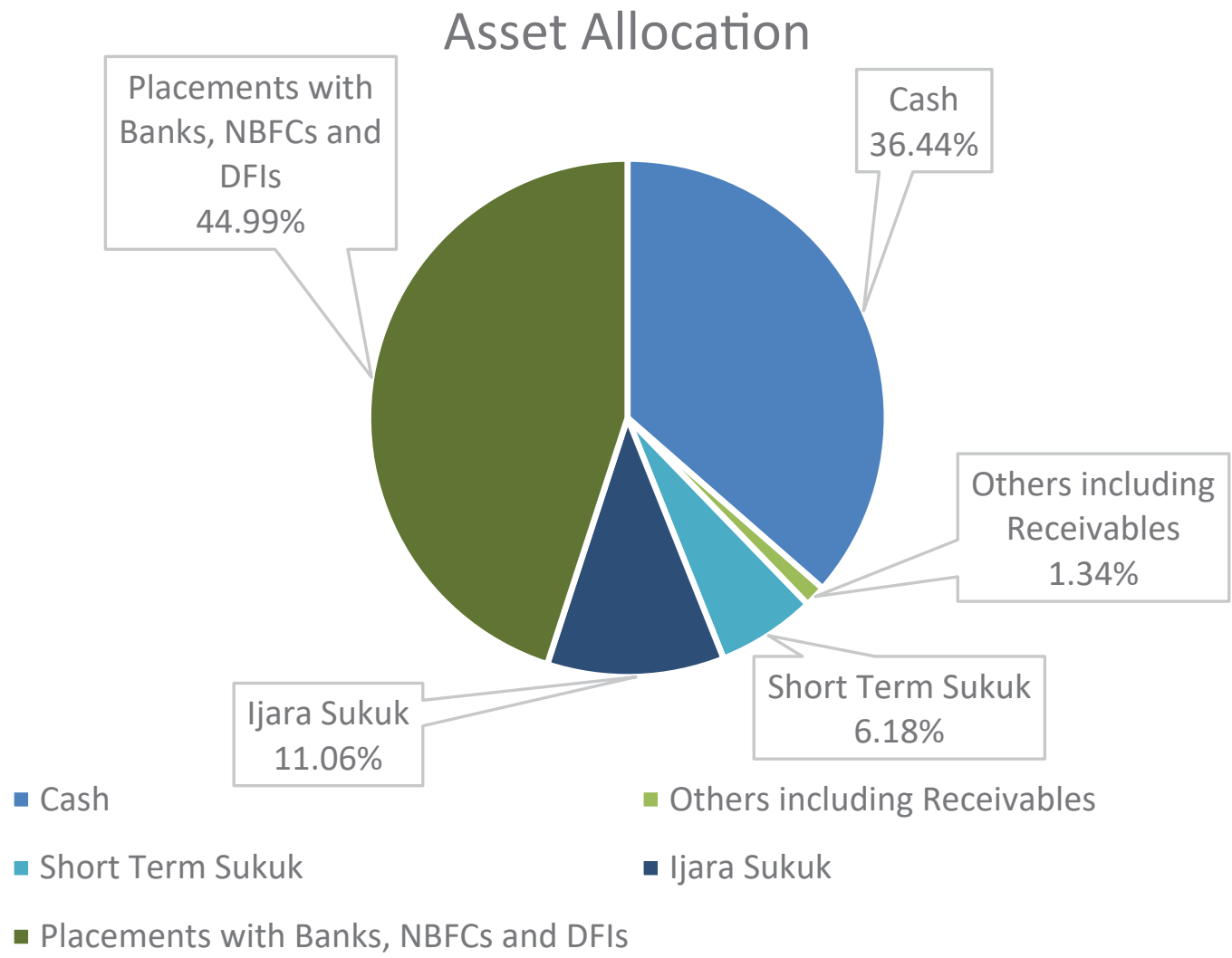
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Money Market Scheme
Risk Profile	Low
Stability Rating	AA(f) (PACRA) October 09 , 2024
Launch Date	October 10, 2019
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Upto 1.25% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.25%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 2% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP
Pricing Mechanism	Backward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	102.1739
Net Assets (mn)	42814.5
Total Expense Ratio (Annualized)	1.58%
Total Expense Ratio (Monthly)	1.58%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	13.06%	9.29 %
Benchmark (YTD)	9.92%	9.37%



FUND PERFORMANCE

Faysal Halal Amdani Fund (FHAF) yielded an annualized FY26TD return of 9.29% relative to its existing benchmark of 9.37%. At the period's close, allocations in Cash (36.44%), Placements with Banks, NBFCs and DFIs (44.99%), Ijarah Sukuk (11.06%), Short-Term Sukuk (6.18%) and Others (1.34%) stood at the period end. In the future, the fund managers will continue to explore different avenues within the authorized investment.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Halal Amdani Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Halal Amdani Fund (FHAF).** I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FHAF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FHAF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Halal Amdani Fund (FHAF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 HALAL AMDANI FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Halal Amdani Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Halal Amdani Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Halal Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Halal Amdani Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of debt securities) held by the Fund represent 99.03% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained the bank reconciliation statements and tested reconciling items on a sample basis - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076ZSMnFtoBA

Faysal Halal Amdani Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Assets			
Balances with banks	4	**16,136,001,086**	15,504,228,201
Investments	5	**27,275,539,849**	26,879,960,737
Advances, deposits and other receivables	6	**424,683,466**	730,250,422
Total assets		**43,836,224,401**	43,114,439,360
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	**71,548,220**	61,560,994
Payable to Central Depository Company of Pakistan Limited - Trustee	8	**2,540,459**	2,359,230
Payable to the Securities and Exchange Commission of Pakistan	9	**3,012,408**	2,797,505
Dividend payable		**576,204**	122,549
Payable against redemption of units		**128,815,114**	118,923,295
Accrued expenses and other liabilities	10	**556,306,988**	252,161,554
Total liabilities		**762,799,393**	437,925,127
Net assets		**43,073,425,008**	42,676,514,233
Unit holders' fund (as per statement attached)		**43,073,425,008**	42,676,514,233
Contingencies and commitments	12		
		--------- (Number of units) ---------	
Number of units in issue		**421,569,812**	418,334,992
		---------- (Rupees) ----------	
Net asset value per unit		**102.1739**	102.0152

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

Faysal Halal Amdani Fund

Income Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Income			
Profit on balances with banks		**864,413,657**	1,362,017,951
Profit on bai muajjal		**408,550,214**	863,585,489
Profit on corporate sukuk certificates		**2,734,625,363**	5,166,697,420
Profit on GoP ijarah sukuk certificates		**2,977,499**	697,469,423
Profit on Islamic certificates of musharakah / mudaraba		**147,053,695**	472,769,384
Profit on Islamic term deposit receipts		**1,024,576,302**	582,864,571
Realised (loss) / gain on sale of investments - net		**(25,195,020)**	98,039,442
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.7	**29,780,044**	376,460
Total income		**5,186,781,754**	9,243,820,140
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	7.1	**616,098,652**	916,202,866
Sindh sales tax on remuneration of the Management Company	7.2	**92,414,798**	137,430,430
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	**27,266,109**	34,315,402
Sindh sales tax on remuneration of the Trustee	8.2	**4,089,916**	5,147,310
Annual Fee to the Securities and Exchange Commission of Pakistan	9.1	**37,181,058**	46,793,731
Auditors' remuneration	13	**1,183,980**	907,162
Amortisation of preliminary expenses and floatation costs	7	**-**	53,586
Legal and professional charges		**116,664**	146,518
Shariah advisory fee		**306,692**	163,055
Transaction charges		**3,838,641**	8,006,292
Bank charges		**57,294**	822,078
Fees and subscription		**337,665**	316,347
Printing charges		**-**	8,284
Total expenses		**782,891,469**	1,150,313,061
Net income for the year before taxation		**4,403,890,285**	8,093,507,079
Taxation	14	**-**	-
Net income for the year after taxation		**4,403,890,285**	8,093,507,079
Earnings per unit	15		
Allocation of net income for the year			
Net income for the year after taxation		**4,403,890,285**	8,093,507,079
Income already paid on units redeemed		**(4,123,132,805)**	(7,864,520,364)
		280,757,480	228,986,715
Accounting income available for distribution			
- Relating to capital gains		**292,305**	-
- Excluding capital gains		**280,465,175**	228,986,715
		280,757,480	228,986,715

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

Faysal Halal Amdani Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	2026	2025
	---------- (Rupees) ---------	
Net income for the year after taxation	**4,403,890,285**	8,093,507,079
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**4,403,890,285**	8,093,507,079

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

Faysal Halal Amdani Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	42,591,377,194	85,137,039	42,676,514,233	72,931,879,004	747,304,073	73,679,183,077
Issuance of 1,172,328,700 units (2025: 2,684,790,730 units)						
- Capital value (at net asset value per unit at the beginning of the year)	119,595,346,687	-	119,595,346,687	273,674,679,954	-	273,674,679,954
- Element of income	6,545,165,366	-	6,545,165,366	9,910,109,560	-	9,910,109,560
Total proceeds on issuance of units	126,140,512,053	-	126,140,512,053	283,584,789,514	-	283,584,789,514
Redemption of 1,169,093,880 units (2025: 2,989,259,780 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(119,265,346,016)	-	(119,265,346,016)	(304,710,793,460)	-	(304,710,793,460)
- Element of loss	(3,519,793,011)	(4,123,132,805)	(7,642,925,816)	(3,779,903,000)	(7,864,520,364)	(11,644,423,364)
Total payments on redemption of units	(122,785,139,026)	(4,123,132,805)	(126,908,271,832)	(308,490,696,460)	(7,864,520,364)	(316,355,216,824)
Total comprehensive income for the year	-	4,403,890,285	4,403,890,285	-	8,093,507,079	8,093,507,079
Distribution for the year ended June 30, 2025 @ Rs. 3.2946 per unit declared on June 27, 2025	-	-	-	(1,026,199,694)	(310,341,260)	(1,336,540,954)
Interim cash dividend declared @ Rs. 9.6214 per unit on February 20, 2025	-	-	-	(4,408,395,170)	(580,812,489)	(4,989,207,659)
Distribution for the year ended June 30, 2026 @ Rs. 9.3007 per unit declared on June 24, 2026	(3,026,526,813)	(212,692,918)	(3,239,219,731)	-	-	-
Total distributions during the year	(3,026,526,813)	(212,692,918)	(3,239,219,731)	(5,434,594,864)	(891,153,749)	(6,325,748,613)
Net assets at end of the year	42,920,223,407	153,201,602	43,073,425,008	42,591,377,194	85,137,039	42,676,514,233
Undistributed income brought forward						
- Realised income		84,760,579			731,117,532	
- Unrealised income		376,460			16,186,541	
		85,137,039			747,304,073	
Distributions during the year		(212,692,918)			(891,153,749)	
Accounting income available for distribution						
- Relating to capital gains		292,305			-	
- Excluding capital gains		280,465,175			228,986,715	
		280,757,480			228,986,715	
Undistributed income carried forward		153,201,602			85,137,039	
Undistributed income carried forward						
- Realised income		123,421,558			84,760,579	
- Unrealised income		29,780,044			376,460	
		153,201,602			85,137,039	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		102.0152			101.9352	
Net asset value per unit at the end of the year		102.1739			102.0152	

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**

Faysal Halal Amdani Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**4,403,890,285**	8,093,507,079
Adjustments for:			
Profit on balances with banks		**(864,413,657)**	(1,362,017,951)
Profit on bai muajjal		**(408,550,214)**	(863,585,489)
Profit on corporate sukuk certificates		**(2,734,625,363)**	(5,166,697,420)
Profit on GoP ijarah sukuk certificates		**(2,977,499)**	(697,469,423)
Profit on Islamic certificates of musharakah / mudaraba		**(147,053,695)**	(472,769,384)
Profit on Islamic term deposit receipts		**(1,024,576,302)**	(582,864,571)
Realised loss / (gain) on sale of investments - net		**25,195,020**	(98,039,442)
Unrealised appreciation on re-measurementof investments classified as 'financial assets at fair value through profit or loss' - net	5.7	**(29,780,044)**	(376,460)
Amortisation of preliminary expenses and floatation costs		**-**	53,586
		(5,186,781,754)	(9,243,766,554)
Decrease in assets			
Investments - net		**4,151,411,715**	2,212,782,814
Advances, deposits and other receivables		**1,380,433**	(1,440,353)
		4,152,792,148	2,211,342,461
Increase / (Decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**9,987,226**	(261,521,627)
Payable to Central Depository Company of Pakistan Limited - Trustee		**181,229**	(1,515,459)
Payable to the Securities and Exchange Commission of Pakistan		**214,903**	(1,884,603)
Accrued expenses and other liabilities		**304,145,434**	(788,225,101)
		314,528,792	(1,053,146,790)
Profit received on balances with banks		**874,667,079**	1,956,194,390
Profit received on investments		**4,611,716,174**	8,606,345,234
Net cash generated from operating activities		**9,170,812,724**	10,570,475,820
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt against issuance units		**126,140,512,053**	283,619,491,511
Payment against redemption and conversion of units		**(126,898,380,013)**	(316,309,597,935)
Dividend paid		**(3,238,766,076)**	(6,325,748,613)
Net cash used in financing activities		**(3,996,634,036)**	(39,015,855,037)
Net increase / (decrease) in cash and cash equivalents during the year		**5,174,178,688**	(28,445,379,217)
Cash and cash equivalents at the beginning of the year		**30,683,552,261**	59,128,931,478
Cash and cash equivalents at the end of the year	11	**35,857,730,949**	30,683,552,261

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

Faysal Halal Amdani Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Halal Amdani Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust act, 1882 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 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 was 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 investment activities and administration of the Fund are managed by the Management Company. It 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 West Wing, 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as an open end 'Shariah Compliant Money Market Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from October 11, 2019 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to provide competitive rate of return with maximum possible preservation of capital by investing in liquid and low risk Shari'ah Compliant bank deposits, money market and debt securities. 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 "AM1" by VIS dated December 31, 2025 (June 30, 2025: "AM1" as of September 10, 2024) and the Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of AA(f) to the Fund on November 21, 2025 (June 30, 2025: AA(f) dated October 09, 2024).

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 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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current period:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, ncluding specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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, valuation and impairment of financial assets (notes 3.3 and 5).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain 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, 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 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

3.3 Financial assets

3.3.1 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.

3.3.2 Classification and subsequent measurement

3.3.2.1 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.

3.3.3 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.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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.3.3.1 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.

3.3.4 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.

3.3.5 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.

3.4 Financial liabilities

3.4.1 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 value and subsequently stated at amortised cost.

3.4.2 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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 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, 2026

3.10 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.

3.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Profit on balances with banks is recognised on accrual basis.
- Profit from bai muajjal is recognised on time proportionate basis, the difference between the sale and the credit price is recognised over the period.
- Profit on sukuk certificates, government securities, term deposit receipts and letter of placements are recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

3.12 Expenses

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

3.13 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.

3.14 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. 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.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net profit of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

4 BALANCES WITH BANKS	Note	2026	2025
		---------- (Rupees) ----------	
Balances with banks in savings accounts	4.1	**5,535,888,016**	11,754,096,201
Balances with banks in current accounts	4.2	**10,600,113,070**	3,750,132,000
		16,136,001,086	15,504,228,201

4.1 These include a balance of Rs. 1,147.285 million (2025: Rs. 8.365.566 million) maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 4.50% to 12.50% (2025: 5.00% to 11.75%) per annum. Other savings accounts of the Fund carry profit rates ranging from 4.50% to 11.25% (2025: 5.00% to 10.85%) per annum.

4.2 This balance is maintained with Faysal Bank Limited (a related party).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5 INVESTMENTS	Note	2026	2025
		(Rupees)	
At fair value through profit or loss			
Corporate sukuks certificates	5.1	**2,707,000,000**	4,027,000,000
Bai muajjal	5.2	**7,571,729,863**	21,490,220,140
GoP Ijarah Sukuks	5.3	**4,846,809,986**	1,362,740,597
Islamic term deposit receipts	5.4	**12,150,000,000**	-
Certificates of Mudaraba	5.5	**-**	-
Certificates of Musharakah	5.6	**-**	-
		27,275,539,849	26,879,960,737

5.1 Corporate sukuks certificates

Name of the investee company	Maturity date	Profit rate	Face value				Balance as at June 30, 2026			Market value as a percentage of	
			As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
			Rupees							%	
Citi Pharma Limited - Short Term Sukuk (A1, VIS)	23-Jul-2025	6 months KIBOR plus base rate of 0.80%	225,000,000	-	225,000,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - Short Term Sukuk - XXI (A-1+, PACRA)	15-Aug-2025	3 months KIBOR plus base rate of 0.00%	300,000,000	-	300,000,000	-	-	-	-	0.00%	0.00%
Engro Fertilizers Limited - Short Term Sukuk (A1+, PACRA)	14-Nov-2025	3 months KIBOR minus base rate of 0.15%	1,850,000,000	-	1,850,000,000	-	-	-	-	0.00%	0.00%
Ismail Industries Limited - Short Term Sukuk - IV (A-1+, VIS)	18-Aug-2025	3 months KIBOR plus base rate of 0.1%	236,000,000	-	236,000,000	-	-	-	-	0.00%	0.00%
K-Electric Limited - Short Term Sukuk - XXXII (A1+, VIS)	12-Dec-2025	3 months KIBOR minus base rate of 0.05%	716,000,000	-	716,000,000	-	-	-	-	0.00%	0.00%
Mehmood Textile Mills Limited - Short Term Sukuk (A1, PACRA)	17-Sep-2025	6 months KIBOR plus base rate of 0.75%	100,000,000	-	100,000,000	-	-	-	-	0.00%	0.00%
Pakistan Mobile Communications Limited - Short Term Sukuk - III (A1, PACRA)	28-Oct-2025	3 months KIBOR minus base rate of 0.15%	600,000,000	-	600,000,000	-	-	-	-	0.00%	0.00%
Mehmood Textile Mills Limited Short Term Sukuk (A1, VIS)	07-Jan-2026	6 months KIBOR plus base rate of 0.7%	-	100,000,000	100,000,000	-	-	-	-	0.00%	0.00%
Citi Pharma Limited - Short Term Sukuk (A1, VIS)	22-Jan-2026	3 months KIBOR plus base rate of 0.8%	-	100,000,000	100,000,000	-	-	-	-	0.00%	0.00%
Ismail Industries Limited - Short Term Sukuk - IV (A-1, PACRA)	12-Feb-2026	3 months KIBOR minus base rate of 0.05%	-	475,000,000	475,000,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - Short Term Sukuk - XXI (A-1+, PACRA)	18-Feb-2026	3 months KIBOR minus base rate of 0.15%	-	304,000,000	304,000,000	-	-	-	-	0.00%	0.00%
Pakistan Mobile Communications Limited - Short Term Sukuk - III (A1, VIS)	18-Mar-2026	3 months KIBOR plus base rate of 0.05%	-	200,000,000	200,000,000	-	-	-	-	0.00%	0.00%
Mehmood Textile Mills Limited Short Term Sukuk (A1, VIS) - MEHTSC3	13-Apr-2026	6 months KIBOR plus base rate of 0.45%	-	75,000,000	75,000,000	-	-	-	-	0.00%	0.00%
Engro Fertilizers Limited - Short Term Sukuk (A1+, VIS)	18-May-2026	3 months KIBOR plus base rate of 0.15%	-	1,850,000,000	1,850,000,000	-	-	-	-	0.00%	0.00%
Digital World Pakistan Private Limited (A1, VIS)	29-Jun-2026	3 months KIBOR plus base rate of 1.25%	-	135,000,000	135,000,000	-	-	-	-		
Citi Pharma Limited - Short Term Sukuk (A1, VIS)	30-Jun-2026	3 months KIBOR plus base rate of 0.65%	-	120,000,000	120,000,000	-	-	-	-		
Digital World Pakistan Private Limited (A1, VIS)	15-Jul-2026	3 months KIBOR plus base rate of 1.25%	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	0.55%	0.35%
Ismail Industries Limited – Sukuk Certificate, A1 (Short-Term)	6-Aug-2026	3 months KIBOR minus base rate of 0.15%	-	500,000,000	-	500,000,000	500,000,000	500,000,000	-	1.83%	1.16%
Lucky Electric Power Company Limited - Sukuk -23 (A1, PACRA)	17-Sep-2026	3-month KIBOR minus 0.10%	-	770,000,000	-	770,000,000	770,000,000	770,000,000	-	2.82%	1.79%
Mehmood Textile Mills Limited - Short Term Sukuk 4th Issue (A1, PACRA)	9-Jul-2026	3-month KIBOR plus 0.45%	-	100,000,000	-	100,000,000	100,000,000	100,000,000	-	0.37%	0.23%
Pak Telecom Mobile Limited - Short Term Sukuk - I (A1, VIS)	24-Dec-2026	3 months KIBOR plus base rate of 0.15%	-	250,000,000	-	250,000,000	250,000,000	250,000,000	-	0.92%	0.58%
Pakistan Mobile Communications Limited - Sukuk Certificate - 17th Issue (A1, VIS)	9-Jul-2026	3 months KIBOR	-	350,000,000	-	350,000,000	350,000,000	350,000,000	-	1.28%	0.81%
Pakistan Telecommunication Company Limited - Sukuk Certificate - 19th Issue (A1+, VIS)	29-Dec-2026	3 months KIBOR	-	587,000,000	-	587,000,000	587,000,000	587,000,000	-	2.15%	1.36%
Total as at June 30, 2026							2,707,000,000	2,707,000,000	-	9.92%	6.28%
Total as at June 30, 2025							4,027,000,000	4,027,000,000	-		

5.1.1 The nominal value of these corporate sukuk certificates is Rs. 1,000,000 each.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.2 Bai Muajjal

Name of the counterparty	Maturity date	Profit rate	As at 1 July 2025	Purchase during the year	Sold / Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Carrying value as a percentage of	
									net assets of the Fund	total investments of the Fund
			---------- Rupees ----------						---------- % ----------	
Pakistan Mortgage Refinance Company Limited	October 17, 2025	11.40%	1,000,000,000	-	1,000,000,000	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	October 17, 2025	11.40%	1,000,000,000	-	1,000,000,000	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	October 21, 2025	11.40%	500,000,000	-	500,000,000	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	August 8, 2025	10.75%	3,000,049,328	-	3,000,049,328	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	July 28, 2025	11.70%	2,862,403,927	-	2,862,403,927	-	-	-	0.00%	0.00%
Pak China Investment Company Ltd.	October 30, 2025	10.75%	948,492,153	-	948,492,153	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	August 6, 2025	10.75%	2,212,730,850	-	2,212,730,850	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	August 6, 2025	10.75%	3,087,531,419	-	3,087,531,419	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	July 22, 2025	11.68%	2,348,782,602	-	2,348,782,602	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	July 25, 2025	11.68%	299,969,702	-	299,969,702	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	July 16, 2025	11.68%	4,230,260,159	-	4,230,260,159	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	September 18, 2025	10.70%	-	4,721,035,622	4,721,035,622	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	September 18, 2025	10.70%	-	4,721,035,622	4,721,035,622	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	January 27, 2026	10.35%	-	2,034,175,496	2,034,175,496	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	January 27, 2026	10.35%	-	2,034,175,496	2,034,175,496	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	November 5, 2025	10.75%	-	4,075,592,285	4,075,592,285	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	November 5, 2025	10.75%	-	4,075,592,285	4,075,592,285	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	November 6, 2025	10.72%	-	4,585,949,063	4,585,949,063	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	November 6, 2025	10.72%	-	4,585,949,063	4,585,949,063	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	November 7, 2025	10.75%	-	2,035,603,025	2,035,603,025	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	November 7, 2025	10.75%	-	4,071,206,049	4,071,206,049	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	November 7, 2025	10.75%	-	4,071,206,049	4,071,206,049	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	November 7, 2025	10.75%	-	2,035,603,025	2,035,603,025	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 7, 2025	10.73%	-	2,036,206,466	2,036,206,466	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	November 7, 2025	10.73%	-	2,036,206,466	2,036,206,466	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	November 12, 2025	10.75%	-	4,077,240,460	4,077,240,460	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	November 12, 2025	10.75%	-	4,077,240,460	4,077,240,460	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	November 17, 2025	10.75%	-	2,550,538,192	2,550,538,192	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	November 17, 2025	10.75%	-	2,550,538,192	2,550,538,192	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 16, 2025	10.75%	-	515,685,167	515,685,167	-	-	-	0.00%	0.00%
Zarai Taraqiati Bank Ltd - Islamic Banking	December 16, 2025	10.75%	-	1,031,370,334	1,031,370,334	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	December 16, 2025	10.75%	-	515,685,167	515,685,167	-	-	-	0.00%	0.00%
Zarai Taraqiati Bank Ltd - Islamic Banking	December 16, 2025	10.75%	-	1,031,370,334	1,031,370,334	-	-	-	0.00%	0.00%
Zarai Taraqiati Bank Ltd - Islamic Banking	December 26, 2025	10.75%	-	1,035,435,819	1,035,435,819	-	-	-	0.00%	0.00%
Zarai Taraqiati Bank Ltd - Islamic Banking	December 26, 2025	10.75%	-	1,035,435,819	1,035,435,819	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 13, 2026	10.88%	-	1,093,080,275	1,093,080,275	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	February 13, 2026	10.88%	-	1,093,080,275	1,093,080,275	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 6, 2026	10.85%	-	3,136,519,085	3,136,519,085	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 6, 2026	10.85%	-	3,136,519,085	3,136,519,085	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	February 27, 2026	10.85%	-	2,771,391,418	2,771,391,418	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	February 27, 2026	10.85%	-	2,771,391,418	2,771,391,418	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 24, 2026	10.85%	-	2,931,781,900	2,931,781,900	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	February 24, 2026	10.85%	-	2,931,781,900	2,931,781,900	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	733,863,906	733,863,906	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	838,701,607	838,701,607	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	1,572,903,012	1,572,903,012	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	733,863,906	733,863,906	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	838,701,607	838,701,607	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	1,572,903,012	1,572,903,012	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	1,573,430,593	1,573,430,593	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	February 25, 2026	10.85%	-	1,573,430,593	1,573,430,593	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	March 10, 2026	10.87%	-	4,833,169,639	4,833,169,639	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	March 10, 2026	10.87%	-	4,833,169,639	4,833,169,639	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	April 3, 2026	10.85%	-	1,001,114,310	1,001,114,310	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	April 3, 2026	10.83%	-	2,107,609,074	2,107,609,074	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	April 3, 2026	10.83%	-	2,107,609,074	2,107,609,074	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	April 3, 2026	10.85%	-	1,001,114,310	1,001,114,310	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	April 7, 2026	10.10%	-	1,253,922,575	1,253,922,575	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	April 7, 2026	10.10%	-	1,253,922,575	1,253,922,575	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	April 9, 2026	10.10%	-	3,132,876,164	3,132,876,164	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	April 9, 2026	10.10%	-	3,132,876,164	3,132,876,164	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	April 20, 2026	9.90%	-	1,155,675,822	1,155,675,822	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	April 20, 2026	9.90%	-	1,155,675,822	1,155,675,822	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	April 27, 2026	10.28%	-	926,605,162	926,605,162	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	April 27, 2026	10.28%	-	926,605,162	926,605,162	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	April 29, 2026	10.30%	-	2,104,747,123	2,104,747,123	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	April 29, 2026	10.30%	-	3,157,120,685	3,157,120,685	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	April 29, 2026	10.30%	-	2,104,747,123	2,104,747,123	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	April 29, 2026	10.30%	-	3,157,120,685	3,157,120,685	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	May 8, 2026	10.30%	-	1,582,519,521	1,582,519,521	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	May 8, 2026	10.30%	-	1,582,519,521	1,582,519,521	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	May 7, 2026	10.30%	-	3,167,778,493	3,167,778,493	-	-	-	0.00%	0.00%
Pak Oman Investment Company Limited	May 7, 2026	10.30%	-	3,167,778,493	3,167,778,493	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	May 15, 2026	10.30%	-	2,328,352,219	2,328,352,219	-	-	-	0.00%	0.00%
UBL Ameen Islamic Banking	May 15, 2026	10.30%	-	2,328,352,219	2,328,352,219	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	May 22, 2026	10.30%	-	3,064,860,630	3,064,860,630	-	-	-	0.00%	0.00%
Pak Brunei Investment Company Limited	May 22, 2026	10.30%	-	3,064,860,630	3,064,860,630	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	June 3, 2026	10.35%	-	3,182,742,740	3,182,742,740	-	-	-	0.00%	0.00%
Pakistan Mortgage Refinance Company Limited	June 3, 2026	10.35%	-	3,182,742,740	3,182,742,740	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	June 10, 2026	10.59%	-	2,978,322,411	2,978,322,411	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	June 10, 2026	10.59%	-	2,978,322,411	2,978,322,411	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	June 11, 2026	10.59%	-	1,912,667,671	1,912,667,671	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	June 11, 2026	10.59%	-	1,912,667,671	1,912,667,671	-	-	-	0.00%	0.00%
Askari Ikhlas Islamic Banking	July 15, 2026	11.00%	-	1,071,729,863	-	1,071,729,863	1,071,729,863	-	3.93%	2.49%
Pakistan Mortgage Refinance Company Limited	July 8, 2026	11.95%	-	2,500,000,000	-	2,500,000,000	2,500,000,000	-	9.17%	5.80%
Pakistan Mortgage Refinance Company Limited	July 8, 2026	11.95%	-	4,000,000,000	-	4,000,000,000	4,000,000,000	-	14.67%	9.29%
Total as at June 30, 2026				178,195,317,889	192,113,808,166	7,571,729,863	7,571,729,863	-	28%	18%
Total as at June 30, 2025				173,882,522,329	180,874,024,087	21,490,220,140	21,490,220,140	-	29%	45%

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For The Year Ended June 30, 2026

5.2.1 Investments - Breach of prescribed limits in the offering document

As per schedule XIX of Non-Banking Finance Companies And Notified Entities Regulations, 2008 exposure of a CIS to any single entity shall not exceed an amount equal to fifteen per cent of total net assets of the CIS. As at June 30, 2026, the Fund held investment in Bai Muajjal certificates of Pakisatan Mortgage Refinance Co. Ltd that stood at 15.09% of the net assets of the Fund.

5.3 GoP Ijarah sukuk

Name of the security	Profit payment / principal redemptions	Issue date	Maturity date	Profit rate	Face value				Balance as at June 30, 2026			Market value as a percentage of	
					As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying Value	Market Value	Unrealised appreciation	net assets of the Fund	total investments of the Fund
					Rupees							%	
GoP Ijarah Sukuk Certificates - Discounted - PSX	At maturity	December 04, 2024	December 03, 2025	Weighted Average 6 months T-Bills	479,641,397	-	479,641,397	-	-	-	-	0.00%	0.00%
GoP Ijarah Sukuk Certificates - Discounted - PSX	At maturity	November 07, 2024	November 06, 2025	Weighted Average 6 months T-Bills	386,268,181	-	386,268,181	-	-	-	-	0.00%	0.00%
GoP Ijarah Sukuk Certificates - Discounted - PSX	At maturity	July 26, 2024	July 25, 2025	Weighted Average 6 months T-Bills	496,454,667	-	496,454,667	-	-	-	-	0.00%	0.00%
GoP Discounted Hybrid Sukuk - PSX	At maturity	April 30, 2026	April 29, 2027	Weighted Average 1 year T-Bills	-	446,559,500	-	446,559,500	455,662,003	455,550,000	(112,003)	1.06%	1.67%
GoP Discounted Hybrid Sukuk - PSX	At maturity	April 30, 2026	April 29, 2027	Weighted Average 1 year T-Bills	-	446,559,500	-	446,559,500	455,662,003	455,550,000	(112,003)	1.06%	1.67%
GoP Discounted Hybrid Sukuk - PSX	At maturity	April 30, 2026	April 29, 2027	Weighted Average 1 year T-Bills	-	133,967,850	-	133,967,850	136,698,601	136,665,000	(33,601)	0.32%	0.50%
GoP Discounted Hybrid Sukuk - PSX	At maturity	June 11, 2026	June 10, 2027	Weighted Average 1 year T-Bills	-	664,573,500	-	664,573,500	669,267,264	676,650,000	7,382,736	1.57%	2.48%
GoP Discounted Hybrid Sukuk - PSX	At maturity	June 11, 2026	June 10, 2027	Weighted Average 1 year T-Bills	-	443,049,000	-	443,049,000	446,178,176	451,100,000	4,921,824	1.05%	1.65%
GoP Discounted Hybrid Sukuk - PSX	At maturity	June 11, 2026	June 10, 2027	Weighted Average 1 year T-Bills	-	88,609,800	-	88,609,800	89,235,639	90,219,986	984,347	0.21%	0.33%
GoP Discounted Hybrid Sukuk - PSX	At maturity	June 11, 2026	June 10, 2027	Weighted Average 1 year T-Bills	-	443,049,000	-	443,049,000	446,178,176	451,100,000	4,921,824	1.05%	1.65%
GoP Discounted Hybrid Sukuk - PSX	At maturity	June 11, 2026	June 10, 2027	Weighted Average 1 year T-Bills	-	443,049,000	-	443,049,000	446,178,176	451,100,000	4,921,824	1.05%	1.65%
GoP Discounted Hybrid Sukuk - PSX	At maturity	May 14, 2026	May 13, 2027	Weighted Average 1 year T-Bills	-	666,862,500	-	666,862,500	677,825,687	680,625,000	2,799,313	1.58%	2.50%
GoP Discounted Hybrid Sukuk - PSX	At maturity	May 14, 2026	May 13, 2027	Weighted Average 1 year T-Bills	-	311,202,500	-	311,202,500	316,318,653	317,625,000	1,306,347	0.74%	1.16%
GoP Discounted Hybrid Sukuk - PSX	At maturity	May 14, 2026	May 13, 2027	Weighted Average 1 year T-Bills	-	666,862,500	-	666,862,500	677,825,566	680,625,000	2,799,434	1.58%	2.50%
Total as at June 30, 2026					-	-	-	**4,754,344,650**	**4,817,029,942**	**4,846,809,986**	**29,780,044**	**11.25%**	**17.77%**
Total as at June 30, 2025								**1,362,364,245**	**1,362,364,137**	**1,362,740,597**	**376,459**		

5.3.1 The nominal value of these GOP ijarah sukuk certificates is Rs. 5,000 each.

5.4 Islamic term deposit receipts

Name of investee company	Rating	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Market value as a percentage of	
				As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026				net assets of the Fund	total investments of the Fund
				Rupees							%	
Bank Alfalah Islamic Banking	AAA, PACRA	December 29, 2025	10.35%	-	2,000,000,000	2,000,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	December 29, 2025	10.35%	-	2,000,000,000	2,000,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	December 8, 2025	10.35%	-	2,000,000,000	2,000,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	December 8, 2025	10.35%	-	2,000,000,000	2,000,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	January 8, 2026	10.75%	-	5,997,585,000	5,997,585,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	January 8, 2026	10.75%	-	2,415,000	2,415,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	January 8, 2026	10.75%	-	2,415,000	2,415,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	March 25, 2026	10.30%	-	1,500,000,000	1,500,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	March 25, 2026	10.30%	-	1,500,000,000	1,500,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	March 27, 2026	10.30%	-	6,900,000,000	6,900,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	March 25, 2026	10.30%	-	6,900,000,000	6,900,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	April 24, 2026	10.50%	-	8,100,000,000	8,100,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	April 22, 2026	10.50%	-	8,100,000,000	8,100,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	May 22, 2026	10.70%	-	7,900,000,000	7,900,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	May 22, 2026	10.70%	-	7,900,000,000	7,900,000,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Islamic Banking	AAA, PACRA	July 3, 2026	12.00%	-	7,900,000,000	-	7,900,000,000	7,900,000,000	7,900,000,000	-	18.34%	28.96%
Askari Ikhlas Islamic Banking	AAA, PACRA	July 10, 2026	11.00%	-	4,250,000,000	-	4,250,000,000	4,250,000,000	4,250,000,000	-	9.87%	15.58%
Total as at June 30, 2026								12,150,000,000	12,150,000,000	-		
Total as at June 30, 2025								-	-	-		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.4.1 Investments - Breach of prescribed limits in the offering document

As per schedule XIX of Non-Banking Finance Companies And Notified Entities Regulations, 2008 exposure of a CIS to any single entity shall not exceed an amount equal to fifteen per cent of total net assets of the CIS. As at June 30, 2026, the Fund held Islamic Term Deposit Certificates of Bank Alfalah Limited - Islamic Banking that stood at 18.34% of the net assets of the Fund.

5.5 Certificates of Mudaraba

Name of the bank	Rating	Profit rate	Maturity date	Face value (Rupees)				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of total investments	Market value as a percentage of net assets
				As at July 1, 2025	Purchased during the period	Matured during the period	As at June 30, 2026	(Rupees)			%	
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	July 14, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	July 14, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.50%	July 18, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.50%	July 18, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	July 21, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	July 21, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	August 01, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	August 01, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	August 01, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	August 01, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	October 17, 2025	-	800,000,000	800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	October 17, 2025	-	800,000,000	800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	October 24, 2025	-	2,650,000,000	2,650,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	October 20, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	October 24, 2025	-	2,650,000,000	2,650,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	October 20, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.70%	October 24, 2025	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.70%	October 24, 2025	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	November 07, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	November 07, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	November 14, 2025	-	3,600,000,000	3,600,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	November 14, 2025	-	3,600,000,000	3,600,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	November 14, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.55%	November 14, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	November 21, 2025	-	4,500,000,000	4,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	November 21, 2025	-	4,500,000,000	4,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	November 28, 2025	-	4,800,000,000	4,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	November 28, 2025	-	4,800,000,000	4,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	December 01, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	December 01, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	December 05, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	December 05, 2025	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	December 05, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.65%	December 05, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.50%	December 19, 2025	-	1,300,000,000	1,300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.50%	December 19, 2025	-	1,300,000,000	1,300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	December 19, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.60%	December 19, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	December 31, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	December 31, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	January 05, 2026	-	4,500,000,000	4,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	January 09, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	January 05, 2026	-	4,500,000,000	4,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	January 09, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.28%	January 12, 2026	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.28%	January 12, 2026	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.00%	January 14, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.00%	January 14, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.00%	January 16, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.00%	January 16, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	9.87%	January 20, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	9.87%	January 20, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.10%	January 23, 2026	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.10%	January 23, 2026	-	2,800,000,000	2,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.15%	January 27, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.15%	January 27, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.10%	January 27, 2026	-	550,000,000	550,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.10%	January 27, 2026	-	550,000,000	550,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.15%	February 06, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.15%	February 06, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	February 06, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	February 06, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	March 31, 2026	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.25%	March 31, 2026	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	April 15, 2026	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.30%	April 15, 2026	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.40%	April 17, 2026	-	350,000,000	350,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	10.40%	April 17, 2026	-	350,000,000	350,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 12, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 12, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 14, 2026	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 14, 2026	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 15, 2026	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 15, 2026	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 14, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 14, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 19, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 19, 2026	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 22, 2026	-	300,000,000	300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.40%	May 22, 2026	-	300,000,000	300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 29, 2026	-	300,000,000	300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	May 29, 2026	-	300,000,000	300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	June 04, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	June 04, 2026	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	June 04, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.35%	June 04, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 12, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 11, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 12, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 12, 2026	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 11, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.30%	June 12, 2026	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.10%	June 12, 2026	-	200,000,000	200,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd - Islamic Banking	AAA - VIS	11.10%	June 12, 2026	-	200,000,000	200,000,000	-	-	-	-	-	-
Total as at June 30, 2026					199,700,000,000	199,700,000,000		-	-	-	-	-
Total as at June 30, 2025								-	-	-		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.6 Certificates of Musharakah

Name of the bank	Rating	Profit rate	Maturity date	Face value (Rupees)				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of total investments	Market value as a percentage of net assets
				As at July 1, 2025	Purchased during the period	Matured during the period	As at June 30, 2026					
				(Rupees)							%	
Faysal Bank Limited	AA+	10.60%	July 11, 2025	-	3,650,000,000	3,650,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	July 11, 2025	-	3,650,000,000	3,650,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	July 07, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	July 07, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Askari Ikhlas Islamic Banking	AA+	10.60%	August 11, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Askari Ikhlas Islamic Banking	AA+	10.60%	August 11, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	August 11, 2025	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	August 11, 2025	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	July 23, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	July 23, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	July 24, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	July 24, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.65%	August 01, 2025	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.65%	August 01, 2025	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.35%	July 29, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.35%	July 29, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.00%	July 30, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.00%	July 30, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 04, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 04, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 04, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 04, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 05, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 05, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 05, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.05%	August 05, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.20%	August 11, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.20%	August 11, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 12, 2025	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.25%	August 12, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 12, 2025	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.25%	August 12, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 15, 2025	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 15, 2025	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 22, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 22, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 29, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.50%	August 29, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.50%	September 16, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.50%	September 16, 2025	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.55%	September 19, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.55%	September 19, 2025	-	700,000,000	700,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.65%	September 29, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.65%	September 29, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.65%	September 29, 2025	-	300,000,000	300,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.65%	September 29, 2025	-	300,000,000	300,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.65%	September 30, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.65%	September 30, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.65%	October 03, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.65%	October 03, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	October 10, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	October 10, 2025	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.55%	November 25, 2025	-	1,300,000,000	1,300,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.55%	November 25, 2025	-	1,300,000,000	1,300,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	October 30, 2025	-	4,400,000,000	4,400,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	October 30, 2025	-	4,400,000,000	4,400,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.50%	October 31, 2025	-	600,000,000	600,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.50%	October 31, 2025	-	600,000,000	600,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.58%	November 03, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.58%	November 03, 2025	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 10, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 10, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 13, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.55%	November 12, 2025	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 13, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.55%	November 12, 2025	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.60%	November 17, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.60%	November 17, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 18, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 17, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 18, 2025	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 17, 2025	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 21, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 27, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 21, 2025	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	November 27, 2025	-	500,000,000	500,000,000	-	-	-	-	-	-
Askari Ikhlas Islamic Banking	AA+	10.60%	November 24, 2025	-	5,500,000,000	5,500,000,000	-	-	-	-	-	-
Askari Ikhlas Islamic Banking	AA+	10.60%	November 24, 2025	-	5,500,000,000	5,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.50%	November 19, 2025		4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.50%	November 19, 2025		4,000,000,000	4,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.60%	November 20, 2025		4,000,000,000	4,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.60%	November 20, 2025		4,000,000,000	4,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.60%	November 21, 2025		3,500,000,000	3,500,000,000	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Habib Bank Limited - Islamic Banking	AAA	10.60%	November 21, 2025	3,500,000,000	3,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 28, 2025	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	November 28, 2025	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	December 03, 2025	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.60%	December 03, 2025	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	December 05, 2025	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.60%	December 05, 2025	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.25%	December 23, 2025	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.25%	December 23, 2025	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.35%	December 26, 2025	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.35%	December 26, 2025	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.20%	January 13, 2026	7,500,000,000	7,500,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.20%	January 13, 2026	7,500,000,000	7,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	9.90%	January 23, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	9.90%	January 23, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.05%	January 23, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.05%	January 23, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	9.95%	January 30, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	9.95%	January 30, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.20%	February 06, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.20%	February 06, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.15%	February 23, 2026	1,450,000,000	1,450,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	10.15%	February 23, 2026	1,450,000,000	1,450,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	February 24, 2026	3,800,000,000	3,800,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	February 24, 2026	3,800,000,000	3,800,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	February 23, 2026	400,000,000	400,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	February 23, 2026	400,000,000	400,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	March 09, 2026	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	March 09, 2026	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	March 11, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.20%	March 11, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.22%	March 16, 2026	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.22%	March 16, 2026	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.22%	March 17, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	10.22%	March 17, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.25%	March 25, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.25%	March 25, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.25%	March 31, 2026	500,000,000	500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	10.25%	March 31, 2026	500,000,000	500,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.40%	April 10, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.40%	April 10, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.40%	April 20, 2026	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.40%	April 20, 2026	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.45%	April 24, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	10.45%	April 24, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.15%	April 30, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.15%	April 30, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.35%	May 08, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.35%	May 08, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 09, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 09, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.25%	May 14, 2026	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.25%	May 14, 2026	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.35%	May 29, 2026	7,700,000,000	7,700,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	May 29, 2026	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.35%	May 29, 2026	7,700,000,000	7,700,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	May 29, 2026	2,700,000,000	2,700,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.40%	June 01, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.40%	June 01, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 04, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 04, 2026	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 08, 2026	500,000,000	500,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.30%	June 04, 2026	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA	11.30%	June 08, 2026	500,000,000	500,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA	11.30%	June 04, 2026	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited	AA	11.30%	June 05, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited	AA	11.30%	June 05, 2026	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.30%	June 12, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Faysal Bank Limited	AA+	11.30%	June 12, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	11.25%	June 17, 2026	2,500,000,000	2,500,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	11.40%	June 19, 2026	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Askari Ikhlas Islamic Banking	AA+	11.30%	June 17, 2026	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Habib Bank Limited - Islamic Banking	AAA	11.30%	June 17, 2026	3,000,000,000	3,000,000,000	-	-	-	-	-	-
UBL Ameen Islamic Banking	AAA	11.35%	June 19, 2026	7,000,000,000	7,000,000,000	-	-	-	-	-	-
Bank AL Habib Limited - Islamic Bank	AAA	11.25%	June 16, 2026	2,100,000,000	2,100,000,000	-	-	-	-	-	-
Bank AL Habib Limited - Islamic Bank	AAA	11.25%	June 16, 2026	2,100,000,000	2,100,000,000	-	-	-	-	-	-
Total as at June 30, 2026						-	-	-	-	-	-
Total as at June 30, 2025						-	-	-			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

			2026	2025
5.7	**Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net**	Note	---------- Rupees ----------	
	Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	**27,275,539,849**	26,879,960,737
	Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	**(27,245,759,805)**	(26,879,584,277)
			29,780,044	376,460

			2026	2025
6	**ADVANCES, DEPOSITS AND OTHER RECEIVABLES**	Note	---------- Rupees ----------	
	Security deposit with Central Depository Company of Pakistan Limited (CDC)		**200,000**	200,000
	Profit receivable on sukuk certificates and term deposit receipts		**153,486,605**	88,437,851
	Profit receivable on Bai muajjal		**80,411,104**	439,392,959
	Profit receivable on balances with banks	6.1	**188,391,361**	198,644,783
	Advance tax	6.2	**2,096,072**	2,034,488
	Other receivables		**98,324**	1,540,341
			424,683,466	730,250,422

6.1 This includes profit receivable amounting to Rs. 146.47 million (2025: Rs.124.7 million) on balance held with Faysal Bank Limited, a related party.

6.2 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 150 and 151. However withholding tax on profit 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 withholdee. The tax withheld on profits amount to Rs. 2.096 million (2025: Rs. 2.034 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 assets as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

			2026	2025
7	**PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**	Note	---------- (Rupees) ----------	
	Remuneration payable to the Management Company	7.1	**50,206,708**	43,019,517
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	**7,531,005**	6,452,927
	Sales load payable		**13,810,507**	12,088,550
			71,548,220	61,560,994

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 following rates:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Period	Rate Applicable
From July 01, 2025 to July 02, 2025	0.31% of the average annual net assets
July 03, 2025	1.25% of the average annual net assets
July 07, 2025	0.77% of the average annual net assets
July 08, 2025	0.58% of the average annual net assets
From July 09, 2025 to June 30, 2026	1.25% of the average annual net assets

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

7.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
		(Rupees)	
Remuneration payable to the Trustee	8.1	**2,209,095**	2,051,504
Sindh sales tax payable on Trustee fee	8.2	**331,364**	307,726
		2,540,459	2,359,230

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% (2025: 0.055%) per annum of average annual net assets of the Fund.

8.2 During the period 15% (2025:15%) 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	2026	2025
		(Rupees)	
Annual fee Payable	9.1	**3,012,408**	2,797,505

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2025: 0.075%) 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.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	2026	2025
	(Rupees)	
Auditor's remuneration payable	**792,636**	829,754
Fees and subscription payable	**338,947**	1,283
Withholding tax payable	**51,556,000**	87,688,374
Capital gain tax payable	**494,248,353**	157,176,235
Brokerage payable	**5,692,852**	3,349,597
Legal and professional charges payable	**457,861**	458,177
Payable to central zakat fund	**2,913,647**	2,495,079
Shariah advisory fee payable	**306,692**	163,055
	556,306,988	252,161,554

11 CASH AND CASH EQUIVALENTS		
Balances with bank	**16,136,001,086**	15,504,228,201
Bai muajjal	**7,571,729,863**	15,179,324,060
Islamic term deposit receipts	**12,150,000,000**	-
	35,857,730,949	30,683,552,261

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

13 AUDITORS' REMUNERATION

	2026	2025
	---------- (Rupees) ----------	
Audit fee	**426,613**	566,375
Fee for half yearly review of condensed interim financial statements	**457,611**	221,375
Shariah audit fee	**150,000**	-
Out of pocket expenses	**62,053**	52,215
	1,096,278	839,965
Sales tax	**87,702**	67,197
	1,183,980	907,162

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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.

15 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.

16 EXPENSE RATIO

The annualized total expense ratio of the Fund as at June 30, 2026 is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses	Third Party Expenses	Other	TER%	TER W/O
1.243%	0.075%	0.055%	0.195%	0.008%	0.004%	0.000%	1.580%	1.380%

17 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Details of transactions with related parties / connected persons and balances with them during the year are as follows:

17.1 Transactions during the year

	2026	2025
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration of Faysal Asset Management Limited - Management Company	**616,098,652**	916,202,866
Sindh sales tax on remuneration of the Management Company	**92,414,798**	137,430,430
Issuance of 31,090,490 units (2025: 21,776,015 units)	**3,303,282,272**	2,091,012,387
Redemption of 23,864,180 units (2025: 26,321,652 units)	**2,596,054,149**	1,206,479,606

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Transactions during the year	2026	2025
	---------- (Rupees) ----------	
Faysal Bank Limited (Group Company)		
Profit on balances with banks	**587,409,711**	1,086,689,632
Bank charges	**54,401**	308,363
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**27,266,109**	34,315,402
Sindh sales tax on remuneration of the Trustee	**4,089,916**	5,147,310
Settlement Charges	**66,777**	313,240
Faysal Asset Management Limited - Staff Gratuity Fund		
Redemption of Nil units (2025: 127,071 units)	**-**	14,002,272
Faysal Asset Management Limited - Employees Provident Fund		
Issuance of Nil 296,764 (2025: 71,742 units)	**32,622,171**	6,600,000
Redemption of 249,840 units (2025: Nil units)	**27,798,481**	-
Key Management Personnel of The Management Company		
Issuance of 105,055 units (2025: 2,043,273 units)	**2,477,511**	204,632,107
Redemption of 1,273,379 units (2025: 1,031,311 units)	**28,209,848**	24,087,045

Amounts / balances outstanding as at year end	2026	2025
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Management fee payable	**50,206,708**	43,019,517
Sindh sales tax payable on management fee	**7,531,005**	6,452,927
Sales load payable	**13,810,507**	12,088,550
Outstanding: 7,226,311 units (2025: Nil units)	**738,340,328**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	**2,209,095**	2,051,504
Sindh sales tax on remuneration payable to the Trustee	**331,364**	307,726
Security Deposit with Central Depository Company of Pakistan Limited	**200,000**	200,000
Faysal Bank Limited (Group company)		
Balance with bank	**11,747,253,904**	8,365,566,129
Profit receivable on balances with bank	**146,471,070**	124,700,640
Faysal Asset Management Limited - Employees provident Fund		
Outstanding: 272,618 units (2025: 225,694 units)	**27,854,463**	23,024,182
Key Management Personnel Of The Management Company		
Outstanding: 7,315 units (2025: 71,447 units)	**747,418**	7,288,633

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	----------Rupees----------		
Financial assets			
Balances with banks	**16,136,001,086**	**-**	**16,136,001,086**
Investments	**-**	**27,275,539,849**	**27,275,539,849**
Advance, deposit and other receivables	**422,587,394**	**-**	**422,587,394**
	16,558,588,480	**27,275,539,849**	**43,834,128,329**
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	**64,017,215**	**-**	**64,017,215**
Payable to Central Depository Company of Pakistan Limited - Trustee	**2,209,095**	**-**	**2,209,095**
Accrued expenses and other liabilities	**7,588,988**	**-**	**7,588,988**
Dividend payable	**576,204**	**-**	**576,204**
Payable against redemption of units	**128,815,114**	**-**	**128,815,114**
	203,206,616	**-**	**203,206,616**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025		
	At amortised cost	At fair value through profit or loss	Total
	----------Rupees----------		
Financial assets			
Balances with banks	15,504,228,201	-	15,504,228,201
Investments	-	26,879,960,737	26,879,960,737
Advance, deposit and other receivables	728,117,610	-	728,117,610
Receivable against sale of units	-	-	-
	16,232,345,811	26,879,960,737	43,112,306,548
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	55,108,067	-	55,108,067
Payable to Central Depository Company of Pakistan Limited - Trustee	2,051,504	-	2,051,504
Accrued expenses and other liabilities	4,801,866	-	4,801,866
Dividend payable	122,549	-	122,549
Payable against redemption of units	118,923,295	-	118,923,295
	181,007,281	-	181,007,281

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 and regulations laid down by the SECP.

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2026, the Fund's exposure to the risk of changes in market profit rates relates primarily to balances with banks and investments. 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's profit rate risk arises from the balances in savings accounts, corporate sukuks certificates and Government of Pakistan Ijara sukuks certificates. As at June 30, 2026, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs. 80.821 million (2025: Rs. 157.811 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, 2026 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, 2026 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		June 30, 2026 (Rupees)				
Financial assets						
Balances with banks	4.50% - 12.50%	16,136,001,086	-	-	-	16,136,001,086
Investments	9.87% - 12.78%	21,591,729,863	5,683,809,986	-	-	27,275,539,849
Advance, deposit and other receivables		-	-	-	422,587,394	422,587,394
Receivable against sale of units		-	-	-	-	-
		37,727,730,949	5,683,809,986	-	422,587,394	43,834,128,329
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	64,017,215	64,017,215
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,209,095	2,209,095
Dividend payable		-	-	-	7,588,988	7,588,988
Payable against redemption of units		-	-	-	576,204	576,204
		-	-	-	128,815,114	128,815,114
		-	-	-	203,206,616	203,206,616
On-balance sheet gap (a)		37,727,730,949	5,683,809,986	-	219,380,778	43,630,921,713
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		37,727,730,949	5,683,809,986	-		
Cumulative profit rate sensitivity gap		37,727,730,949	43,411,540,935	43,411,540,935		

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		June 30, 2025 (Rupees)				
Financial assets						
Balances with banks	5.00% - 11.75%	15,504,228,201	-	-	-	15,504,228,201
Investments	10.75% - 21.10%	21,490,220,140	5,389,740,597	-	-	26,879,960,737
Advance, deposit and other receivables		-	-	-	728,117,610	728,117,610
Receivable against sale of units		-	-	-	-	-
		36,994,448,341	5,389,740,597	-	728,117,610	43,112,306,548
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	55,108,067	55,108,067
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,051,504	2,051,504
Dividend payable		-	-	-	4,801,866	4,801,866
Payable against redemption of units		-	-	-	122,549	122,549
		-	-	-	118,923,295	118,923,295
		-	-	-	187,767,934	181,007,281
On-balance sheet gap (a)		36,994,448,341	5,389,740,597	-	540,349,676	42,931,299,267
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		36,994,448,341	5,389,740,597	-		
Cumulative profit rate sensitivity gap		36,994,448,341	42,384,188,938	42,384,188,938		

(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 have any instruments that are exposed to price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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 ended June 30, 2026.

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:

	June 30, 2026						
	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 5 years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	16,136,001,086	-	-	-	-	-	16,136,001,086
Investments	20,321,729,863	1,270,000,000	6,953,809,986	-	-	-	28,545,539,849
Advances, deposits and other receivables	422,387,394	-	-	-	-	200,000	422,587,394
Receivable against sale of units	-	-	-	-	-	-	-
	36,880,118,343	1,270,000,000	6,953,809,986	-	-	200,000	45,104,128,329
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	64,017,215	-	-	-	-	-	64,017,215
Payable to Central Depository Company of Pakistan Limited - Trustee	- 2,209,095	- -	- -	- -	- -	- -	- 2,209,095
Accrued expenses and other liabilities	6,489,660	792,636	306,692	-	-	-	7,588,988
Dividend payable	576,204	-	-	-	-	-	576,204
Payable against redemption of units	128,815,114	-	-	-	-	-	128,815,114
	202,107,288	792,636	306,692	-	-	-	203,206,616
Net financial assets	36,678,011,055	1,269,207,364	6,953,503,294	-	-	200,000	44,900,921,713

	June 30, 2025						
	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 5 years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	15,504,228,201	-	-	-	-	-	15,504,228,201
Investments	-	21,490,220,140	5,389,740,597	-	-	-	26,879,960,737
Advances, deposits and other receivables	727,917,610	-	-	-	-	200,000	728,117,610
Receivable against sale of units	-	-	-	-	-	-	-
	16,232,145,811	21,490,220,140	5,389,740,597	-	-	200,000	43,112,306,548
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	55,108,067	-	-	-	-	-	55,108,067
Payable to Central Depository Company of Pakistan Limited - Trustee	- 2,051,504	- -	- -	- -	- -	- -	- 2,051,504
Accrued expenses and other liabilities	3,809,057	829,754	163,055	-	-	-	4,801,866
Dividend payable	122,549	-	-	-	-	-	122,549
Payable against redemption of units	118,923,295	-	-	-	-	-	118,923,295
	180,014,472	829,754	163,055	-	-	-	181,007,281
Net financial assets	16,052,131,339	21,489,390,386	5,389,577,542	-	-	200,000	42,931,299,267

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19.3 Credit risk

19.3.1 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. Credit risk arising on the debt instruments and deposit with banks are mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks and investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by the Trustee of the fund minimises the credit risk. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	Balance as per the statement of assets and liabilities	Maximum exposure to credit risk	Balance as per the statement of assets and liabilities	Maximum exposure to credit risk
	----------Rupees----------		----------Rupees----------	
Balances with banks	**16,136,001,086**	**16,136,001,086**	15,504,228,201	15,504,228,201
Investments	**27,275,539,849**	**14,857,000,000**	26,879,960,737	4,027,000,000
Advances, deposits and other receivables	**422,587,394**	**422,587,394**	728,117,610	728,117,610
	43,834,128,329	**31,415,588,480**	43,112,306,548	20,259,345,811

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. 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.

19.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2026	2025
Bank balances and islamic term deposit receipts including profit accrued thereon		
AAA*	**39.12%**	0.00%
AA	**0.00%**	-
AA+	**50.92%**	36.41%
AA-	**0.00%**	0.01%
Sukuk certificates and profit accrued thereon		
AAA	**0.00%**	5.99%
A1+	**1.87%**	2.63%
AA	**0.00%**	1.24%
A-1	**6.94%**	0.00%

* Nil figure due to rounding off.

Deposit with CDC is highly rated and and risk of default is considered minimal.

19.3.3 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, 2026 and June 30, 2025 are unsecured and are not impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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, 2026, and June 30, 2025 the Fund held the following financial instruments measured at fair value:

	2026			
	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
Tradable Financial assets 'at fair value through profit or loss'				
GoP Ijarah Sukuks certificates	**4,846,809,986**	**-**	**-**	**4,846,809,986**
	4,846,809,986	**-**	**-**	**4,846,809,986**

	2025			
	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
Tradable Financial assets 'at fair value through profit or loss'				
GoP Ijarah Sukuks certificates	1,362,740,597	-	-	1,362,740,597
	1,362,740,597	-	-	1,362,740,597

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.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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, 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

22 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Associated Banks / DFIs / AMCs	3	9,760,207	2.32%	6	4,529,571	1.08%
Individuals	11,549	300,255,726	71.22%	10,675	338,534,135	80.92%
Insurance companies	2	1,120,389	0.27%	5	5,341,946	1.28%
Other corporates	46	98,217,334	23.30%	77	62,187,618	14.87%
Retirement funds	36	12,216,119	2.90%	34	7,741,722	1.85%
	11,636	421,569,776	100%	10,797	418,334,992	100%

23 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid	2025 Percentage of commission paid
Bright Capital (Private) Limited	**20.91%**	0.00%
C & M Management (Private) Limited	**1.44%**	0.40%
Currency Markets Associates (Private) Limited	**0.00%**	3.35%
ICON Management (Pvt.) Limited	**4.03%**	0.23%
Paramount Capital (Pvt.) Ltd.	**0.00%**	0.14%
Vector Capital (Pvt.) Limited	**0.71%**	0.23%
Alfalah CLSA Securities (Private) Limited	**12.09%**	19.21%
Continental Exchange (Pvt.) Limited	**25.21%**	25.88%
Magenta Capital (Private) Limited	**4.01%**	50.74%
Arif Habib Limited	**11.98%**	0.00%
BMA Capital Management Ltd.	**6.71%**	0.00%
Invest One Markets Limited	**0.04%**	0.00%
JS Global Capital Limited	**12.04%**	0.00%
Khadim Ali Shah Bukhari Securities (Private) Limited	**0.71%**	0.00%
Summit Capital (Private) Limited	**0.13%**	0.00%
	100.00%	100.00%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 26 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 12 Years
Mr. Syed Eunas Viqar	Head of Internal Audit and Compliance	ACCA	Over 17 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 10 Years
Ms. Sarah Rehman	Head of Research	CFA	Over 9 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation 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 KPK Government Employees Pension Fund, Faysal Islamic Mustakil Munafa Fund.

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

27 GENERAL

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

27.2 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.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on _____July 31, 2026_____ 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

(i) PERFORMANCE TABLE

	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
Net assets	43,073,425,009	42,676,514,233	73,679,183,077	40,866,863,720	20,733,957,867
Net assets value per unit	102.1739	102.0152	101.9352	101.4215	100.6415
Offer price per unit	104.5239	104.3615	104.2390	103.7137	102.8747
Repurchase price per unit	102.1739	101.9900	101.9352	101.4215	100.6415
Highest offer price per unit	113.8241	114.0940	125.6708	119.7122	112.7936
Highest repurchase price per unit	111.2650	111.5288	122.8934	117.0664	110.3008
Lowest offer price per unit	104.3615	104.2390	103.7137	102.9160	102.6895
Lowest repurchase price per unit	102.0152	101.9352	101.4215	100.6415	100.4200
Total return:	9.29%	13.06%	21.79%	17.00%	10.12%
- capital growth	-0.01%	9.77%	0.26%	0.86%	0.26%
- income distribution	9.30%	3.29%	21.53%	16.14%	9.86%
Average annual return: (Launch date: October 10, 2019)					
- one year	9.29%	13.06%	21.79%	17.00%	10.12%
- two years	11.18%	17.43%	19.40%	13.56%	
- three years	14.71%	17.28%	16.30%		
four years	15.29%	15.49%			
Five Years	14.25%				
Distribution per unit:	9.30%	3.29%	21.53%	16.14%	9.86%
- Interim distribution (% per unit) *	9.30%	3.29%	21.53%	16.14%	9.86%
- Final distribution (% per unit)	-	-	-	-	-
	9.30%	3.29%	21.53%	16.14%	9.86%

* Announced on 25 June 2026

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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rated by VIS
AM1
Excellent Management Quality

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Rating by VIS
AM1
Excellent Management Quality

Faysal Halal Amdani Fund II

Financial Statements
For The Period Ended June 30, 2026



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اسلامی پہچان

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Disclaimer: All investments in mutual & pension funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies, taxation policies and risks involved. Use of the name and logo of Faysal Bank Limited does not mean that it is responsible for the liabilities/obligation of Faysal Funds or any investment scheme managed by it. All our operations have been approved by our Shariah Advisor Mufti Abdul Basit whose registration number is (SECP/IFD/SA/192).

Faysal Halal Amdani Fund II

For The Period Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Dubai Islamic Bank

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 Halal Amdani Fund II is to provide competitive rate of return with maximum possible preservation of capital by investing in liquid and low risk Shariah compliant securities.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

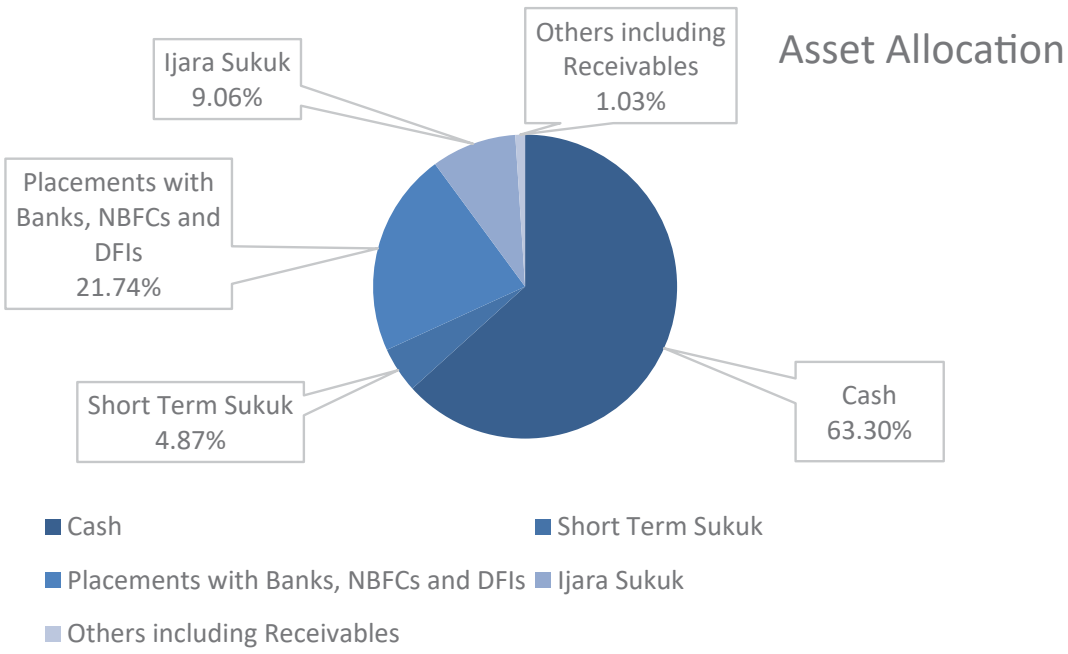
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

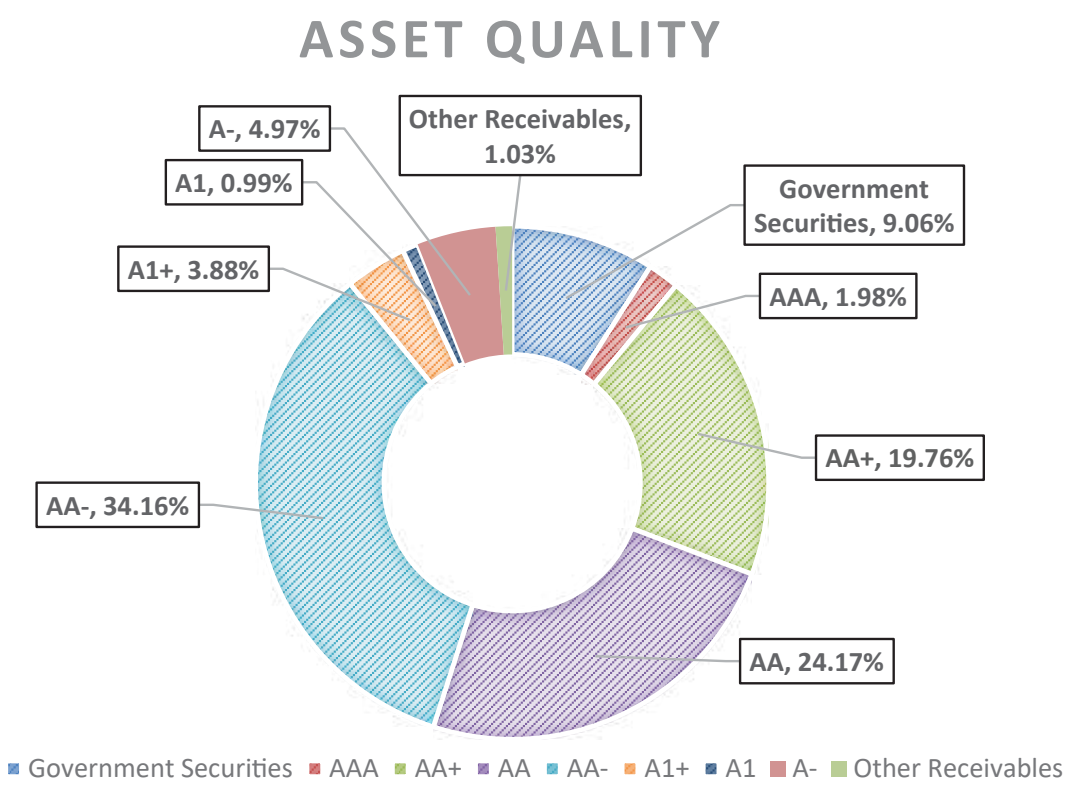
The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Income Scheme
Risk Profile	Medium
Stability Rating	AA- (f) August 25 ,2025
Launch Date	July 02, 2025
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Upto 1.5 % of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.17%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 2% of NAV(Actual Charged is 0.02%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated schedule Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Monday to Friday 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	100.16
Net Assets (mn)	39,855
Total Expense Ratio (Annualized)	0.76%
Total Expense Ratio (Monthly)	1.53%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	10.47%
Benchmark (YTD)	-	9.47%





FUND PERFORMANCE

Faysal Halal Amdani Fund-II (FHAF-II) yielded an annualized FY26TD return of 10.47% relative to its existing benchmark of 9.47%. At the period's close, allocations in Cash (63.30%), Short-Term Sukuk (4.87%), Placements with Banks, NBFCs and DFIs (21.74%), Ijarah Sukuk (9.06%) and Others (1.03%) stood at the period end. In the future, the fund managers will continue to explore different avenues within the authorized investment.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Halal Amdani Fund-II

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Halal Amdani Fund-II (FHAF-II)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FHAF-II** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FHAF-II** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Halal Amdani Fund-II (FHAF-II)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 HALAL AMDANI FUND-II

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Halal Amdani Fund-II (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from July 02, 2025 to June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

EY
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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Halal Amdani Fund - II** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Halal Amdani Fund - II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Halal Amdani Fund - II** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of debt securities) held by the Fund represent 98.97% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained the bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076LWroAisS1

Faysal Halal Amdani Fund II

Statement of Assets and Liabilities

As at June 30, 2026

Assets	Note	June 30, 2026 (Rupees)
Balances with banks	4	25,460,869,276
Investments	5	14,348,439,344
Advances, deposits and other receivables	6	415,052,112
Preliminary expenses and floatation costs	7	727,820
Total assets		40,225,088,552
Liabilities		
Payable to Faysal Asset Management Limited - Management Company	8	60,654,247
Payable to Central Depository Company of Pakistan Limited - Trustee	9	2,963,707
Payable to the Securities and Exchange Commission of Pakistan	10	2,577,137
Accrued expenses and other liabilities	11	303,464,288
Total liabilities		369,659,379
Net assets		39,855,429,173
Unit holders' fund (as per statement attached)		39,855,429,173
Contingencies and commitments	12	
		(Number of units)
Number of units in issue		397,914,717
		(Rupees)
Net asset value per unit		100.1607

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

Faysal Halal Amdani Fund II

Income Statement

For The Period Ended June 30, 2026

	Note	For the period from July 02, 2025 to June 30, 2026 ---------- (Rupees) ----------
Income		
Profit on balances with banks		**1,698,843,362**
Profit on bai Muajjal		**1,430,199,126**
Profit on corporate sukuk certificates		**39,880,880**
Profit on islamic term deposit receipts		**423,281,096**
Profit on GoP ijarah sukuk certificates		**129,474,854**
Realised loss on sale of investments - net		**(18,888,231)**
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	**20,139,727**
Total income		**3,722,930,814**
Expenses		
Remuneration of Faysal Asset Management Limited - Management Company	8.1	**175,518,102**
Sindh sales tax on remuneration of the Management Company	8.2	**26,327,717**
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	**26,012,278**
Sindh sales tax on remuneration of the Trustee	9.2	**3,901,842**
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	**26,012,279**
Auditors' remuneration	13	**887,320**
Amortisation of preliminary expenses and flotation costs	7	**180,091**
Legal and professional chargess		**56,500**
Shariah Advisory Fee		**306,692**
Transaction costs		**2,953,218**
Bank charges		**153,096**
Fees and subscription		**221,886**
Total expenses		**262,531,021**
Net income for the period before taxation		**3,460,399,793**
Taxation	14	**-**
Net income for the period after taxation		**3,460,399,793**
Earnings per unit	15	
Allocation of net income for the period		
Net income for the period after taxation		**3,460,399,793**
Income already paid on units redeemed		**(3,024,490,882)**
		435,908,911
Accounting income available for distribution		
- Relating to capital gains		**157,652**
- Excluding capital gains		**435,751,259**
		435,908,911

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

Faysal Halal Amdani Fund II

Statement of Comprehensive Income

For The Period Ended June 30, 2026

	For the period from July 02, 2025 to June 30, 2026
	--------- (Rupees) ---------
Net income for the period after taxation	**3,460,399,793**
Other comprehensive income for the period	-
Total comprehensive income for the period	**3,460,399,793**

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

Faysal Halal Amdani Fund II

Statement of Movement in Unit Holders' Fund

For The Period Ended June 30, 2026

	For the period from July 02, 2025 to June 30, 2026		
	Capital value	Undistributed Income	Total
	(Rupees)		
Net assets at the beginning of the period	-	-	-
Issuance of 3,387,053,009 units			
- Capital value (at net asset value per unit at the beginning of the period)	338,705,300,945	-	338,705,300,945
- Element of income	5,249,814,105	-	5,249,814,105
Total proceeds on issuance of units	343,955,115,050	-	343,955,115,050
Redemption of 2,989,136,808 units			
- Capital value (at net asset value per unit at the beginning of the period	(298,913,680,771)	-	(298,913,680,771)
- Element of loss	(2,447,947,572)	(3,024,490,882)	(5,472,438,454)
Total payments on redemption of units	(301,361,628,343)	(3,024,490,882)	(304,386,119,225)
Total comprehensive income for the period	-	3,460,399,793	3,460,399,793
Distributions for the period ended June 30, 2026:			
-- @ Rs. 0.1127 per unit declared on July 3, 2025	-	(507,150)	(507,150)
-- @ Rs. 0.3870 per unit declared on July 17, 2025	(11,563)	(1,746,122)	(1,757,685)
-- @ Rs. 2.1091 per unit declared on october 2, 2025	(594,978,735)	(75,396,842)	(670,375,577)
-- @ Rs. 1.3409 per unit declared on November 18, 2025	(543,366,810)	(55,623,703)	(598,990,513)
-- @ Rs. 5.9953 per unit declared on June 24, 2026	(1,743,594,792)	(158,740,728)	(1,902,335,520)
	(2,881,951,900)	(292,014,545)	(3,173,966,445)
Net assets at the end of the period	39,711,534,807	143,894,366	39,855,429,173

Accounting income available for distribution	
- Relating to capital gains	157,652
- Excluding capital gains	435,751,259
	435,908,911
Distributions during the year	(292,014,545)
Undistributed income carried forward	143,894,366
Undistributed income carried forward	
- Realised income	123,754,639
- Unrealised income	20,139,727
	143,894,366
	(Rupees)
Net asset value per unit at the beginning of the period	-
Net asset value per unit at the end of the period	100.1607

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

Faysal Halal Amdani Fund II

Cash Flow Statement

For The Period Ended June 30, 2026

		For the period from July 02, 2025 to June 30, 2026
		------ (Rupees) ------
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		3,460,399,793
Adjustments for:		
Profit on balances with banks		(1,698,843,362)
Profit on bai Muajjal		(1,430,199,126)
Profit on corporate sukuk certificates		(39,880,880)
Profit on islamic term deposit receipts		(423,281,096)
Profit on GoP ijarah sukuk certificates		(129,474,854)
Realised loss on sale of investments - net		18,888,231
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(20,139,727)
Amortisation of preliminary expenses and flotation costs		180,091
		(3,722,750,723)
Increase in assets		
Investments - net		(5,601,440,504)
Advances, deposits and other receivables		(136,915)
Preliminary expenses and floatation costs		(907,911)
		(5,602,485,330)
Increase in liabilities		
Payable to Faysal Asset Management Limited - the Management Company		60,654,247
Payable to Central Depository Company of Pakistan Limited - Trustee		2,963,707
Payable to the Securities and Exchange Commission of Pakistan		2,577,137
Accrued expenses and other liabilities		303,464,288
		369,659,379
Profit received on balances with banks		1,476,424,466
Profit received on investments		1,830,339,655
Net cash used in operating activities		(2,188,412,760)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units		343,955,115,050
Cash Distribution		(3,173,966,445)
Payment against redemption of units		(304,386,119,225)
Net cash generated from financing activities		36,395,029,380
Net increase in cash and cash equivalents		34,206,616,620
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	16	34,206,616,620

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

Faysal Halal Amdani Fund II

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Halal Amdani Fund - II (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the "Sindh Trusts Act, 2020, entered into on February 28, 2025 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

1.3 The Fund has been categorised as an open ended 'Shariah Compliant Income Scheme' by the Board of Directors of the Management Company persuant to the provisions contained in circular 7 of 2009. The units of the Fund were intially 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 July 02, 2025 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

1.5 The Management Company has been assigned a quality rating of "AM1" by VIS dated December 31, 2025 and has assigned a stability rating of AA-(f) dated 25 August 2025 to the Fund. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

1.7 These are the first financial statements of the fund for the period from July 2, 2025 to June 30, 2026. Therefore, no comparative figures have been included in these financial statements.

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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current period:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance easures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 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.

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 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

3.3 Financial assets

3.3.1 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)"
- 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 losses (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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

- 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.

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 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 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.

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For The Period Ended June 30, 2026

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.

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 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 on sukuk certificates and government 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; 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.

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 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.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / 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.

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For The Period Ended June 30, 2026

		Note	June 30, 2026 ------ (Rupees) ------
4	**BALANCES WITH BANKS**		
	Saving accounts	4.1	**25,460,869,276**

4.1 These carry mark-up ranging between 6.00% to 12.50% per annum and include balance of Rs.9,721.79 million held with Faysal Bank Limited, a related party, which carry profit rate of 12.50% per annum.

		Note	June 30, 2026 ------ (Rupees) ------
5	**INVESTMENTS**		
	Financial assets at fair value through profit or loss		
	Islamic Term Deposit Receipts (TDRs)	5.1	**5,000,000,000**
	GOP Ijarah Sukuk Certificates	5.2	**3,643,692,000**
	Bai Muajjal	5.3	**3,745,747,344**
	Corporate Sukuk Certificates	5.4	**1,959,000,000**
			14,348,439,344

5.1 Islamic Term Deposit Receipts (TDRs)

Name of the security	Rating	Profit rate	Maturity date	Face value				Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 02, 2025	Purchased during the year	Matured during the year	As at June 30, 2026					
				(Rupees)							%	
UBL Ameen Islamic Banking	AAA, VIS	11.35%	19-Jun-26	-	3,600,000,000	3,600,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.15%	25-Feb-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.20%	9-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.20%	9-Mar-26	-	3,700,000,000	3,700,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.15%	25-Feb-26	-	3,400,000,000	3,400,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.25%	26-Mar-26	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.25%	26-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.20%	11-Mar-26	-	3,800,000,000	3,800,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	11.30%	9-Jun-26	-	2,200,000,000	2,200,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	11.30%	9-Jun-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	11.10%	23-Jun-26	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	11.10%	23-Jun-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.20%	11-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.22%	31-Mar-26	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.22%	31-Mar-26	-	3,500,000,000	3,500,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.22%	16-Mar-26	-	3,600,000,000	3,600,000,000	-	-	-	-	-	-
Meezan Bank Limited	AAA, VIS	10.22%	16-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	10.25%	13-Mar-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	10.25%	25-Mar-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	11.45%	18-May-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	10.40%	10-Apr-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	11.30%	18-Jun-26	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Habib Bank LTD - Islamic Banking	AAA, PACRA	10.40%	17-Apr-26	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
First Habib Modaraba	AA+, PACRA	11.00%	3-Feb-26	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
First Habib Modaraba	AA+, PACRA	10.45%	4-May-26	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
First Habib Modaraba	AA+, PACRA	11.70%	7-Aug-26	-	1,000,000,000	-	1,000,000,000	1,000,000,000	1,000,000,000	-	2.51%	6.97%
Zarai Taraqiati Bank LTD	AAA, VIS	10.70%	30-Sep-25	-	650,000,000	650,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.60%	11-Nov-25	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.65%	20-Oct-25	-	500,000,000	500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.60%	4-Nov-25	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.65%	1-Dec-25	-	900,000,000	900,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.55%	17-Oct-25	-	600,000,000	600,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.30%	31-Mar-26	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	11.35%	11-May-26	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	11.40%	14-May-26	-	3,300,000,000	3,300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.25%	31-Mar-26	-	3,800,000,000	3,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.25%	12-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.25%	12-Mar-26	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.30%	30-Mar-26	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.25%	16-Mar-26	-	6,950,000,000	6,950,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	11.35%	12-May-26	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.25%	10-Mar-26	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	11.30%	22-Jun-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	AAA, PACRA	11.30%	5-Jun-26	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.60%	6-Oct-25	-	600,000,000	600,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.20%	9-Mar-26	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	11.22%	30-Jun-26	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	11.00%	10-Jul-26	-	4,000,000,000	-	4,000,000,000	4,000,000,000	4,000,000,000	-	10.04%	27.88%
Askari Bank Limited- Islamic Banking	AA+, PACRA	11.30%	17-Jun-26	-	6,000,000,000	6,000,000,000	-	-	-	-	-	-
Total as at June 30, 2026								**5,000,000,000**	**5,000,000,000**	**-**	12.55%	34.85%

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5.2 GOP Ijarah Sukuk Certificates

Name of the security	Profit payment / principal redemptions	Issue Date	Maturity Date	Face value				Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as percentage of net assets	Market value as percentage of total investment
				As at July 02, 2025	Purchased during the year	Sold/ matured during the year	As at June 30, 2026					
				(Rupees)							%	
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	10,000,000,000	10,000,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	700,000,000	700,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	200,000,000	200,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate – 05 Year – VRR (09-12-25)	Semi-annually	9-Dec-20	9-Dec-25	-	500,000,000	500,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (29-04-27)	At Maturity	30-Apr-26	29-Apr-27	-	500,000,000	500,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (29-04-27)	At Maturity	30-Apr-26	29-Apr-27	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (29-04-27)	At Maturity	30-Apr-26	29-Apr-27	-	250,000,000	250,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (29-04-27)	At Maturity	30-Apr-26	29-Apr-27	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (29-04-27)	At Maturity	30-Apr-26	29-Apr-27	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	250,000,000	250,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	400,000,000	400,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	250,000,000	250,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	350,000,000	350,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	250,000,000	250,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	500,000,000	500,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (13-05-27)	At Maturity	14-May-26	13-May-27	-	500,000,000	500,000,000	-	-	-	-	-	-
Gop Discounted Hybrid Sukuk – 01 Year – (11-06-26)	At Maturity	11-Jun-26	10-Jun-27	-	250,000,000	-	250,000,000	223,089,087	225,550,000	2,460,913	0.57%	1.6%
Gop Discounted Hybrid Sukuk – 01 Year – (11-06-26)	At Maturity	11-Jun-26	10-Jun-27	-	500,000,000	-	500,000,000	446,178,176	451,100,000	4,921,824	1.13%	3.1%
Gop Discounted Hybrid Sukuk – 01 Year – (11-06-26)	At Maturity	11-Jun-26	10-Jun-27	-	500,000,000	-	500,000,000	446,178,176	451,100,000	4,921,824	1.13%	3.1%
Gop Discounted Hybrid Sukuk – 01 Year – (11-06-26)	At Maturity	11-Jun-26	10-Jun-27	-	500,000,000	-	500,000,000	446,178,176	451,100,000	4,921,824	1.13%	3.1%
Gop Discounted Hybrid Sukuk – 01 Year – (11-06-26)	At Maturity	11-Jun-26	10-Jun-27	-	500,000,000	-	500,000,000	446,178,176	451,100,000	4,921,824	1.13%	3.1%
Gop Discounted Hybrid Sukuk – 01 Year – (14-05-26)	At Maturity	14-May-26	13-May-27	-	900,000,000	-	900,000,000	813,241,071	816,750,000	3,508,929	2.05%	5.7%
Gop Ijarah Sukuk Certificates – 03 Years – VRR (21-10-24)	Semi-annually	21-Oct-24	21-Oct-27	-	500,000,000	-	500,000,000	499,735,368	496,000,000	(3,735,368)	1.24%	3.5%
Gop Ijarah Sukuk Certificates – 03 Years – VRR (21-10-24)	Semi-annually	21-Oct-24	21-Oct-27	-	1,000,000	-	1,000,000	991,167	992,000	833	0.00%	0.0%
Gop Ijarah Sukuk Certificates – 05 Years – VRR (18-09-24)	Semi-annually	18-Sep-24	18-Sep-29	-	300,000,000	-	300,000,000	301,782,876	300,000,000	(1,782,876)	0.75%	2.1%
Total as at June 30, 2026								**3,623,552,273**	**3,643,692,000**	**20,139,727**	**9.14%**	**25.39%**

5.2.1 The nominal value of these sukuk certificates is Rs 5,000 each.

5.3 Bai Muajjal

Name of the security	Rating	Profit rate	Maturity date	Face value				Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 02, 2025	Purchased during the year	Sold/Matured during the year	As at June 30, 2026					
				(Rupees)							%	
United Bank Limited	AAA, VIS	10.80%	4-Feb-26	-	3,135,613,923	3,135,613,923	-	-	-	-	-	-
United Bank Limited	AAA, VIS	10.70%	24-Nov-25	-	1,588,415,514	1,588,415,514	-	-	-	-	-	-
Pak China Investment Company LTD.	AAA, VIS	10.88%	27-Jan-26	-	208,673,519	208,673,519	-	-	-	-	-	-
Soneri Bank Limited	AA+, PACRA	10.85%	3-Feb-26	-	6,161,682,231	6,161,682,231	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.70%	28-Nov-25	-	697,366,768	697,366,768	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.85%	24-Feb-26	-	3,140,300,055	3,140,300,055	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.35%	1-Jun-26	-	3,667,514,238	3,667,514,238	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.80%	18-Dec-25	-	825,339,020	825,339,020	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	AA+, PACRA	10.59%	9-Jun-26	-	3,048,880,780	3,048,880,780	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	10.87%	23-Jan-26	-	520,966,997	520,966,997	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	10.87%	20-Jan-26	-	1,093,080,275	1,093,080,275	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	10.85%	30-Dec-25	-	1,138,988,864	1,138,988,864	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	10.30%	4-May-26	-	3,017,614,927	3,017,614,927	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	10.85%	23-Feb-26	-	3,395,609,492	3,395,609,492	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	10.84%	27-Feb-26	-	3,970,834,174	3,970,834,174	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	10.30%	28-Apr-26	-	315,710,096	315,710,096	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	10.90%	17-Jul-26	-	2,370,914,205	-	2,370,914,205	2,370,914,205	2,370,914,205	-	5.95%	16.52%
Pak Brunei Investment Company Limited	AA+, VIS	10.90%	17-Jul-26	-	579,556,806	-	579,556,806	579,556,806	579,556,806	-	1.45%	4.04%
Zarai Taraqiati Bank LTD	AAA, VIS	10.85%	6-Mar-26	-	2,831,157,922	2,831,157,922	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	10.85%	6-Mar-26	-	3,143,015,540	3,143,015,540	-	-	-	-	-	-
Zarai Taraqiati Bank LTD	AAA, VIS	11.25%	7-Jul-26	-	795,276,333	-	795,276,333	795,276,333	795,276,333	-	2.00%	5.54%
Pakistan Mortgage Refinance Company Limited	AAA, VIS	10.30%	8-May-26	-	3,434,580,772	3,434,580,772	-	-	-	-	-	-
Total as at June 30, 2026								**3,745,747,344**	**3,745,747,344**	**-**	**9.40%**	**26.11%**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

5.4 Corporate sukuk certificates

Name of the security	Profit rate	Maturity Date	Face value				Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as percentage of net assets	Market value as percentage of total investment
			As at July 01, 2025	Purchased during the year	Sold/ matured during the year	As at June 30, 2026					
			(Rupees)							%	
Lucky Electric Power Company Limited – Sukuk 23 (AA , PACRA)	3 months KIBOR plus base rate of 0%	17-Sep-26	-	300,000,000	-	300,000,000	300,000,000	300,000,000	-	0.75%	2.1%
Matco Foods Limited – Short Term Sukuk 1st Issue (A1, VIS)	6 months KIBOR plus base rate of 1%	26-Aug-26	-	150,000,000	-	150,000,000	150,000,000	150,000,000	-	0.38%	1.0%
Pak Telecom Mobile Limited – Short Term Sukuk I (A1, VIS)	3 months KIBOR plus base rate of 0%	24-Dec-26	-	250,000,000	-	250,000,000	250,000,000	250,000,000		0.63%	1.7%
Pakistan Telecommunication Company Limited – Sukuk Certificate 18th Issue (A1+, VIS)	3 months KIBOR plus base rate of 0.1%	17-Sep-26	-	729,000,000	-	729,000,000	729,000,000	729,000,000		1.83%	5.1%
Pakistan Telecommunication Company Limited – Sukuk Certificate 19th Issue (AAA , VIS)	3 months KIBOR plus base rate of 0%	30-Dec-26	-	530,000,000	-	530,000,000	530,000,000	530,000,000		1.33%	3.7%
Total as at June 30, 2026							**1,959,000,000**	**1,959,000,000**	**-**	**4.92%**	**13.65%**

5.5	Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	June 30, 2026 ------ (Rupees) ------
	Market value of investments	5.1, 5.2, 5.3 & 5.4	**14,348,439,344**
	Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	**(14,328,299,617)**
			20,139,727

6	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Profit receivable on balances with banks	6.1	**222,418,896**
	Accrued income on debt Instruments		**192,496,301**
	Security Deposit with Central Depository Company of Pakistan Limited		**100,000**
	Prepaid Rating Fee		**36,915**
			415,052,112

6.1 This includes profit receivable amounting to Rs. 149.744 million on balance held with Faysal Bank Limited, a related party.

7	PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	June 30, 2026 ------ (Rupees) ------
	Preliminary expenses and floatation cost incurred at the beginning of the period		**907,911**
	Less: Amortisation during the period	7.1	**(180,091)**
	At the end of the period		**727,820**

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

8	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	June 30, 2026 ------ (Rupees) ------
	Remuneration payable to the Management Company	8.1	**40,256,870**
	Sindh sales tax payable on remuneration of the Management Company	8.2	**6,038,532**
	Sales Load Payable		**14,358,845**
			60,654,247

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
3 , 16, 17 July 2025, 21 October 2025, 17, 24, 28 to 30 November 2025, 23 January 2026, 31 March 2026 to 5, 7 to 13 April 2026, 1 to 13 May 2026, 1 to 8, 18, 24 to 30 June 2026	1.50%
4 July 2025 to 15 July 2025	0.90%
18 July 2025 to 1 September 2025, 29 October 2025 to 16 November 202, 4 December 2025, 16 and 20 January 2026, 13 march 2026, 6, 9,15 to 30 April 2026 and 14 to 31 May 2026	0.01%
2 September 2025 to 20 October 2025	0.11%
22, 23, 25 to 27 and 31 October 2025	1.40%
24 October 2025	0.12%
28 October 2025	0.03%
1,5 and 8 December 2025	0.50%
18 November 2025 to 23 November 2025, 25 November 2025 to 27 November 2025, 2,3,6,7,9 to 11 December 2025 and 9 June 2026	0.30%
12 December 2025 to 1st January 2026	0.20%
2 January 2026 to 4 January 2026	1.35%
5 to 15 January 2026, 17, 18, 21, 22, 24 to 27, 29 to 12, 14 to 18, 20 to 30 March 2026	0.46%
19 January 2026 and 19 March 2026	0.05%
28 January 2026	0.38%
14 April 2026	0.54%
10 and 11 June 2026	0.40%
12 to 17 and 19 to 23 June 2026	0.95%

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

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

		Note	June 30, 2026 ------ (Rupees) ------
9	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**		
	Remuneration payable to the Trustee	9.1	**2,577,136**
	Sindh sales tax payable on Trustee fee	9.2	**386,571**
			2,963,707

9.1 The Trustee is entitled to remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.075% per annum of net assets.

9.2 During the period,15% was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026 ------ (Rupees) ------
10	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		
	Annual fee Payable	10.1	**2,577,137**

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.075% per annum of average annual net assets of the Fund.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

		June 30, 2026
11	**ACCRUED EXPENSES AND OTHER LIABILITIES**	------ (Rupees) ------
	Auditors remuneration payable	658,360
	Capital Gain tax Payable	272,111,453
	Withholding Tax Payable	1,731,916
	Transaction Charges Payable	1,188,004
	Payable to Shariah Advisor	306,692
	Dividend payable	26,434,952
	Other payables	1,032,911
		303,464,288

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026.

		For the period from July 02, 2025 to June 30, 2026
13	**AUDITORS' REMUNERATION**	------ (Rupees) ------
	Audit fee	425,000
	Fee for half yearly review of condensed interim financial statements	200,000
	Shariah Audit fee	150,000
	Out of pocket expenses	46,593
		821,593
	Sales tax	65,727
		887,320

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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.

15 EARNINGS / (LOSS) PER UNIT

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

		June 30, 2026
16	**CASH AND CASH EQUIVALENTS**	------ (Rupees) ------
	Balances with banks	25,460,869,276
	Islamic term deposit receipts (Upto original maturity of 3 months)	5,000,000,000
	Bai Muajjal (Upto original maturity of 3 months)	3,745,747,344
		34,206,616,620

17 TOTAL EXPENSE RATIO

The total expense ratio of the Fund as at June 30, 2026 based on the current period result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
0.506%	0.075%	0.075%	0.087%	0.009%	0.004%	0.001%	0.757%	0.670%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

18 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding 10 percent or more of the Fund's net assets.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions carried out by the Fund with connected persons and related parties during the period and balances with them as at period end are as follows:

		For the Period July 02, 2025 to June 30, 2026
18.1	**Transactions during the period**	----(Rupees)----
	Faysal Asset Management Limited - Management Company	
	Remuneration of Faysal Asset Management Limited - Management Company	**175,518,102**
	Sindh sales tax on remuneration of the Management Company	**26,327,717**
	Faysal Bank Limited (Group Company)	
	Profit on balances with bank	**1,398,468,148**
	Bank Charges	**151,901**
	Central Depository Company of Pakistan Limited - Trustee	
	Remuneration of the Trustee	**26,012,278**
	Sindh sales tax on remuneration of the Trustee	**3,901,842**
	Settlement Charges	**53,182**
	Faysal Asset Management Limited - Staff Gratuity Fund	
	Units issued: 420,190 units	**42,639,837**
	Units redeemed: 371,158 Units	**37,707,755**
	Faysal Asset Management Limited - Employees Provident Fund	
	Units Issued: 721,625 units	**73,280,954**
	Units redeemed: 613,289 Units	**62,326,251**
	Key Management Personnel of The Management Company	
	Units Issuance: 1,798,111 units	**182,180,742**
	Units redeemed 1,706,493 units	**(132,751,252)**
	Unit Holder 10% and Above	
	Units Issued of 284,413,376 units	**28,712,434,497**
	Units redeemed 244,479,767 units	**24,906,355,589**

		June 30, 2026
18.2	**Amounts / balances outstanding as at period end**	---- (Rupees) ---
	Faysal Asset Management Limited - Management Company	
	Management fee payable	**40,256,870**
	Sindh sales tax payable on management fee	**6,038,532**
	Sales load payable	**14,358,845**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Amounts / balances outstanding as at period end	June 30, 2026 ---- (Rupees) ---
Faysal Bank Limited (Group Company)	
Balance with bank	**9,721,785,105**
Profit receivable on balances with bank	**149,744,389**
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable to the Trustee	**2,577,136**
Sindh sales tax on remuneration payable to the Trustee	**386,571**
Security Deposit with Central Depository Company of Pakistan Limited	**100,000**
Faysal Asset Management Limited - Staff Gratuity Fund	
Units Outstanding: 49,031 units	**4,910,979**
Faysal Asset Management Limited - Employees Provident Fund	
Units Outstanding: 108,336 units	**10,851,010**
Key Management Personnel Of The Management Company	
Units Outstanding: 91,618 units	**9,176,523**
Unit Holder 10% and Above	
Units Outstanding: 39,933,609 units	**3,999,778,231**

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	25,460,869,276	-	25,460,869,276
Investments	-	14,348,439,344	14,348,439,344
Advances, deposits and other receivables	415,052,112	-	415,052,112
	25,875,921,388	14,348,439,344	40,224,360,732
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	54,615,715	-	54,615,715
Payable to Central Depository Company of Pakistan Limited - Trustee	2,577,136	-	2,577,136
Accrued expenses and other liabilities	29,620,919	-	29,620,919
	86,813,770	-	86,813,770

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.

20.1 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks and sukuk 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks and investment in sukuk certificates which expose the Fund to cash flow 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. 310.636 million.

b) Sensitivity analysis for fixed rate instruments

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	6.00% to 12.50%	25,460,869,276	-	-	-	25,460,869,276
Investments	10.15% to 11.45%	8,745,747,344	1,959,000,000	3,643,692,000	-	14,348,439,344
Deposits and other receivables		-	-	-	415,052,112	415,052,112
		34,206,616,620	1,959,000,000	3,643,692,000	415,052,112	40,224,360,732
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	54,615,715	54,615,715
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,577,136	2,577,136
Accrued expenses and other liabilities		-	-	-	29,620,919	29,620,919
		-	-	-	86,813,770	86,813,770
On-balance sheet gap (a)		34,206,616,620	1,959,000,000	3,643,692,000	328,238,342	40,137,546,962
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		34,206,616,620	1,959,000,000	3,643,692,000		
Cumulative profit rate sensitivity gap		34,206,616,620	36,165,616,620	39,809,308,620		

(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.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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:

	June 30, 2026						
	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	25,460,869,276	-	-	-	-	-	25,460,869,276
Investments	-	8,745,747,344	1,959,000,000	3,643,692,000	-	-	14,348,439,344
Deposits and other receivables	414,952,112	-	-	-	-	100,000	415,052,112
	25,875,821,388	8,745,747,344	1,959,000,000	3,643,692,000	-	100,000	40,224,360,732
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	54,615,715	-	-	-	-	-	54,615,715
Payable to Central Depository Company of Pakistan Limited - Trustee	2,577,136	-	-	-	-	-	2,577,136
Accrued expenses and other liabilities	28,655,867	658,360	306,692	-	-	-	29,620,919
	85,848,718	658,360	306,692	-	-	-	86,813,770
Net financial assets	25,789,972,670	8,745,088,984	1,958,693,308	3,643,692,000	-	100,000	40,137,546,962

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:

	'June 30, 2026	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees	
Balances with banks	25,460,869,276	25,460,869,276
Investments	14,348,439,344	8,745,747,344
Deposits and other receivables	415,052,112	415,015,197
	40,224,360,732	34,621,631,817

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. 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.

There is a possibility of default by participants or failure of the financial market, the depositories, the settlements or clearing systems, etc. 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.

20.3.2 Credit quality of financial assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Period Ended June 30, 2026

Rating	% of financial assets exposed to credit risk 2026
Bank balances and islamic term deposit receipts including profit accrued thereon	
AA+	27.71%
AA-	72.33%
AAA	0.00%

Rating	% of financial assets exposed to credit risk 2026
Sukuk certificates and profit accrued thereon	
AA	**0.75%**
A1	**2.81%**
AAA	**1.32%**

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 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, 2026 are unsecured and are not impaired.

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.

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 the June 30, 2026, the Fund held the following financial instruments measured at fair values:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	----------Rupees----------			
Tradable Financial assets 'at fair value through profit or loss'				
Government of Pakistan (GOP) - Ijarah Sukuks *	**2,846,700,000**	**796,992,000**	-	**3,643,692,000**

* GOP Ijara sukuk certificates stated in Level 1 are traded and quoted on PSX.

Valuation techniques used in determination of fair value of unquoted GoP Ijarah sukuk certificates is explained in Note 21.1.

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.

During the period ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

21.1 Valuation techniques used in determination of fair values within level 2

Fair values of investment in GoP Ijarah sukuk certificates are measured on the basis of PKISRV, which are average yield-to-maturity calculated on government securities traded in the secondary market, essentially representing the market value of at the end of each trading day.

22 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.

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 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.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2026		
	Number of unit holders	Number of units held	Sum of Investment Amount
Other Corporate	55	164,544,039	16,480,851,350
Individual	882	205,302,751	20,563,273,693
FOF	1	12,007,783	1,202,708,305
Retirement Funds	22	11,803,671	1,182,264,316
Insurance Company	3	4,256,474	426,331,509
Grand Total	11,636	421,569,776	39,855,429,173

24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid
Bright Capital (Private) Limited	20.91%
C & M Management (Private) Limited	1.44%
Currency Markets Associates (Private) Limited	0.00%
BMA Capital Management Ltd.	11.98%
ICON Management (Pvt.) Limited	4.03%
Paramount Capital (Pvt.) Ltd.	0.00%
Vector Capital (Pvt.) Limited	0.71%
Alfalah CLSA Securities (Private) Limited	12.09%
Continental Exchange (Pvt.) Limited	25.21%
Invest One Markets Limited	0.00%
Magenta Capital (Private) Limited	4.01%
Arif Habib Limited	11.98%
BMA Capital Management Ltd.	6.71%
Invest One Markets Limited	0.04%
JS Global Capital Limited	12.04%
Khadim Ali Shah Bukhari Securities (Private) Limited	0.71%
Summit Capital (Private) Limited	0.13%
	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 34 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 12 Years
Mr. Syed Eunas Viqar	Head of Internal Audit and Compliance	ACCA	Over 17 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 10 Years
Ms. Sarah Rehman	Head of Research	CFA	Over 9 Years

26 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation 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 KPK Government Employees Pension Fund, Faysal Islamic Mustakil Munafa Fund.

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

S.No	Directors	Designation	139th BOD	140th BOD	141st BOD	142nd BOD	143rd BOD	144th BOD	145th BOD	146th BOD
			13-Aug-25	20-Aug-25	8-Oct-25	16-Oct-25	4-Dec-25	11-Feb-26	16-Apr-26	7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

28 GENERAL

28.1 Figures have been rounded off to the nearest rupee.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

FHAF-II
June 30, 2026
(Rupees)

(i) PERFORMANCE TABLE

Net assets	39,855,429,173
Net assets value per unit	100.1607
Offer price per unit	102.4644
Repurchase price per unit	100.1607
Highest offer price per unit	108.398
Highest repurchase price per unit	105.9609
Lowest offer price per unit	102.3
Lowest repurchase price per unit	100
Total return:	10.47%
- capital growth	4.47%
- income distribution	6.00%
Average annual return:	
(Launch date: July 02, 2026)	
- one year	10.47%
Distribution per unit:	6.00%
- Interim distribution (% per unit)	6.00%
- Final distribution (% per unit)*	-
	6.00%

* Announced on 24 June 2026

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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Halal Amdani Fund III

Financial Statements
For The Period Ended June 30, 2026



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اسلامی پہچان

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Faysal Halal Amdani Fund III

For The Period Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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

The investment objective of the fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital

Debt Market Review

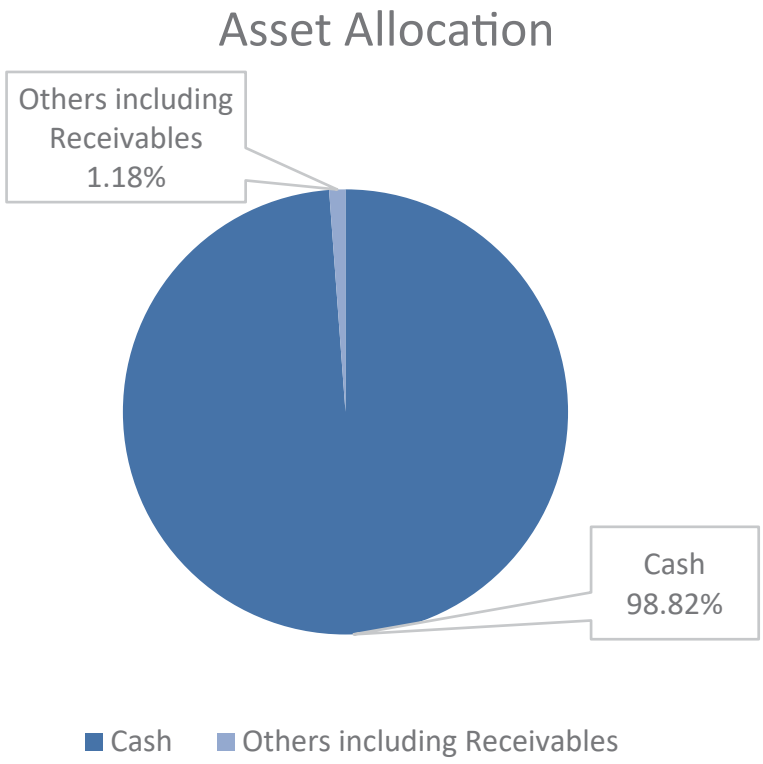
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

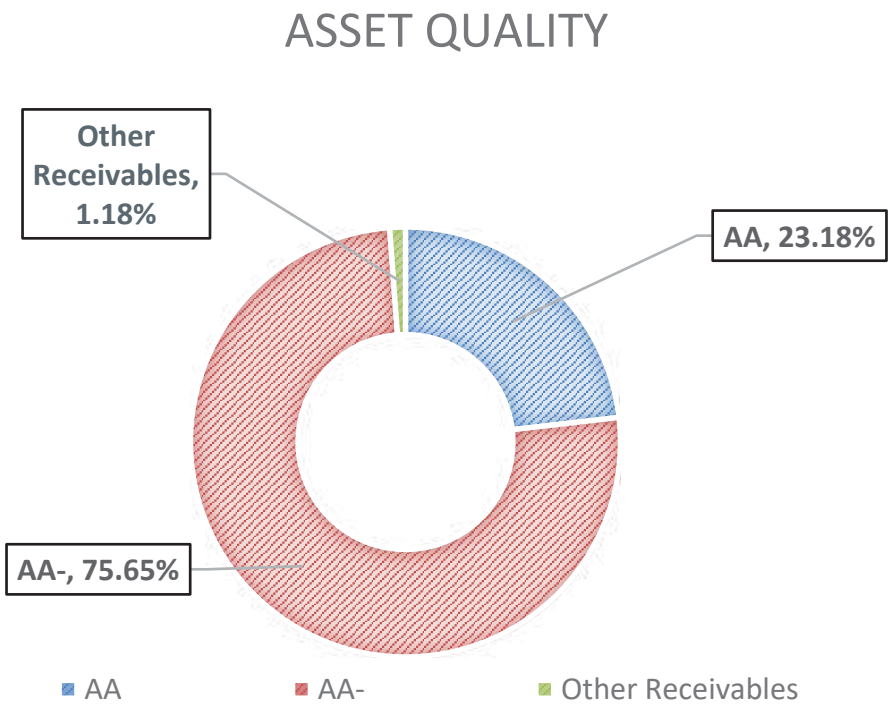
The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Income Scheme
Risk Profile	Medium
Stability Rating	Not Rated
Launch Date	December 10, 2025
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	% of Average Annual N.A. (Actual Rate of Management Fee Upto 1.5 Charged is 0.57%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 2% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated schedule Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Monday to Friday 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	100.19
Net Assets (mn)	1,709
Total Expense Ratio (Annualized)	1.09%
Total Expense Ratio (Monthly)	0.94%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	9.80%
Benchmark (YTD)	-	9.02%





FUND PERFORMANCE

Faysal Halal Amdani Fund-III (FHAF-III) yielded an annualized FY26TD return of 9.80% relative to its existing benchmark of 9.02%. At the period's close, allocations in Cash (98.82%) and Others (1.18%) stood at the period end. In the future, the fund managers will continue to explore different avenues within the authorized investment.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Halal Amdani Fund-III

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Halal Amdani Fund-III (FHAF-III)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FHAF-III** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FHAF-III** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Halal Amdani Fund-III (FHAF-III)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 HALAL AMDANI FUND-III

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Halal Amdani Fund-III (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from December 10, 2025 to June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Halal Amdani Fund - III** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

A member firm of Ernst & Young Global Limited

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Halal Amdani Fund - III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Halal Amdani Fund - III** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances	
As disclosed in note 4 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances held by the Fund represent 98.82% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained the bank reconciliation statements and tested reconciling items on a sample basis

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances as a key audit matter.	- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of Bank Balances and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

The Board of Directors 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.

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076nfIL43pGo

Faysal Halal Amdani Fund III

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026
		------ (Rupees) ------
Assets		
Balances with banks	4	**1,691,771,024**
Investments	5	**-**
Advances, deposits and other receivables	6	**19,336,514**
Preliminary expenses and floatation costs	7	**801,273**
Total assets		**1,711,908,811**
Liabilities		
Payable to Faysal Asset Management Limited - Management Company	8	**920,324**
Payable to Central Depository Company of Pakistan Limited - Trustee	9	**121,599**
Payable to the Securities and Exchange Commission of Pakistan	10	**105,738**
Accrued expenses and other liabilities	11	**1,905,380**
Total liabilities		**3,053,041**
Net assets		**1,708,855,770**
Unit holders' fund (as per statement attached)		**1,708,855,770**
Contingencies and commitments	12	
		(Number of units)
Number of units in issue		**17,056,970**
		------ (Rupees) ------
Net asset value per unit		**100.1852**

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

Faysal Halal Amdani Fund III

Income Statement

For The Period Ended June 30, 2026

	Note	For the period from December 10, 2025 to Jun 30, 2026
		------ (Rupees) ------
Income		
Profit on balances with banks		**81,360,898**
Profit on Islamic term deposit receipts		**389,315**
Total income		**81,750,213**
Expenses		
Remuneration of Faysal Asset Management Limited - Management Company	8.1	**4,883,936**
Sindh Sales Tax on remuneration of the Management Company	8.2	**732,590**
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	**554,951**
Sindh Sales Tax on remuneration of the Trustee	9.2	**83,243**
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	**554,951**
Auditors' remuneration	13	**744,120**
Amortisation of preliminary expenses and floatation costs	7.1	**99,727**
Transaction charges		**93,403**
Shariah advisory fee		**249,009**
Legal and Professional charges		**87,479**
Bank charges		**15,263**
Total expenses		**8,098,672**
Net income for the period before taxation		**73,651,541**
Taxation	14	**-**
Net income for the period after taxation		**73,651,541**
Earnings per unit	15	
Allocation of net income for the period		
Net income for the period after taxation		**73,651,541**
Income already paid on units redeemed		**(14,928,492)**
		58,723,049
Accounting income available for distribution		
- Relating to capital gains		**-**
- Excluding capital gains		**58,723,049**
		58,723,049

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

Faysal Halal Amdani Fund III

Statement of Comprehensive Income

For The Period Ended June 30, 2026

	For the period from December 10, 2025 to Jun 30, 2026
	------ (Rupees) ------
Net income for the period after taxation	**73,651,541**
Other comprehensive income for the period	-
Total comprehensive income for the period	**73,651,541**

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

Faysal Halal Amdani Fund III

Statement of Movement in Unit Holders' Fund

For The Period Ended June 30, 2026

	For the period from December 10, 2025 to Jun 30, 2026		
	Capital value	Undistributed income	Total
	---------- (Rupees) ----------		
Net assets at the beginning of the period	-	-	-
Issuance of 24,313,777 units			
- Capital value (at net asset value per unit at the beginning of the period)	2,431,377,738	-	2,431,377,738
- Element of income	38,820,962	-	38,820,962
Total proceeds on issuance of units	2,470,198,700	-	2,470,198,700
Redemption of 7,256,807 units			
- Capital value (at net asset value per unit at the beginning of the period)	(725,680,712)	-	(725,680,712)
- Element of loss	(12,963,944)	(14,928,492)	(27,892,436)
Total payments on redemption of units	(738,644,656)	(14,928,492)	(753,573,148)
Total comprehensive income for the period	-	73,651,541	73,651,541
Distributions for the period ended June 30, 2026:			
-- @ Rs. 0.2379 per unit declared on December 18, 2025	(7,981)	(476,271)	(484,252)
-- @ Rs. 4.9811 per unit declared on June 24, 2026	(25,849,037)	(55,088,034)	(80,937,071)
	(25,857,018)	(55,564,305)	(81,421,323)
Net assets at the end of the period	1,705,697,026	3,158,744	1,708,855,770

Accounting income available for distribution	
- Relating to capital gains	-
- Excluding capital gains	58,723,049
	58,723,049
Distribution made during the period	(55,564,305)
Undistributed income carried forward	3,158,744
Undistributed income carried forward	
- Realised income	3,158,744
- Unrealised income	-
	3,158,744
	(Rupees)
Net asset value per unit at the beginning of the period	-
Net asset value per unit at the end of the period	100.1852

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

Faysal Halal Amdani Fund III

Cash Flow Statement

For The Period Ended June 30, 2026

	Note	For the period from December 10, 2025 to Jun 30, 2026
		------ (Rupees) ------
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		73,651,541
Adjustments for:		
Profit on balances with banks		(81,360,898)
Profit on Islamic term deposit receipts		(389,315)
Amortisation of preliminary expenses and floatation costs		99,727
		(81,650,486)
Increase in assets		
Preliminary expenses and floatation costs		(901,000)
Investments		-
Advances, deposits and other receivables		(100,000)
		(1,001,000)
Increase in liabilities		
Payable to Faysal Asset Management Limited - Management Company		920,324
Payable to Central Depository Company of Pakistan Limited - Trustee		121,599
Payable to the Securities and Exchange Commission of Pakistan		105,738
Accrued expenses and other liabilities		1,905,380
		3,053,041
Profit received on balances with banks		62,124,384
Profit received on term deposit receipts		389,315
Net cash generated from operating activities		56,566,795
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units		2,470,198,700
Payments made against redemption of units		(753,573,148)
Dividend paid		(81,421,323)
Net cash generated from financing activities		1,635,204,229
Net increase in cash and cash equivalents during the period		1,691,771,024
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	1,691,771,024

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

Faysal Halal Amdani Fund III

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Halal Amdani Fund - III (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on May 09, 2025 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

1.2 The investment activities and administration of the Fund are managed by the Management Company. It 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, ST-02, main Sharah -e- Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund is categorised as a 'Shariah Compliant Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from December 10, 2025 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the fund is to provide is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short-term Shariah Compliant debt instruments. The investment objective and policies are more fully explained in Fund's Offering Document.

1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

1.7 These are the first financial statements of the fund for the period from the date of announcement of first NAV i.e. December 10, 2025 to Jun 30, 2026. Therefore, no comparative figures have been included in these financial statements.

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
- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current period:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance easures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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, 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 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.

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)"
- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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. 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.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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

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 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 on sukuk certificates and government 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; 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 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 / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / 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.

3.14 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	June 30, 2026 ------ (Rupees) ------
4	**BALANCES WITH BANKS**		
	Savings accounts	4.1	**1,691,771,024**

4.1 These carry markup ranging between 4.50% to 12.50% per annum and include balances Rs. 396.771 million in saving accounts held with Faysal Bank Limited and carry profit at the rate of 12.50% per annum.

		Note	June 30, 2026 ------ (Rupees) ------
5	**Investments**		
	Financial assets at fair value through profit or loss Islamic Term deposit receipts	5.1	-

5.1 Islamic Term Deposit Receipts (TDRs)

Name of the security	Profit payments / principal redemptions	Issue Date	Maturity Date	Profit Rate	As at December 10, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to	
												Net assets	Total investments
					---------- (Face Value) ----------				---------- (Rupees) ----------			---------- % ----------	
Habib Bank Ltd - Islamic Banking	At maturity	February 16, 2026	February 23, 2026	10.15%	-	200,000,000	200,000,000	-	-	-	-	-	-
Total as at June 30, 2026									-	-	-		

		Note	June 30, 2026 ------ (Rupees) ------
6	**ADVANCES, DEPOSITS AND OTHER RECEIVABLES**		
	Profit receivable on balances with banks	6.1	**19,236,514**
	Security Deposit with Central Depository Company of Pakistan Limited		**100,000**
			19,336,514

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

6.1 This includes profit receivable amounting to Rs 15.375 million on balance held with Faysal Bank Limited, a related party.

	Note	June 30, 2026 ------ (Rupees) ------
7 PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation cost incurred at the beginning of the period		**901,000**
Less: Amortisation during the period	7.1	**(99,727)**
At the end of the period		**801,273**

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

	Note	June 30, 2026 ------ (Rupees) ------
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Remuneration payable to the Management Company	8.1	**800,282**
Sindh Sales Tax payable on remuneration of the Management Company	8.2	**120,042**
		920,324

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.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
December 11, 2025	1.3% of average annual net assets
From December 12, 2025 to February 2, 2026	0.5% of average annual net assets
From February 3, 2026 to February 10, 2026	1.25% of average annual net assets
From February 11, 2026 to March 1, 2026	0.01% of average annual net assets
From March 2, 2026 to March 24, 2026	1% of average annual net assets
From March 25, 2026 to April 01, 2026	0.01% of average annual net assets
From April 02, 2026 to May 02, 2026	0.78% of average annual net assets
From May 03, 2026 to May 14, 2026	1.5% of average annual net assets
From May 15, 2026 to May 31, 2026	0.5% of average annual net assets
From June 01, 2026 to June 08, 2026	1.5% of average annual net assets
From June 09, 2026 to June 30, 2026	0.2% of average annual net assets

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

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% was charged on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

	Note	June 30, 2026 ------ (Rupees) ------
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Remuneration payable to the Trustee	9.1	**105,738**
Sindh Sales Tax payable on remuneration of the Trustee	9.2	**15,861**
		121,599

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% per annum respectively of the average annual net assets of the Fund.

9.2 During the period 15% was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

		Note	June 30, 2026 ------ (Rupees) ------
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	10.1	105,738

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.075% per annum of average annual net assets of the Fund.

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

		June 30, 2026 ------ (Rupees) ------
11	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration payable	629,640
	Shariah advisory fee payable	249,009
	Withholding tax payable	123,528
	Capital gian tax payable	2,203
	Other payable	901,000
		1,905,380

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026.

		For the period from December 10, 2025 to June 30, 2026 ------ (Rupees) ------
13	AUDITORS REMUNERATION	
	Audit fee	400,000
	Fee for half yearly review of condensed interim financial statements	100,000
	Shariah audit fee	150,000
	Out of pocket expenses	39,000
		689,000
	Sales tax	55,120
		744,120

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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.

15 EARNINGS PER UNIT

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

16 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund as at June 30, 2026 is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER% W/O LEVY
0.660%	0.075%	0.075%	0.110%	0.015%	0.146%	0.013%	1.095%	0.984%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding 10 percent or more of the Fund's net assets.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

17.1 Transactions during the period	For the period from December 10, 2025 to June 30, 2026 ------ (Rupees) ------
Faysal Asset Management Limited - Management Company	
Remuneration of the Management Company	**4,883,936**
Sindh Sales Tax on remuneration of the Management Company	**732,590**
Faysal Bank Limited - Group Company	
Profit on savings account	**77,499,727**
Bank charges	**15,263**
Central Depository Company of Pakistan Limited - Trustee	
Remuneration of the Trustee	**554,951**
Sindh Sales Tax on remuneration of the Trustee	**83,243**
Settlement Charges	**5,750**
Unit holders with more than 10% unit holding	
Units Issue: of 18,451,164 units	**1,865,660,333**
Redemption of : 3,740,355 units	**388,559,321**

17.2 Amounts / balances outstanding as at period end	June 30, 2026 ------ (Rupees) ------
Faysal Asset Management Limited - Management Company	
Remuneration payable to the Management Company	**800,282**
Sindh Sales Tax payable on remuneration of the Management Company	**120,042**
Faysal Bank Limited - Group Company	
Balances with bank	**396,771,024**
Profit receivable on balance with bank	**15,375,343**
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable to the Trustee	**105,738**
Sindh Sales Tax payable on remuneration of the Trustee	**15,861**
Security Deposit with Central Depository Company of Pakistan Limited	**100,000**
Unitholders having hoding of 10% or more	
Adamjee Life Assurance Co. Ltd.	
Outstanding: 14,710,809 units	**1,473,805,159**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026		
	At amortised cost	At fair value through profit or loss	Sub total
	---------- Rupees ----------		
Financial assets			
Balances with banks	1,691,771,024	-	1,691,771,024
Advances, Deposits And Other Receivables	19,336,514	-	19,336,514
	1,711,107,538	-	1,711,107,538
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	800,282	-	800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	105,738	-	105,738
Accrued expenses and other liabilities	1,779,649	-	1,779,649
	2,685,669	-	2,685,669

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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow 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. 16.918 million.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	4.5% to 12.5'%	1,691,771,024	-	-	-	1,691,771,024
Advances, Deposits And Other Receivables		19,236,514	-	-	100,000	19,336,514
		1,711,007,538	-	-	100,000	1,711,107,538
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	800,282	800,282
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	105,738	105,738
Accrued expenses and other liabilities		-	-	-	1,779,649	1,779,649
		-	-	-	2,685,669	2,685,669
On-balance sheet gap (a)		1,711,007,538	-	-	(2,585,669)	1,708,421,869
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		1,711,007,538	-	-		
Cumulative profit rate sensitivity gap		1,711,007,538	1,711,007,538	1,711,007,538		

(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.

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.

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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

	June 30, 2026						
	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	1,691,771,024	-	-	-	-	-	1,691,771,024
Advances, Deposits And Other Receivables	19,236,514	-		-	-	100,000	19,336,514
	1,711,007,538	-	-	-	-	100,000	1,711,107,538
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	800,282	-	-	-	-	-	800,282
Payable to Central Depository Company of Pakistan Limited - Trustee	105,738	-	-	-	-	-	105,738
Accrued expenses and other liabilities	1,779,649	-	-	-	-	-	1,779,649
	2,685,669	-	-	-	-	-	2,685,669
Net financial assets	1,708,321,869	-	-	-	-	100,000	1,708,421,869

19.3 Credit risk

19.3.1 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:

	'June 30, 2026	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees	
Balances with banks	1,691,771,024	1,691,771,024
Advances, Deposits And Other Receivat	1,905,380	1,905,380
	1,693,676,404	1,693,676,404

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. 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.

There is a possibility of default by participants or failure of the financial market, the depositories, the settlements or clearing systems, etc. 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.

19.3.2 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	% of financial assets exposed
	2026
Bank balances and profit accrued thereon	
AA+	24.09%
AA-	75.91%

19.3.3 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, 2026 are unsecured and are not impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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.

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, 2026, there were no tradable financial assets measured at fair value.

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 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.

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	2026		
	Number of unit holders	Sum of New Holding	Sum of Investment Amount
Insurance Company	4	**15,580,906**	**1,560,976,006**
Individual	3	**974,715**	**97,651,957**
Other Corporate	1	**501,350**	**50,227,806**
Grand Total	8	**17,056,971**	**1,708,855,769**

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 26 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 12 Years
Mr. Syed Eunas Viqar	Head of Internal Audit and Compliance	ACCA	Over 17 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 10 Years
Ms. Sarah Rehman	Head of Research	CFA	Over 9 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation 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 KPK Government Employees Pension Fund, Faysal Islamic Mustakil Munafa Fund.

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

S.No	Directors	Designation	139th BOD	140th BOD	141st BOD	142nd BOD	143rd BOD	144th BOD	145th BOD	146th BOD
			13-Aug-25	20-Aug-25	8-Oct-25	16-Oct-25	4-Dec-25	11-Feb-26	16-Apr-26	7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

26 GENERAL

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

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

FHAF-III
June 30, 2026
(Rupees)

(i) PERFORMANCE TABLE

Net assets	1,708,855,769
Net assets value per unit	100.1852
Offer price per unit	102.4895
Repurchase price per unit	100.1852
Highest offer price per unit	107.3624
Highest repurchase price per unit	104.9486
Lowest offer price per unit	102.3
Lowest repurchase price per unit	100
Total return:	9.80%
- capital growth	4.82%
- income distribution	4.98%
Average annual return:	
(Launch date: Dec 10, 2025)	
- one year	9.80%
Distribution per unit:	4.98%
- Interim distribution (% per unit)	4.98%
- Final distribution (% per unit)*	-
	4.98%

* Announced on 24 June 2026

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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

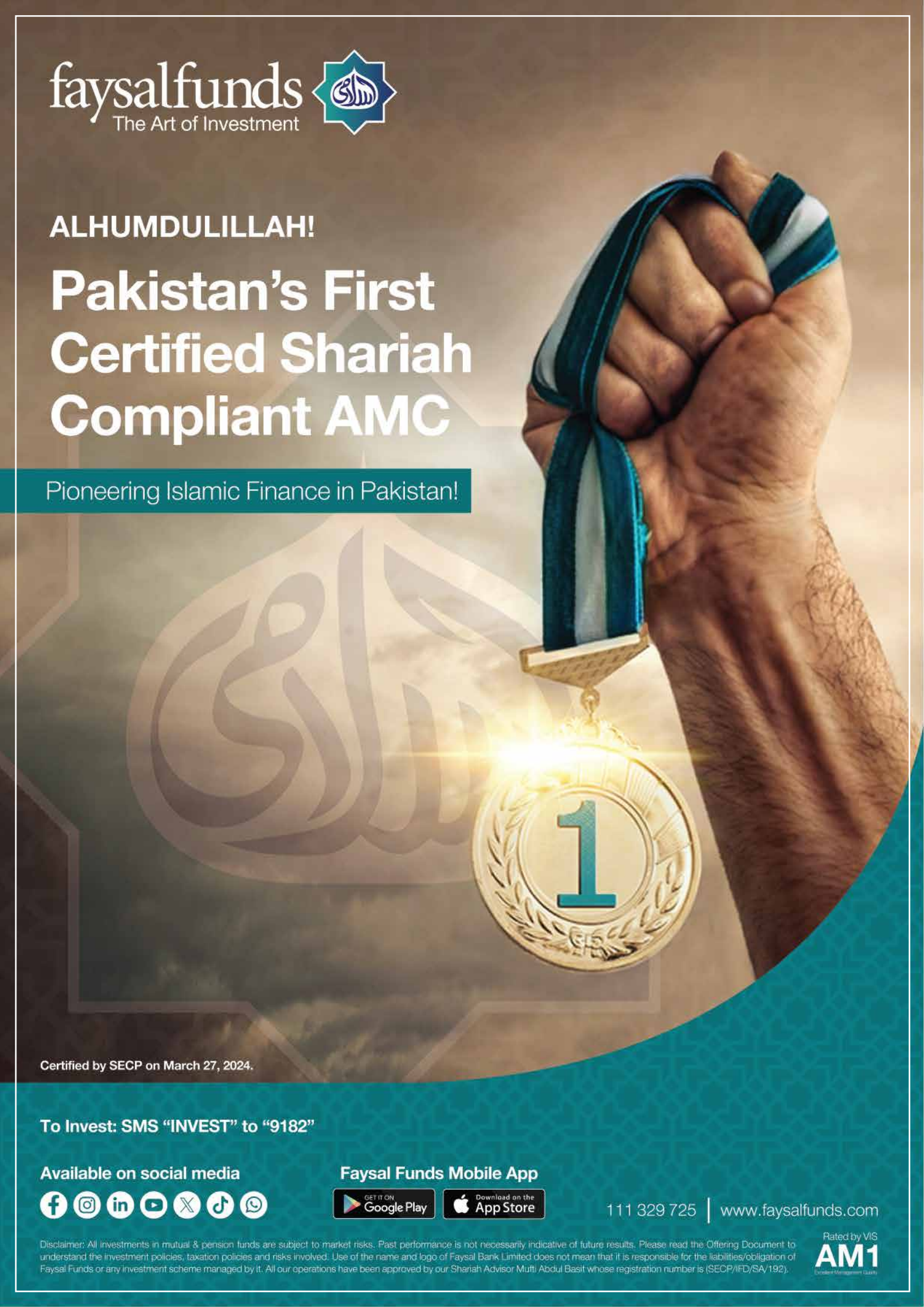
Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Islamic Savings Growth Fund

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Savings Growth Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Al-Baraka Bank Pakistan Limited
MCB Islamic Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Dubai Islamic Bank
Zarai Taraqiati Bank Limited
Habib bank Limited (Islamic Banking)
Soneri Bank Limited (Islamic Banking)
Meezan Bank Limited

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal Islamic Savings Growth Fundseeks to provide maximum possible preservation of capital and a responsible Shariah compliant return to its units holder.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

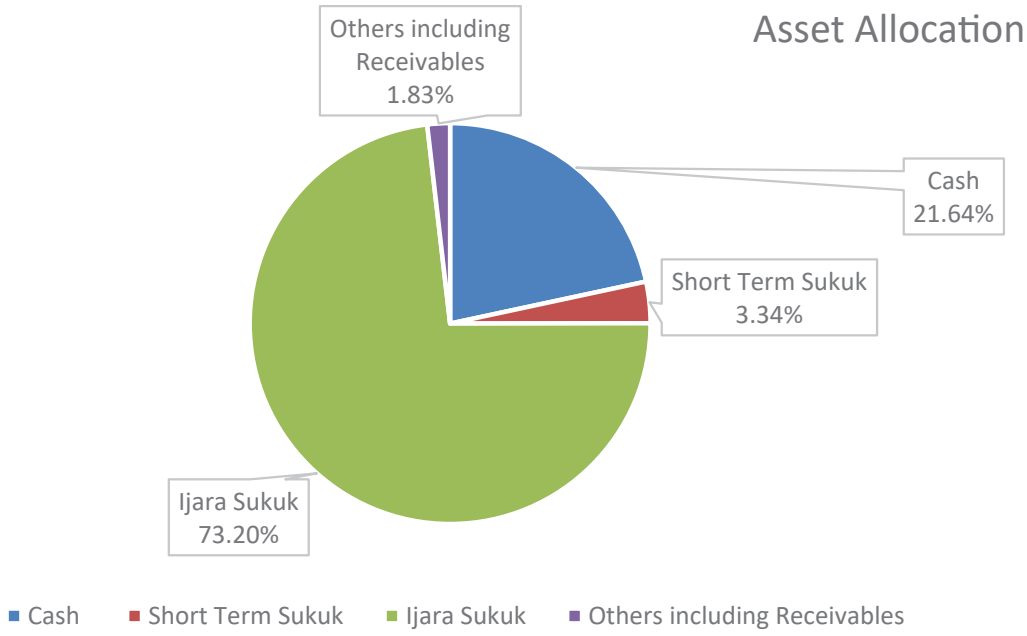
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

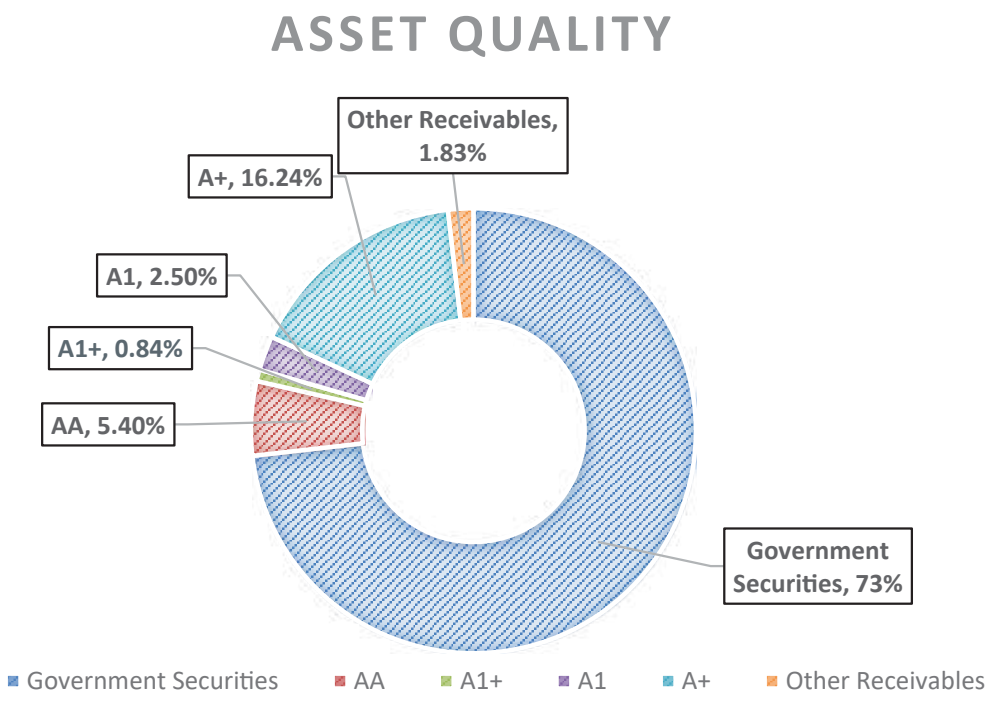
The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Income Scheme
Stability Rating	A+(f) (VIS) December 27 ,2024
Risk Profile	Medium
Launch Date	June 14, 2010
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee	Up to 1.50% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.50%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 2% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR 5000
Benchmark	75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Monday to Friday 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	105.88
Net Assets (PKR mn)	3578
Total Expense Ratio (Annualized)	1.95%
Total Expense Ratio (Monthly)	1.96%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	15.43%	8.18%
Benchmark (YTD)	10.37%	9.47%





FUND PERFORMANCE

Faysal Islamic Savings Growth Fund (FISGF) posted an annualized FY26TD return of 8.18% relative to its existing benchmark of 9.47%. Funds were allocated in Cash (21.64%), Short-Term Sukuk (3.34%), Ijarah Sukuk (73.20%) and Others (1.83%). In the future, your fund will take exposure to other investment avenues, keeping in view the country's economic position.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد
Annual Report of

Faysal Islamic Savings Growth Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Savings Growth Fund (FISGF).** I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FISGF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FISGF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Savings Growth Fund (FISGF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC SAVINGS GROWTH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Savings Growth Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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.

We would like to draw the attention of unit holders towards clause 2.2 of the offering document, wherein the Fund is required to maintain at least 25% of net assets in cash and near-cash instruments at all times. In this regard, the Fund was non-compliant with the said requirement on various days during the period from April 2026 to June 2026, with a maximum breach of 15.45% of the net assets of the Fund. Simultaneously, the Fund was also non-compliant with the requirement of maximum exposure of 75% in Shariah-Compliant Government Securities during the aforesaid period, with a maximum breach up to 12.23% of the net assets of the Fund. The said non-compliances have also been reported to the Securities and Exchange Commission of Pakistan.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 11, 2026

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Chartered Accountants
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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Savings Growth Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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Chartered Accountants
17th Floor, Sky Towers - West Wing
Dolmen City, Marine Drive, Block 4, Clifton
P.O. Box 15541, Karachi 75600, Pakistan

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Islamic Savings Growth Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Savings Growth Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and Investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of debt securities) held by the Fund represent 98.17% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on period-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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



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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076cjb703fWF

Faysal Islamic Savings Growth Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Assets			
Balances with banks	4	**790,452,294**	750,533,161
Investments	5	**2,796,044,958**	1,534,000,150
Advances, deposits and other receivables	6	**66,837,848**	63,589,733
Total assets		**3,653,335,100**	2,348,123,044
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	**6,821,322**	8,042,407
Payable to Central Depository Company of Pakistan Limited - Trustee	8	**233,828**	217,627
Payable to the Securities and Exchange Commission of Pakistan	9	**203,329**	189,240
Accrued expenses and other liabilities	10	**67,887,821**	68,846,953
Total liabilities		**75,146,300**	77,296,227
Net assets		**3,578,188,800**	2,270,826,817
Unit holders' fund (as per statement attached)		**3,578,188,800**	2,270,826,817
Contingencies and commitments	11		
		--------- (Number of units) ---------	
Number of units in issue		**33,795,863**	21,508,851
		---------- (Rupees) ----------	
Net asset value per unit		**105.8765**	105.5764

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

Faysal Islamic Savings Growth Fund

Income Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Income			
Profit on GoP Ijarah sukuk certificates		**218,826,758**	127,720,314
Profit on corporate sukuk certificates		**19,740,057**	41,392,484
Profit on balances with banks		**174,634,649**	96,887,872
Profit on certificates of musharakah		**15,660,554**	-
Realized loss on sale of investments - net		**(2,064,844)**	(11,241,855)
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit and loss' - net	5.3	**(16,950,107)**	40,240,504
Other income		**-**	166,362
Total income		**409,847,067**	295,165,681
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	7.1	**62,951,583**	35,029,362
Sindh Sales Tax on remuneration of the Management Company	7.2	**9,442,738**	5,254,404
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	**3,147,579**	1,419,080
Sindh Sales Tax on remuneration of the Trustee	8.2	**472,137**	213,447
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	**3,147,579**	1,419,395
Transaction charges		**696,999**	532,102
Auditors' remuneration	12	**1,253,596**	967,711
Fees and subscription		**265,324**	490,822
Shariah advisory fee		**306,692**	150,000
Legal and professional charges		**116,664**	261,288
Bank charges		**21,157**	108,498
Total expenses		**81,822,048**	45,846,109
Net income for the year before taxation		**328,025,019**	249,319,572
Taxation	13	**-**	-
Net income for the year after taxation		**328,025,019**	249,319,572
Earnings per unit	14		
Allocation of net income for the year			
Net income for the year after taxation		**328,025,019**	249,319,572
Income already paid on units redeemed		**(294,977,292)**	(176,366,285)
		33,047,727	72,953,287
Accounting income available for distribution			
- Relating to capital gains		**-**	17,059,471
- Excluding capital gains		**33,047,727**	55,893,816
		33,047,727	72,953,287

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

Faysal Islamic Savings Growth Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	2026	2025
	(Rupees)	
Net income for the year after taxation	**328,025,019**	249,319,572
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**328,025,019**	249,319,572

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

Faysal Islamic Savings Growth Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			For the year ended June 30, 2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	2,191,429,002	79,397,815	2,270,826,817	1,122,606,494	74,875,447	1,197,481,941
Issuance of 123,785,263 units (2025: 82,130,637 units)						
- Capital value (at net asset value per unit at the beginning of the year)	13,068,802,399	-	13,068,802,399	8,654,926,563	-	8,654,926,563
- Element of income	476,926,495	-	476,926,495	687,722,468	-	687,722,468
Total proceeds on issuance of units	13,545,728,894	-	13,545,728,894	9,342,649,031	-	9,342,649,031
Redemption of 111,498,251 units (2025: 71,985,691 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(11,771,583,902)	-	(11,771,583,902)	(7,585,852,141)	-	(7,585,852,141)
- Element of loss	(271,675,474)	(294,977,292)	(566,652,766)	(365,116,455)	(176,366,285)	(541,482,740)
Total payments on redemption of units	(12,043,259,376)	(294,977,292)	(12,338,236,668)	(7,950,968,596)	(176,366,285)	(8,127,334,881)
Total comprehensive income for the year	-	328,025,019	328,025,019	-	249,319,572	249,319,572
Distribution for the year ended June 30, 2026 @ Rs. 8.0391 per unit declared on June 24, 2026 (2025: Rs. 16.0267 per unit declared on June 25, 2025)	(203,541,470)	(24,613,792)	(228,155,262)	(322,857,927)	(68,430,919)	(391,288,846)
Net assets at the end of the year	3,490,357,050	87,831,750	3,578,188,800	2,191,429,002	79,397,815	2,270,826,817
Undistributed income brought forward						
- Realised income		39,157,311			78,648,187	
- Unrealised Income / (loss)		40,240,504			(3,772,740)	
		79,397,815			74,875,447	
Accounting income available for distribution						
- Relating to capital gains		-			17,059,471	
- Excluding capital gains		33,047,727			55,893,816	
		33,047,727			72,953,287	
Distribution during the year		(24,613,792)			(68,430,919)	
Undistributed income carried forward		87,831,750			79,397,815	
Undistributed income carried forward						
- Realised income		104,781,857			39,157,311	
- Unrealised (loss) / income		(16,950,107)			40,240,504	
		87,831,750			79,397,815	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		105.5764			105.3800	
Net asset value per unit at the end of the year		105.8765			105.5764	

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**

Faysal Islamic Savings Growth Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**328,025,019**	249,319,572
Adjustments for:			
Profit on bank Balances		**(174,634,649)**	(96,887,872)
Profit on GoP Ijarah sukuk certificates		**(218,826,758)**	(127,720,314)
Profit on corporate sukuk certificates		**(19,740,057)**	(41,392,484)
Profit on certificates of musharakah		**(15,660,554)**	-
Realized loss on sale of investments - net		**2,064,844**	11,241,855
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit and loss' - net	5.3	**16,950,107**	(40,240,504)
		(409,847,067)	(294,999,319)
(Increase) / decrease in assets			
Investments - net		**(1,281,059,759)**	(978,321,501)
Advances, deposits and other receivables		**229,877**	134,973
		(1,280,829,882)	(978,186,528)
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**(1,221,085)**	(59,991)
Payable to Central Depository Company of Pakistan Limited - Trustee		**16,201**	138,955
Payable to the Securities and Exchange Commission of Pakistan		**14,089**	120,010
Accrued expenses and other liabilities		**14,096,752**	14,070,797
		12,905,957	14,269,771
Profit received on bank balances		**180,399,482**	104,899,294
Profit received on Investments		**244,984,544**	129,573,248
Net cash used in operating activities		**(924,361,947)**	(775,123,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		**13,545,728,894**	9,342,649,031
Payments against redemption and conversion of units		**(12,338,236,668)**	(8,127,334,881)
Dividend paid		**(243,211,146)**	(397,366,355)
Net cash generated from financing activities		**964,281,080**	817,947,795
Net increase in cash and cash equivalents during the year		**39,919,133**	42,823,833
Cash and cash equivalents at the beginning of the year		**750,533,161**	707,709,328
Cash and cash equivalents at the end of the year	4	**790,452,294**	750,533,161

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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Savings Growth Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on April 22, 2009 between Faysal Asset Management Limited (FAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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 July 29, 2022, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

1.3 The Fund has been categorised as a 'Shariah Compliant Islamic Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 15, 2010 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 a reasonable rate of return along with maximum possible preservation of capital by investing in Shariah compliant money market and debt securities having good credit quality rating and liquidity. The investment objectives and policies are explained in the Fund's offering document.

1.5 The Management Company has been assigned a quality rating of AM1 (VIS) dated December 31, 2025 (June 30, 2025: "AM1 as of September 10, 2024) by VIS. Further, VIS Credit Rating Company Limited has assigned a "A+(f)" rating to Faysal Islamic Savings Growth Fund as of dated December 31, 2025 (June 30, 2025: "A+(f)" dated December 27, 2024).

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
- 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 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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain 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 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.

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
- 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 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 FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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

- Profit on sukuk certificates, commercial papers, certificates of musharakah and murabaha share financing is recognised on an accrual basis using the effective yield method;
- Profit on balances with banks and other income is recognised on an accrual basis;
- 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; and
- Income / (loss) from spread transactions is recorded at the date at which the transaction takes place.

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

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.

3.13 Earnings / (loss) 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 14.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		Note	2026	2025
			(Rupees)	
4	**BALANCES WITH BANKS**			
	Savings accounts	4.1	**790,452,294**	750,533,161

4.1 These carry mark-up ranging between 11.25% to 12.50% (2025: 9% to 10%) per annum and include balance of Rs. 205.677 million (2025: Rs. 600.219 million) held with Faysal Bank Limited, a related party, and carry profit at the rate of 12.50% (2025: 5% to 11.75%) per annum.

4.2 Minimum required cash limit - Non Compliance

As per clause 2.2 of the offering document the minimum cash requirement should be 25% and above held by Fund. As at June 30, 2026, the Fund was in non-compliance as it held 22% of cash and/ or near cash instruments.

		Note	2026	2025
			(Rupees)	
5	**INVESTMENTS**			
	Financial assets 'at fair value through profit or loss'			
	Corporate Sukuk Certificates	5.1	**121,910,158**	200,813,650
	GoP Ijarah Sukuk Certificates	5.2	**2,674,134,800**	1,333,186,500
			2,796,044,958	1,534,000,150

5.1 Corporate Sukuk Certificates

Name of the security	Profit payments / principal redemptions	Issue Date	Maturity Date	Profit Rate	As at July 1, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					(Face Value)				(Rupees)			%	
Power Generation and Distribution													
Pakistan Energy Limited II (Face value of 5,000 per certificate)	Semi-annually / At maturity	May 21, 2020	May 21, 2030	6 Months KIBOR Minus Base Rate of 0.10%	100,000,000	-	100,000,000	-	-	-	-	-	-
K-Electric (A1+, PACRA, non-traded) (Face value of 10,000 per certificate)	Monthly / At maturity	September 03, 2025	September 03, 2026	3 Months KIBOR plus 20 bps	-	30,510,000	-	30,510,000	30,510,000	30,510,000	-	0.85%	1.09%
Pharmaceuticals													
OBS Pakistan (Private) Limited (A+, non-traded)(Face value of 909,090 per certificate)	Quarterly / At maturity	November 29, 2023	November 29, 2030	3 Months KIBOR plus 1.6%	50,000,000	-	9,090,910	40,909,090	41,267,976	40,975,158	(292,818)	1.15%	1.47%
Commercial Bank													
Al Baraka Bank (Pakistan) Limited Tier II (A+, JCR-VIS, traded) (Face value of 1,000,000 per certificate)	Semi-annually / At maturity	December 22, 2021	December 22, 2031	3 Months KIBOR plus Base Rate of 1.5%	50,000,000	-	-	50,000,000	50,375,000	50,425,000	50,000	1.41%	1.80%
Total as at June 30, 2026									122,152,976	121,910,158	(242,818)	3.41%	4.36%
Total as at June 30, 2025									200,270,000	200,813,650	543,650		

5.2 GoP Ijarah Sukuk Certificates

Name of the security	Profit payments / principal redemptions	Issue Date	Maturity Date	Profit Rate	As at July 1, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					(Face value)				(Rupees)			%	
GoP Ijarah Sukuk Certificates - FRR PK05S0912258	Semi-annually / At maturity	December 09, 2020	December 09, 2025	Weighted average 6 months T-Bills	118,500,000	500,000,000	618,500,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XI - FRR PK05F1512260	Semi-annually / At maturity	December 15, 2021	December 15, 2026	11.40%	150,000,000	-	-	150,000,000	150,579,164	149,940,000	(639,164)	4.19%	5.36%
GoP Ijarah Sukuk Certificates - XXII - FRR PK05F2704270	Semi-annually / At maturity	April 27, 2022	April 27, 2027	12.49%	50,000,000	-	-	50,000,000	50,566,165	50,430,000	(136,165)	1.41%	1.80%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

GoP Ijarah Sukuk Certificates - 3 years P03VRR280627	Semi-annually / At maturity	June 28, 2024	June 28, 2027	Weighted average 6 months T-Bills	-	1,450,000,000	750,000,000	700,000,000	703,594,561	702,240,000	(1,354,561)	19.63%	25.12%
GoP Ijarah Sukuk Certificates - 3 years P03VRR211027	Semi-annually / At maturity	October 21, 2024	October 21, 2027	Weighted average 6 months T-Bills	-	675,000,000	-	675,000,000	675,770,580	669,600,000	(6,170,580)	18.71%	23.95%
GoP Ijarah Sukuk Certificates - VRR 5 years P05VRR211029	Semi-annually / At maturity	October 21, 2024	October 21, 2029	Weighted average 6 months T-Bills	150,000,000	-	150,000,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - 5 years - VRR - PSX P05VRR240129	Semi-annually / At maturity	January 24, 2024	January 24, 2029	Weighted average 6 months T-Bills	637,000,000	-	-	637,000,000	649,793,874	646,809,800	(2,984,074)	18.08%	23.13%
GoP Ijarah Sukuk Certificates - VRR 5 years P05VRR180929	Semi-annually / At maturity	September 18, 2024	September 18, 2029	Weighted average 6 months T-Bills	200,000,000	-	-	200,000,000	202,792,532	200,000,000	(2,792,532)	5.59%	7.15%
GoP Ijarah Sukuk Certificates - XI - GIS(50) PK03F0412269	Semi-annually / At maturity	December 04, 2023	December 04, 2026	16.19%	-	150,000,000	-	150,000,000	153,152,421	152,925,000	(227,421)	4.27%	5.47%
GoP Ijarah Sukuk Certificates - 5 years - FRR - PSX P05FRR211029	Semi-annually / At maturity	October 21, 2024	October 21, 2029	12.53%	-	100,000,000	-	100,000,000	104,592,792	102,190,000	(2,402,792)	2.86%	3.65%
Total as at June 30, 2026									**2,690,842,089**	**2,674,134,800**	**(16,707,289)**	**74.73%**	**95.64%**
Total as at June 30, 2025									1,293,489,646	1,333,186,500	39,696,854		

5.2.1 The nominal value of these sukuk certificates is Rs. 100,000 each except for those which are listed on PSX having nominal value is Rs. 5,000 each.

		Note	2026	2025
5.3	**Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit and loss' - net**		---------- (Rupees) ----------	
	Market value of investments	5.1& 5.2	**2,796,044,958**	1,534,000,150
	Less: Carrying value of investments	5.1& 5.2	**2,812,995,065**	1,493,759,646
			(16,950,107)	40,240,504

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Security deposit with:			
Central Depository Company of Pakistan Limited		**100,000**	100,000
National Clearing Company of Pakistan Limited (NCCPL)		**2,500,000**	2,500,000
		2,600,000	2,600,000
Prepaid expenses		**-**	229,988
Profit receivable on corporate sukuk certificates		**973,985**	2,011,698
Profit receivable on GoP Ijara sukuk certificates		**55,014,049**	44,733,511
Profit receivable on balances with banks	6.1	**6,503,965**	12,268,798
Advance tax	6.2	**1,486,489**	1,486,378
Other receivable		**259,360**	259,360
		66,837,848	63,589,733

6.1 This includes profit receivable amounting to Rs. 2.3 million (2025: 0.272 million) on balance held with Faysal Bank Limited, a related party.

6.2 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 sections 150 and 151, but withholding tax on profits from savings accounts, sukuk certificates, and dividends paid to the Fund has been deducted by withholding agents, based on FBR's interpretation (letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015), requiring withholding agents to withhold tax at applicable rates unless a valid exemption certificate under section 159(1) is provided, with tax withheld amounting to Rs. 1.486 million (June 30, 2025: Rs. 1.486 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 2026 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
		(Rupees)	
Remuneration payable to the Management Company	7.1	**4,767,016**	5,570,232
Sindh Sales Tax payable on remuneration of the Management Company	7.2	**701,043**	821,526
Sales load payable		**1,257,865**	1,555,251
Other Payable		**95,398**	95,398
		6,821,322	8,042,407

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates:

Period	Rate Applicable
From July 01, 2025 to June 30, 2026	1.50% of average annual net assets

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

7.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED -TRUSTEE	Note	2026	2025
		(Rupees)	
Remuneration payable to the Trustee	8.1	**203,329**	188,636
Sindh Sales Tax payable on remuneration of the Trustee	8.2	**30,499**	28,991
		233,828	217,627

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2025: 0.075%) per annum of the average annual net assets of the Fund.

8.2 During the year, 15% (2025:15%) 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	2026	2025
		(Rupees)	
Annual fee payable	9.1	**203,329**	189,240

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

Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2025: 0.075%) per annum of the daily net assets during the period.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
		(Rupees)	
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	10.1	**5,271,869**	5,271,869
Auditor's remuneration payable		**961,520**	1,028,617
Zakat payable		**241,443**	241,443
Legal and professional charges payable		**1,567,303**	1,567,619
Withholding tax payable		**1,765,494**	9,581,303
Capital gain tax payable		**41,023,893**	19,402,377
Dividend Payable		**16,209,811**	31,265,695
Transaction charges payable		**344,776**	191,070
Shariah advisory fee payable		**306,692**	150,000
Others		**195,020**	146,960
		67,887,821	68,846,953

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 and sales load were 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 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 and sales load 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. 5.272 million (2025: Rs. 5.272 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2026 would have been higher by Rs. 0.156 (2025: Rs. 0.245) per unit.

11 CONTINGENCIES AND COMMITMENTS

Monitoring proceedings initiated for tax years 2018, 2019 & 2020 vide show cause notices dated November 15, 2021 (for each tax year) issued under section 161/205 of the Ordinance. Complete details submitted in respect thereof, however, no order issued in this regard. Monitoring proceedings for tax year 2018 are now time-barred.

There were no other material contingencies or commitments outstanding as at June 30, 2026 and June 30, 2025.

12 AUDITORS' REMUNERATION	2026	2025
	(Rupees)	
Annual audit fee	**636,669**	592,250
Fee for half yearly review of condensed interim financial statements	**308,394**	253,000
Shariah audit fee	**150,000**	-
Out of pocket expenses	**65,674**	50,715
	1,160,737	895,965
Sindh Sales tax	**92,859**	71,746
	1,253,596	967,711

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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, 2026 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.

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 annualized total expense ratio of the Fund as at June 30, 2026 is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER %	TER W/O LEVY
1.50%	0.07%	0.07%	0.24%	0.02%	0.05%	0.00%	1.95%	1.71%

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

Accounting and operational charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2026	2025
Transactions during the year	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	**62,951,583**	35,029,362
Sindh Sales Tax on remuneration of the Management Company	**9,442,738**	5,254,404
Units issued: 7,251,311 units (2025: 7,874,236 units)	**788,194,159**	889,376,158
Units redeemed: 7,409,864 units (2025: 8,367,660 units)	**817,506,630**	949,809,747
Faysal Bank Limited - Group Company		
Profit on balance with bank	**41,720,082**	25,049,754
Bank charges	**13,980**	100,518
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**3,147,579**	1,419,080
Sindh Sales Tax on remuneration of the Trustee	**472,137**	213,447
Transaction charges	**41,829**	43,175
Faysal Bank Limited - Employee Provident Fund		
Units issued: 416,268 units (2025: 455,394 units)	**45,527,239**	51,694,316
Units redeemed: 378,590 Units (2025: 296,609 units)	**41,513,917**	33,485,450
Directors, their close family members and Key Management Personnel of the Management Company		
Units issued: 20,103 units (2025: 23,379 units)	**2,150,000**	2,681,488
Units redeemed: 28,249 units (2025: 15,233 units)	**3,181,337**	1,719,816
Unit holders with more than 10% holding		
Units issued: 61,287,337 units (2025: 48,663,007 units)	**6,750,344,570**	5,321,052,146
Units redeemed: 51,693,514 units (2025: 40,260,829 units)	**5,734,232,203**	4,483,159,640

	2026	2025
Amounts / balances outstanding as at year end	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration payable	**4,767,016**	5,570,232
Sindh Sales Tax payable on remuneration of the Management Company	**701,043**	821,526
Sales load payable	**1,257,865**	1,555,251
Accounting and operational charges Payable	**95,398**	95,398
Units outstanding: 2,685,692 units (2025: 2,844,245 units)	**284,351,669**	300,285,148
Faysal Bank Limited - Group Company		
Balance with bank	**205,676,808**	600,219,280
Profit receivable on balance with bank	**2,300,639**	271,723
Units outstanding: 1,950,850 units (2025: 1,950,850 units)	**206,549,170**	205,963,720
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**203,329**	188,636
Sindh Sales Tax payable on remuneration of the Trustee	**30,499**	28,991
Security deposit	**100,000**	100,000
Faysal Bank Limited - Employee Provident Fund		
Units outstanding: 196,462 units (2025: 158,785 units)	**20,800,709**	16,763,949
Directors, their close family members and Key Management Personnel of the Management Company		
Units outstanding: Nill units (2025: 8,147 unit)	**-**	860,131
Unit holders with more than 10% holding		
Units outstanding: 17,996,001 units (2025: 8,402,178 units)	**1,905,353,600**	887,071,717

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	**790,452,294**	**-**	**790,452,294**
Investments	**-**	**2,796,044,958**	**2,796,044,958**
Advances, deposits and other receivables	**65,351,359**	**-**	**65,351,359**
	855,803,653	**2,796,044,958**	**3,651,848,611**
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	**6,120,279**	**-**	**6,120,279**
Payable to Central Depository Company of Pakistan Limited - Trustee	**203,329**	**-**	**203,329**
Accrued expenses and other liabilities	**19,585,122**	**-**	**19,585,122**
	25,908,730	**-**	**25,908,730**

	2025		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	750,533,161	-	750,533,161
Investments	-	1,534,000,150	1,534,000,150
Advances, deposits and other receivables	61,873,366	-	61,873,366
	812,406,527	1,534,000,150	2,346,406,677
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	7,220,881	-	7,220,881
Payable to Central Depository Company of Pakistan Limited - Trustee	188,636	-	188,636
Accrued expenses and other liabilities	34,349,962	-	34,349,962
	41,759,479	-	41,759,479

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 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: profit rate risk, currency risk, and price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks and sukuk 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 and investment in sukuk certificates which expose the Fund to cash flow 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. 20.424 million (2025: Rs. 20.814 million).

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	2026					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	11.25%-12.50%	790,452,294	-	-	-	790,452,294
Investments	11.40%-16.19%	-	1,086,045,000	1,709,999,958	-	2,796,044,958
Advances, deposits and other receivables		-	-	-	65,351,359	65,351,359
		790,452,294	1,086,045,000	1,709,999,958	65,351,359	3,651,848,611
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	6,120,279	6,120,279
Payable to Central Depository Company of Pakistan Limited - Trustee					203,329	203,329
Accrued expenses and other liabilities		-	-	-	19,585,122	19,585,122
		-	-	-	25,908,730	25,908,730
On-balance sheet gap (a)		790,452,294	1,086,045,000	1,709,999,958	39,442,629	3,625,939,881
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		790,452,294	1,086,045,000	1,709,999,958		
Cumulative profit rate sensitivity gap		790,452,294	1,876,497,294	3,586,497,252		

	2025					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5%-11.75%	750,533,161	-	-	-	750,533,161
Investments	11.01-12.97%	-	118,879,200	1,415,120,950	-	1,534,000,150
Advances, deposits and other receivables		-	-	-	61,873,366	61,873,366
		750,533,161	118,879,200	1,415,120,950	61,873,366	2,346,406,677
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	7,220,881	7,220,881
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	188,636	188,636
Accrued expenses and other liabilities		-	-	-	34,349,962	34,349,962
		-	-	-	41,759,479	41,759,479
On-balance sheet gap (a)		750,533,161	118,879,200	1,415,120,950	20,113,887	2,304,647,198
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		750,533,161	118,879,200	1,415,120,950		
Cumulative profit rate sensitivity gap		750,533,161	869,412,361	2,284,533,311		

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

(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.

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 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:

	2026						
	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	790,452,294	-	-	-	-	-	790,452,294
Investments	-	-	1,086,045,000	1,709,999,958	-	-	2,796,044,958
Advances, deposits and other receivables	6,763,325	-	55,988,034	-	-	2,600,000	65,351,359
	797,215,619	-	1,142,033,034	1,709,999,958	-	2,600,000	3,651,848,611
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	6,120,279	-	-	-	-	-	6,120,279
Payable to Central Depository Company of Pakistan Limited - Trustee	203,329	-	-	-	-	-	203,329
Accrued expenses and other liabilities	18,623,602	961,520	-	-	-	-	19,585,122
	24,947,210	961,520	-	-	-	-	25,908,730
Net financial assets	772,268,409	(961,520)	1,142,033,034	1,709,999,958	-	2,600,000	3,625,939,881

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025						
	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	750,533,161	-	-	-	-	-	750,533,161
Investments	-	-	118,879,200	1,415,120,950	-	-	1,534,000,150
Receivable against issuance and conversion of units							-
Advances, deposits and other receivables	12,528,158	-	46,745,209	-	-	2,600,000	61,873,366
	763,061,319		165,624,409	1,415,120,950	-	2,600,000	2,346,406,677
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	7,220,881 -	- -	-	-	-	-	7,220,881 -
Payable to Central Depository Company Limited - Trustee	188,636 -	- -	-	-	-	-	188,636 -
Accrued expenses and other liabilities	33,321,345	1,028,617	-	-	-	-	34,349,962
	40,730,862	1,028,617	-	-	-	-	41,759,479
Net financial assets	722,330,457	(1,028,617)	165,624,409	1,415,120,950	-	2,600,000	2,304,647,198

18.3 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:

	2026		2025	
	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	**790,452,294**	**790,452,294**	750,533,161	750,533,161
Investments	**2,796,044,958**	**121,910,158**	1,534,000,150	200,813,650
Advances, deposits and other receivables	**66,837,848**	**65,351,359**	63,589,733	61,873,366
	3,653,335,100	**977,713,811**	2,348,123,044	1,013,220,177

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in government securities and profit accrued thereon, however, is 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.

There is a possibility of default by participants or failure of the financial market, the depositories, the settlements or clearing systems, etc. 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.

18.3.1 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2026	2025
Bank balances and profit accrued thereon		
AAA	**0.02%**	0.00%
AA+	**26.10%**	26.68%
AA-	**73.84%**	8.98%
AA	**0.03%**	0.05%
A+	**0.02%**	0.00%
A	**0.00%**	0.45%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Corporate Sukuk certificates and profit accrued thereon

A	**0.00%**	4.26%
A+	**2.54%**	4.33%
A-1+	**0.00%**	0.00%
AA+	**0.84%**	0.00%

Deposit with CDC and NCCPL is highly rated and risk of default is considered minimal.

18.3.2 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, 2026 and June 30, 2025 are unsecured and are not impaired.

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.

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, 2026, and June 30, 2025 the Fund held the following financial instruments measured at fair value:

	2026			
ASSETS	**Level 1**	**Level 2**	**Level 3**	**Total**
	---------- (Rupees) ----------			
Tradable Financial assets at fair value through profit or loss				
Corporate sukuk certificates	**-**	**121,910,158**	**-**	**121,910,158**
GoP Ijarah sukuk certificates*	**2,320,839,800**	**353,295,000**	**-**	**2,674,134,800**
	2,320,839,800	**475,205,158**	**-**	**2,796,044,958**

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------- (Rupees) ----------			
Tradable Financial assets at fair value through profit or loss				
Corporate sukuk certificates	-	200,813,650	-	200,813,650
GoP Ijarah sukuk certificates*	1,011,207,300	321,979,200	-	1,333,186,500
	1,011,207,300	522,792,850	-	1,534,000,150

* GOP Ijara sukuk certificates stated in Level 1 are traded and quoted on PSX.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

Valuation techniques used in determination of fair value of corporate sukuk certificates and unquoted GoP Ijarah sukuk certificates is explained in Note 19.1.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

19.1 Valuation techniques used in determination of fair values within level 2

Fair values of investment in GoP Ijarah sukuk certificates are measured on the basis of PKISRV, which are average yield-to-maturity calculated on government securities traded in the secondary market, essentially representing the market value of at the end of each trading day.

Fair value of investment in long term corporate sukuk certificates are determined from published pricing rates from MUFAP which are determined by a model based on actual market transactions, incorporating factors like the security's credit rating, maturity period, and expected rate of profit, all while adhering to guidelines set by the Securities and Exchange Commission of Pakistan (SECP) which ensures a standardized approach across the industry.

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.

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 18, 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	2026			2025		
	Number of unit holders	Number of unit held	Percentage of total	Number of unit holders	Number of unit held	Percentage of total
Others	**28**	**21,234,246**	**62.83%**	28	9,063,476	42.14%
Individuals	**1,215**	**5,442,645**	**16.10%**	1,117	7,017,413	32.63%
Associated companies	**1**	**2,685,692**	**7.95%**	1	2,844,245	13.22%
Retirement funds	**13**	**2,218,560**	**6.57%**	11	388,166	1.80%
Banks and DFI's	**3**	**1,950,850**	**5.77%**	3	1,950,850	9.07%
Insurance companies	**3**	**263,870**	**0.78%**	4	244,701	1.14%
	1,263	**33,795,863**	**100%**	1,164	21,508,851	100%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid	2025 Percentage of commission paid
Next Capital Limited	**43%**	100%
JS Global Capital Limited	**37%**	0%
Arif Habib Limited	**14%**	0%
Bright Capital (Pvt.) Limited	**5%**	0%
Currency Markets Associates (Pvt) Limited	**1%**	0%
	100%	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

23 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. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Ms. Sarah Rehman	Head of Research	MBA/CFA	Over 9 years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 11 Years
Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years

24 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 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.

25 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:

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

26 GENERAL

26.1 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

26.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

(i) PERFORMANCE TABLE

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Net assets	3,578,188,798	2,270,826,818	1,197,481,941	2,665,963,981	2,759,629,587
Net assets value per unit	105.88	105.58	105.38	104.94	103.82
Offer price per unit	108.31	108.00	107.77	107.32	106.17
Repurchase price per unit	105.88	105.58	105.38	104.94	103.82
Highest offer price per unit	116.53	124.23	126.78	120.53	114.4
Highest repurchase price per unit	113.91	121.44	123.98	117.86	111.87
Lowest offer price per unit	108.00	107.60	107.31	106.2	105.11
Lowest repurchase price per unit	105.58	105.19	104.94	103.85	103.45
Total return:	8.18%	15.43%	18.68%	14.32%	8.50%
- capital growth	-0.13%	-0.60%	0.44%	1.18%	0.41%
- income distribution	8.31%	16.03%	18.24%	13.14%	8.09%
Average annual return: (Launch date: June 14, 2010)					
- one year	8.18%	15.43%	18.68%	14.32%	8.50%
- two years	11.81%	17.06%	16.50%	11.41%	N/A
- three years	14.10%	16.14%	13.83%	N/A	
Four Year	14.15%	14.23%	N/A		
Five Years	13.02%	N/A			
Distribution per unit:					
- Interim distribution (% per unit) *	8.31%	16.03%	18.24%	13.14%	8.09%
- Final distribution (% per unit)				-	-
	8.31%	16.03%	18.24%	13.14%	8.09%

* Announced on 24 June 2026

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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

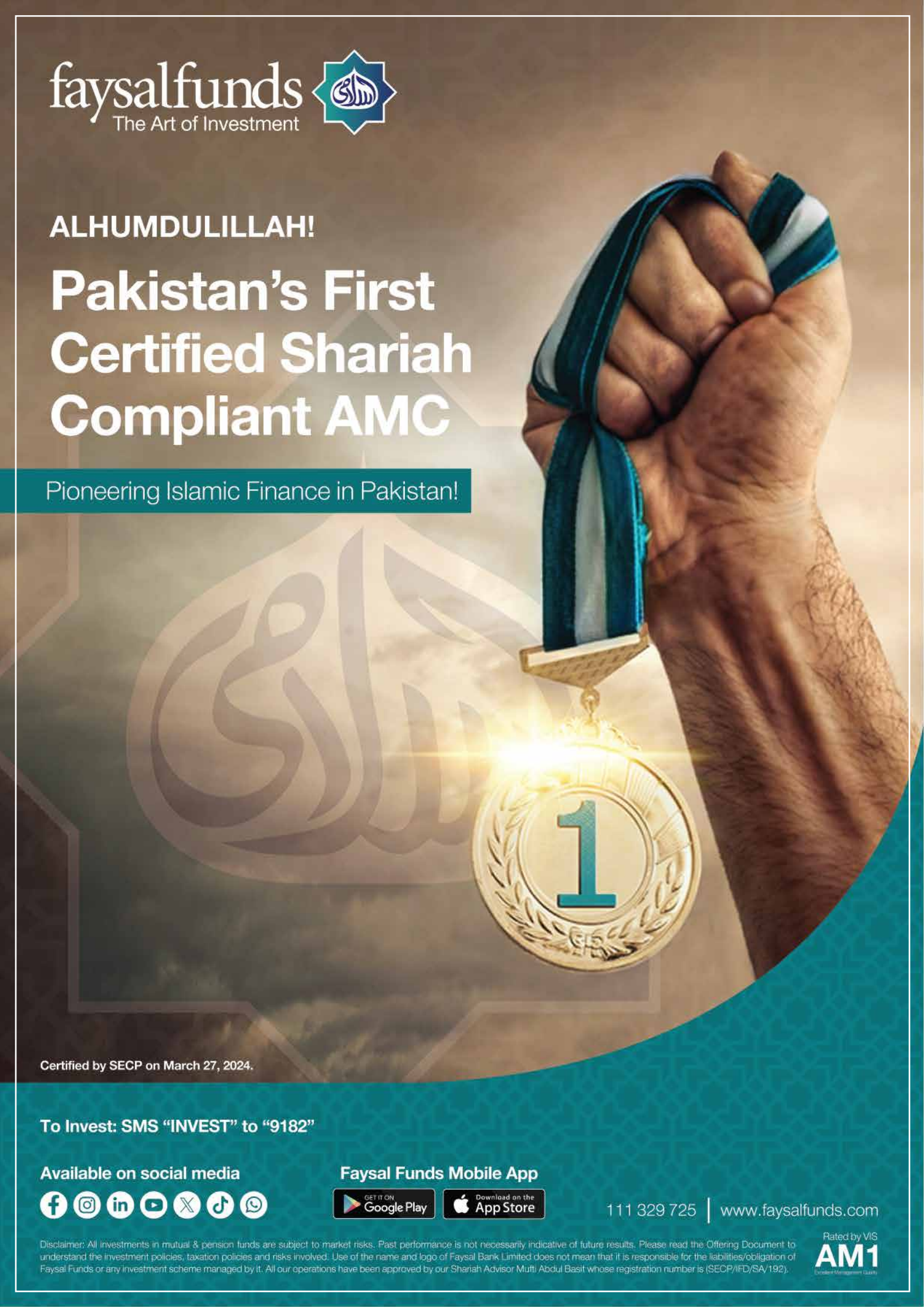
Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Disclaimer: All investments in mutual & pension funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies, taxation policies and risks involved. Use of the name and logo of Faysal Bank Limited does not mean that it is responsible for the liabilities/obligation of Faysal Funds or any investment scheme managed by it. All our operations have been approved by our Shariah Advisor Mufti Abdul Basit whose registration number is (SECP/IFD/SA/192).

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AM1
Excellent Management Quality

faysalfunds
The Art of Investment

Rating by VIS
AM1
Excellent Management Quality

Faysal Islamic Asset Allocation Fund

Financial Statements
For The Year Ended June 30, 2026



ہماری مکمل
اسلامی پہچان

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Faysal Islamic Asset Allocation Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Al-Baraka Bank Pakistan Limited
MCB Islamic Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Dubai Islamic Bank
Zarai Taraqiati Bank Limited
Habib bank Limited (Islamic Banking)
Soneri Bank Limited (Islamic Banking)
Meezan Bank Limited

MISSION AND VISION

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

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

MISSION STATEMENT

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

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

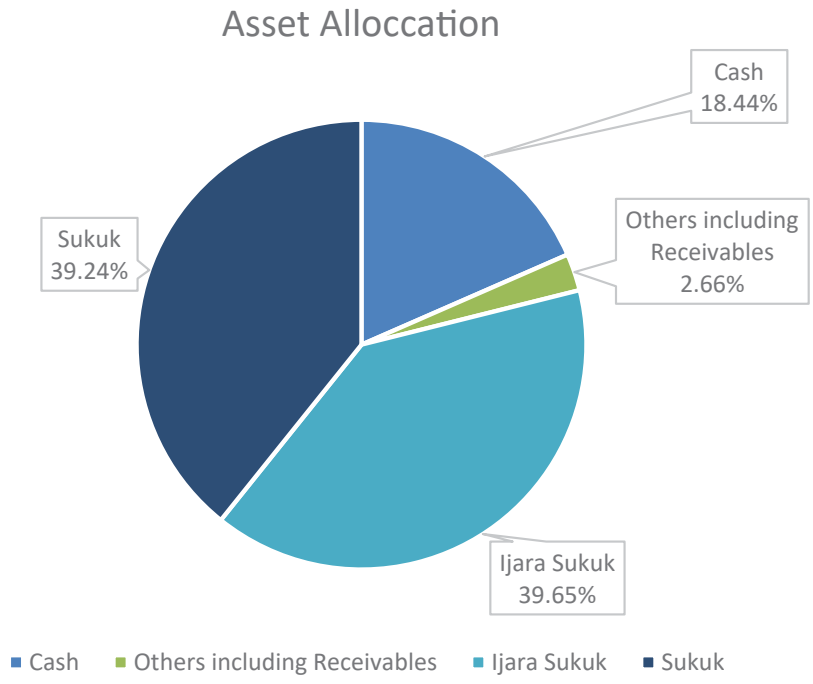
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

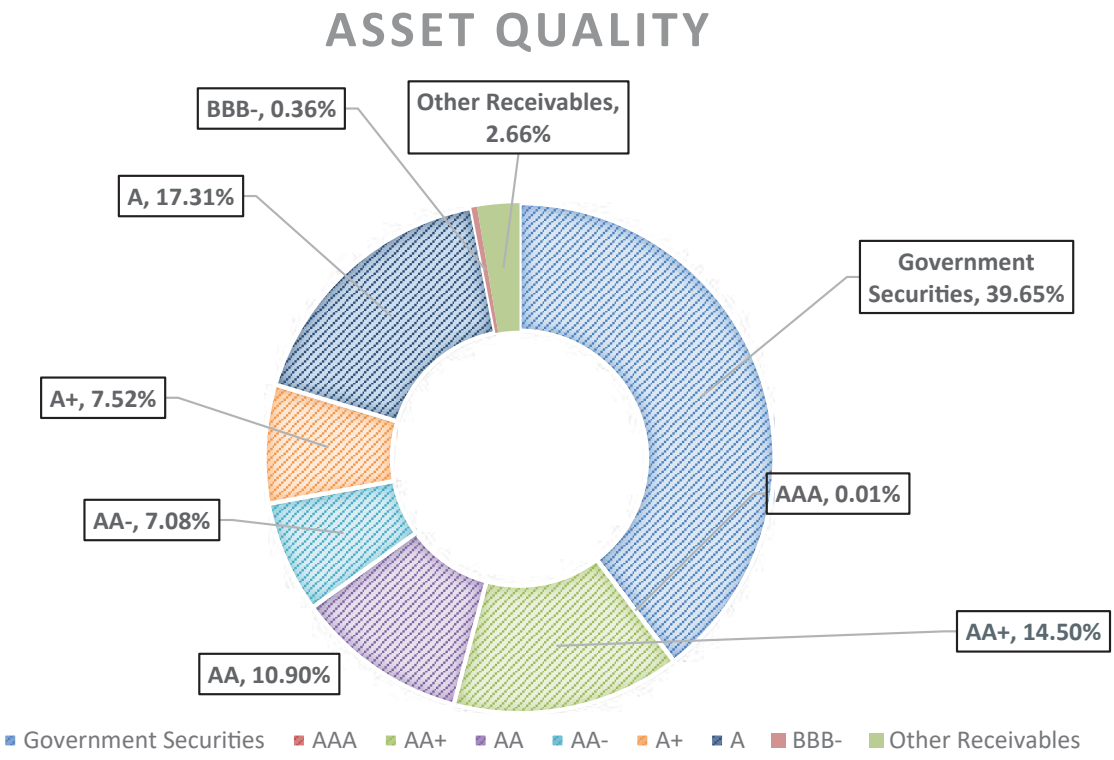
With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Scheme
Risk Profile	High
Stability Rating	4-Star (PACRA) November 06,2025
Launch Date	September 9, 2015
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Up to 3% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.15%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 3% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	Shariah Compliant Equity: KMI-30 Index, Shariah Compliant Money Market: 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP, Shariah Compliant Income: 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP based on the Fund's actual proportion in the Equity and Income / Money Market securities
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	90.20
Net Assets (mn)	681
Total Expense Ratio (Annualized)	0.70%
Total Expense Ratio (Monthly)	0.72%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	19.61%	10.71%
Benchmark (YTD)	10.26%	9.45%





FUND PERFORMANCE

During the period under review, Faysal Islamic Asset Allocation Fund (FIAAF) posted an absolute FY26TD return of 10.71% relative to its existing benchmark of 9.45%. At the end of the period, exposure in Cash (18.44%), Sukuk (39.24%), Ijarah Sukuk (39.65%) and Others (2.66%) stood at the period end. In the future, your fund will continue exploring Islamic investment avenues to provide competitive returns.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report of
Faysal Islamic Asset Allocation Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal** Islamic Asset **Allocation Fund (FIAAF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIAAF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIAAF** by FAML Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal** Islamic Asset **Allocation Fund (FIAAF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Asset Allocation Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

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Chartered Accountants
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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Asset Allocation Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of equity and debt securities) held by the Fund represent 97.34% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained the bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076YxyBQiCqM

Faysal Islamic Asset Allocation Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026	2025
		(Rupees)	
Assets			
Balances with banks	4	**126,345,880**	3,131,683,805
Investments	5	**540,431,552**	449,797,724
Advances, deposits and other receivables	6	**18,230,701**	22,137,034
Total assets		**685,008,133**	3,603,618,563
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	**95,651**	207,960
Payable to Central Depository Company of Pakistan Limited - Trustee	8	**47,822**	103,978
Payable to the Securities and Exchange Commission of Pakistan	9	**52,676**	114,527
Accrued expenses and other liabilities	10	**3,696,944**	5,754,633
Total liabilities		**3,893,093**	6,181,098
Net assets		**681,115,040**	3,597,437,465
Unit holders' fund (as per statement attached)		**681,115,040**	3,597,437,465
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		**7,551,206**	40,000,844
		(Rupees)	
Net asset value per unit		**90.1995**	89.9340

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

Faysal Islamic Asset Allocation Fund

Income Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		(Rupees)	
Income			
Profit on balances with banks		**14,191,447**	43,393,684
Profit on GoP ijarah sukuks certificates		**22,804,310**	55,251,148
Profit on corporate sukuks certificates		**36,336,023**	103,287,585
Realised gain on sale of investments - net		**259,118**	26,642,568
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	**(1,446,965)**	10,569,497
Other income		**9,641**	47,635
Total income		**72,153,574**	239,192,117
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	7.1	**1,007,346**	1,802,371
Sindh Sales Tax on remuneration of the Management Company	7.2	**151,102**	270,343
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	**503,673**	891,585
Sindh Sales Tax on remuneration of the Trustee	8.2	**75,551**	140,090
Annual fee to the Securities and Exchange Commission of Pakistan	9	**637,986**	1,141,709
Transaction charges		**324,729**	714,903
Auditors' remuneration	12	**1,418,448**	1,132,261
Fees and subscription		**55,998**	33,491
Legal and professional charges		**116,664**	261,272
Shariah advisory fee		**306,692**	150,000
Bank charges		**80,108**	17,555
Total expenses		**4,678,297**	6,555,580
Net income for the year		**67,475,277**	232,636,537
Reversal of Provision against non-performing sukuk certificates		**-**	8,767,814
Net income for the year before taxation		**67,475,277**	241,404,351
Taxation	13	**-**	-
Net income for the year after taxation		**67,475,277**	241,404,351
Earnings per unit	14		
Allocation of net income for the year			
Net income for the year after taxation		**67,475,277**	241,404,351
Income already paid on units redeemed		**(64,564,657)**	(230,580,582)
		2,910,620	10,823,769
Accounting income available for distribution			
- Relating to capital gains		**-**	-
- Excluding capital gains		**2,910,620**	10,823,769
		2,910,620	10,823,769

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

Faysal Islamic Asset Allocation Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	2026	2025
	---------- (Rupees) ---------	
Net income for the year after taxation	**67,475,277**	241,404,351
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**67,475,277**	241,404,351

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

Faysal Islamic Asset Allocation Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			For the year ended June 30, 2025		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	---------- (Rupees) ----------			---------- (Rupees) ----------		
Net assets at the beginning of the year	3,737,869,985	(140,432,520)	3,597,437,465	2,439,155,294	(148,818,854)	2,290,336,440
Issuance of 16,838,123 units (2025: 144,835,727 units)						
- Capital value (at net asset value per unit at beginning of the year)	1,514,319,729	-	1,514,319,729	12,987,419,719	-	12,987,419,719
- Element of income	73,860,383	-	73,860,383	1,094,787,336	-	1,094,787,336
Total proceeds on issuance of units	1,588,180,112	-	1,588,180,112	14,082,207,055	-	14,082,207,055
Redemption of 49,287,761 units (2025: 130,376,174 units)						
- Capital value (at net asset value per unit at beginning of the year)	(4,432,645,498)	-	(4,432,645,498)	(11,690,831,532)	-	(11,690,831,532)
- Element of loss	(10,822,848)	(64,564,657)	(75,387,505)	(501,087,882)	(230,580,582)	(731,668,464)
Total payments on redemption of units	(4,443,468,346)	(64,564,657)	(4,508,033,003)	(12,191,919,414)	(230,580,582)	(12,422,499,996)
Total comprehensive income for the year	-	67,475,277	67,475,277	-	241,404,351	241,404,351
Distribution for the year ended June 30, 2026:Rs. 9.3423 per unit declared on June 22, 2026 (2025: @ Rs. 17.2708 per unit declared on June 23, 2025)	(62,902,197)	(1,042,614)	(63,944,811)	(591,572,950)	(2,437,435)	(594,010,385)
Net assets at the end of the year	819,679,554	(138,564,514)	681,115,040	3,737,869,985	(140,432,520)	3,597,437,465
Accumulated loss brought forward						
- Realised loss		(151,002,017)			(137,548,409)	
- Unrealised income / (loss)		10,569,497			(11,270,445)	
		(140,432,520)			(148,818,854)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		2,910,620			10,823,769	
		2,910,620			10,823,769	
Distribution made during the year		(1,042,614)			(2,437,435)	
Accumulated loss carried forward		(138,564,514)			(140,432,520)	
Accumulated loss carried forward						
- Realised loss		(137,117,549)			(151,002,017)	
- Unrealised (loss) / income		(1,446,965)			10,569,497	
		(138,564,514)			(140,432,520)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			89.9340			89.6700
Net asset value per unit at the end of the year			90.1995			89.9340

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, 2026

	Note	2026	2025
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**67,475,277**	241,404,351
Adjustments for:			
Profit on balances with banks		**(14,191,447)**	(43,393,684)
Profit on GoP ijarah sukuks certificates		**(22,804,310)**	(55,251,148)
Profit on corporate sukuks certificates		**(36,336,023)**	(103,287,585)
Realised gain on sale of investments - net		**(259,118)**	(26,642,568)
Reversal of provision against non-performing sukuk certificates		**-**	(8,767,814)
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	**1,446,965**	(10,569,497)
		(72,143,933)	(247,912,296)
(Increase) / decrease in assets			
Investments - net		**(91,821,675)**	1,351,557,975
Advances, deposits and other receivables		**35,557**	(357,687)
		(91,786,118)	1,351,200,288
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**(112,309)**	(94,065)
Payable to Central Depository Company of Pakistan Limited - Trustee		**(56,156)**	(46,172)
Payable to the Securities and Exchange Commission of Pakistan		**(61,851)**	(53,177)
Accrued expenses and other liabilities		**(2,057,689)**	2,852,749
		(2,288,005)	2,659,335
Profit received on bank balances		**21,571,862**	45,092,499
Profit received on investments		**55,630,694**	203,354,279
Net cash (used in) / generated from operating activities		**(21,540,223)**	1,595,798,456
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		**1,588,180,112**	14,082,207,055
Payments against redemption and conversion of units		**(4,508,033,003)**	(12,422,499,996)
Dividend paid		**(63,944,811)**	(594,010,385)
Net cash (used in) / generated from financing activities		**(2,983,797,702)**	1,065,696,674
Net (decrease) / increase in cash and cash equivalents during the year		**(3,005,337,925)**	2,661,495,130
Cash and cash equivalents at the beginning of the year		**3,131,683,805**	470,188,675
Cash and cash equivalents at the end of the year	4	**126,345,880**	3,131,683,805

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

Faysal Islamic Asset Allocation Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Asset Allocation Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on May 18, 2015 between Faysal Asset Management Limited (FAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

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

1.3 The Fund has been categorised as a 'Shariah Compliant Asset Allocation Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from September 9, 2015 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to earn competitive riba free return by investing in various Shariah compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and undervalued stocks. The investment objectives and policies are explained in the Fund's offering document.

1.5 The Management company has been assigned the rating of 'AM1' dated December 31, 2025 (June 30, 2025: 'AM1' dated September 10, 2024) by VIS Credit Rating Company Limited. Further, Pakistan Credit Rating Agency Limited (PACRA) has assigned a "4-Star" ranking to the Fund dated May 04, 2026 (June 30, 2025: "3-Star" ranking to the Fund dated February 28, 2025).

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 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 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, 2026

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

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current period:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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 FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.2.2 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)"
- 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 losses (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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

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 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2026

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 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 on sukuk certificates and government 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; 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 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. 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 / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / 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.

		Note	2026	2025
			(Rupees)	
4	**BALANCES WITH BANKS**			
	Savings accounts	4.1	**126,345,880**	3,131,683,805

4.1 These include a balance of Rs. 74.612 million (2025: Rs. 197.32 million) maintained with Faysal Bank Limited (a related party) that carries profit at the rate of 12.50% (2025: 11.75%) per annum. Other savings accounts of the Fund carry profit rates ranging from 4.50% to 12.50% (2025: 4.50% to 16.15%) per annum.

		Note	2026	2025
			(Rupees)	
5	**INVESTMENTS**			
	Financial assets 'at fair value through profit or loss'			
	Listed equity securities	5.1	**22,847**	9,790
	GoP Ijarah sukuk certificates	5.2	**271,633,000**	173,281,000
	Corporate sukuk certificates	5.3	**268,775,705**	276,506,934
			540,431,552	449,797,724

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1 Listed equity securities

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right shares received	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Market value as a percentage of		Paid-up capital of investee company (with face value of investment)
									total investment	net assets	
	Number of shares held					Rupees			%		
OIL & GAS MARKETING COMPANIES											
Hascol Petroleum Limited * (note 5.1.1)	1,100	-	-	-	1,100	9,790	22,847	13,057	0.00%	0.00%	0.00%
Total as at June 30, 2026						9,790	22,847	13,057	0.00%	0.00%	0.00%
Total as at June 30, 2025						6,677	9,790	3,113			

* Nil figures due to rounding off difference.

5.1.1 This investment represents 1,100 bonus shares as at June 30, 2026, which is equivalent to 5% (representing tax impact of a bonus announcement) that has been withheld by the investee company during previous years. These shares have a face value of Rs. 10 each.

5.2 GoP Ijarah sukuk certificates

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	Face value				Balance as at June 30, 2026			Market value as a percentage of	
					As at July 1, 2025	Purchased during the period	Sold during the period	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
					Rupees							%	
GoP Ijarah Sukuk Certificates - XI - FRR	Semi-annually / At maturity	December 15, 2021	December 15, 2026	11.40%	100,000,000	-	-	100,000,000	100,386,109	99,960,000	(426,109)	18.50%	14.68%
GoP Ijarah Sukuk Certificates - GIS - PSX -FRR	Semi-annually / At maturity	October 21, 2024	October 21, 2027	12.00%	70,000,000	-	-	70,000,000	71,161,909	70,133,000	(1,028,909)	12.98%	10.30%
GoP Ijarah Sukuk Certificates - GIS - PSX -VRR	Semi-annually / At maturity	January 24, 2024	January 24, 2029	10.21%	-	100,000,000	-	100,000,000	101,685,490	101,540,000	(145,490)	18.79%	14.91%
Total as at June 30., 2026									**273,233,508**	**271,633,000**	**(1,600,508)**	**50.26%**	**39.88%**
Total as at June 30, 2025									162,763,527	173,281,000	10,517,413		

5.3 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity Date	Profit rate	Face value				Balance as at June 30, 2026			Market value as a percentage of	
				As at July 1, 2025	Purchased during the period	Sold during the period	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
				Rupees							%	
Commercial Banks												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, traded)	Semi-annually / At maturity	December 02, 2032	6 months KIBOR plus base rate of 0.70%	23,000,000	50,000,000	25,000,000	48,000,000	48,345,199	48,480,000	134,801	8.97%	7.12%
Meezan Bank Limited - Tier I (AA+, VIS) (note 5.2.3)	Monthly / At maturity	Perpetual	1 month KIBOR plus base rate of 1.75%	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	-	16.65%	13.21%
Al Baraka Bank (Pakistan) Limited (A, VIS, non-traded)	Semi-annually / At maturity	December 22, 2031	6 months KIBOR plus base rate of 0.75%	9,000,000	-	-	9,000,000	9,067,500	9,076,500	9,000	1.68%	1.33%
BankIslami Pakistan Limited Additional Tier - I (A, PACRA) (note 5.2.3)	Monthly / At maturity	Perpetual	1 months KIBOR plus base rate of 2.750%	25,000,000	-	-	25,000,000	25,000,000	25,000,000	-	4.63%	3.67%
Power Generation and Distribution												
K-Electric Limited Sukuk VI (AA+, VIS, traded)	Quarterly Commencing from 25	November 23, 2029	3 months KIBOR plus base rate of 1.70%	11,700,000	-	2,600,000	9,100,000	9,311,680	9,304,750	(6,930)	1.72%	1.37%
Chemicals												
Ghani Chemical Industries Limited (A+, PACRA)	Quarterly	December 18, 2029	3 months KIBOR plus base rate of 1.25%	-	84,375,000	-	84,375,000	84,602,250	84,417,188	(185,062)	15.62%	12.39%
Pakistan Energy Sukuk - II (Face value of 5,000 per certificate)	Semi-annually / At maturity	May 20, 2030	6 months KIBOR minus base rate of 0.10%	-	15,000,000	15,000,000	-	-	-	-	-	-
Engineering												
Crescent Steel & Allied Products Limited (A-, VIS, non-traded) (Face value of 83,333 per	Semi-annually / At maturity	October 11,2025	6 months KIBOR plus base rate of 2.00%	14,999,985	-	14,999,985	-	-	-	-	-	-
Miscellaneous												
Shakarganj Food Products Limited (BBB-, VIS, non-traded) (note 5.3.1)	Quarterly	July 10, 2026	3 months KIBOR plus base rate of 1.75%	12,500,000	-	10,000,000	2,500,000	2,308,590	2,497,268	188,677	0.46%	0.37%
Total as at June 30., 2026								**268,635,219**	**268,775,705**	**140,486**	**49.73%**	**39.46%**
Total as at June 30, 2025								276,458,023	276,506,934	48,911		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.3.1 Investments - non-compliance

As per clause 2.1.1 of the offering document the minimum Entity / Instrument Rating should be A- and above. As at June 30, 2026, the Fund held investment in sukuk certificates of Shakarganj Food Products Limited (SFPL) which has a credit rating of BBB-.

	Note	2026	2025
		---------- Rupees ----------	
5.4 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net			
Market value of investments	5.1, 5.2 & 5.3	**540,431,552**	449,797,724
Less: Carrying value of investments	5.1, 5.2 & 5.3	**(541,878,517)**	(439,228,227)
		(1,446,965)	10,569,497
6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with:			
National Clearing Company of Pakistan Limited (NCCPL)		**2,500,000**	2,500,000
Central Depository Company of Pakistan Limited (CDC)		**100,000**	100,000
		2,600,000	2,600,000
Profit receivable on:			
- Balances with banks	6.1	**3,018,372**	10,398,787
- Corporate sukuk certificates		**4,193,224**	5,102,390
- GoP Ijarah sukuk certificates		**6,404,459**	1,985,654
		13,616,055	17,486,831
Advance tax	6.2	**1,300,788**	1,300,776
Dividend receivable		**391,800**	391,800
Other Receivables		**322,058**	357,627
		18,230,701	22,137,034

6.1 This includes profit receivable amounting to Rs. 0.885 million (June 30, 2025: Rs. 5.28 million) on balance held with Faysal Bank Limited, a related party.

6.2 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 sections 150 and 151, but withholding tax on profits from savings accounts, sukuk certificates, and dividends paid to the Fund has been deducted by withholding agents, based on FBR's interpretation (letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015), requiring withholding agents to withhold tax at applicable rates unless a valid exemption certificate under section 159(1) is provided, with tax withheld amounting to Rs. 1.301 million (June 30, 2025: Rs. 1.301 million).

The Mutual Funds Association of Pakistan (MUFAP), representing various mutual funds (including those managed by the Management Company), filed a petition in the Sindh High Court (SHC) challenging the FBR's interpretation, but the SHC ruled in favor of the FBR. Subsequently, a petition was filed in the Supreme Court of Pakistan (SCP) by the Funds and other CISs, with the SCP granting leave to appeal the SHC's decision. Pending the resolution, the withheld tax on profit from savings accounts, corporate sukuk certificates, and commercial papers has been recorded as advance tax under "Advances, deposits and other receivables" as of June 30, 2025, as management believes the amount is likely to be refunded.

	Note	2026	2025
		---------- (Rupees) ----------	
7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	**83,175**	180,835
Sindh Sales Tax payable on remuneration of the Management Company	7.2	**12,476**	27,125
		95,651	207,960

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.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
From July 01, 2025 to June 30, 2026	0.15% of average annual net assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

7.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026 (Rupees)	2025 (Rupees)
Remuneration payable to the Trustee	8.1	**41,585**	80,060
Sindh Sales Tax payable on remuneration of the Trustee	8.2	**6,237**	23,918
		47,822	103,978

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2025: 0.075%) per annum of the average annual net assets of the Fund.

8.2 During the year, 15% (June 30, 2025: 15%) 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	2026 (Rupees)	2025 (Rupees)
Annual fee payable	9.1	**52,676**	114,527

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% (June 30, 2025: 0.095%) per annum of the daily net assets of the Fund.

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 (Rupees)	2025 (Rupees)
Transaction charges payable		**1,486**	57,791
Withholding tax payable		**514,145**	961,348
Capital Gain Tax payable		**47,625**	1,681,650
Auditors' remuneration payable		**863,115**	995,635
Shariah advisory fee payable		**306,692**	150,000
Fees and subscription payable		**113,329**	57,331
Zakat payable		**147,882**	147,882
Legal and professional charges payable		**762,112**	762,429
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company and sales load	10.1	**680,669**	680,669
Other liabilities		**259,889**	259,899
		3,696,944	5,754,633

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 and sales load were 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 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 and sales load with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.681 million (2025: Rs. 0.681 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2026 would have been higher by Re. 0.090 (2025: Re. 0.017) per unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

12 AUDITORS' REMUNERATION

	2026	2025
	(Rupees)	
Annual audit fee	**723,206**	672,570
Half yearly review of condensed interim financial statements	**365,794**	316,250
Shariah audit fee	**150,000**	-
Out of pocket expenses	**74,378**	59,570
	1,313,378	1,048,390
Sindh Sales Tax	**105,070**	83,871
	1,418,448	1,132,261

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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, 2026 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.

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 of the Fund as at June 30, 2026 based on the current period result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
0.150%	**0.095%**	**0.075%**	**0.034%**	**0.060%**	**0.283%**	**0.000%**	**0.697%**	**0.663%**

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

16.1 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:

	2026	2025
Transactions during the year	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	**1,007,346**	1,802,371
Sindh Sales Tax on remuneration of the Management Company	**151,102**	270,343
Faysal Bank Limited - Group Company		
Profit on balance with bank	**3,805,823**	16,438,577
Bank charges	**73,582**	9,504
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**503,673**	891,585
Sindh Sales Tax on remuneration of the Trustee	**75,551**	140,090
Settlement charges	**16,247**	48,098
Unit holders with more than 10% holding		
Units issued: 15,455,933 units (2025: 140,906,321units)	**1,457,598,671**	13,696,216,281
Units redeemed: 15,068,749 units (2025: 121,418,991 units)	**1,424,146,058**	11,567,708,529

	2026	2025
16.2 Amounts / balances outstanding as at year end	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration payable	**83,175**	180,835
Sindh Sales Tax payable on remuneration of the Management Company	**12,476**	27,125
Faysal Bank Limited - Group Company		
Balance with bank	**74,612,178**	197,316,601
Profit receivable on balance with bank	**884,506**	5,275,545
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	**100,000**	100,000
Remuneration payable	**41,585**	80,060
Sindh Sales Tax payable on remuneration of the Trustee	**6,237**	23,918
Unit holders with more than 10% holding		
Units outstanding: 6,906,719 units (2025: 38,549,749 units)	**622,982,611**	3,466,933,127

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	**126,345,880**	**-**	**126,345,880**
Investments	**-**	**540,431,552**	**540,431,552**
Deposits and other receivables	**16,607,855**	**-**	**16,607,855**
	142,953,735	**540,431,552**	**683,385,287**
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	**83,175**	**-**	**83,175**
Payable to Central Depository Company of Pakistan Limited - Trustee	**41,585**	**-**	**41,585**
Accrued expenses and other liabilities	**2,306,623**	**-**	**2,306,623**
	2,431,384	**-**	**2,431,384**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	3,131,683,805	-	3,131,683,805
Investments	-	449,797,724	449,797,724
Deposits and other receivables	20,478,631	-	20,478,631
	3,152,162,436	449,797,724	3,601,960,160
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	180,835	-	180,835
Payable to Central Depository Company of Pakistan Limited - Trustee	80,060	-	80,060
Accrued expenses and other liabilities	2,283,084	-	2,283,084
	2,543,979	-	2,543,979

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 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks and sukuk 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 and investment in sukuk certificates which expose the Fund to cash flow 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. 4.967 million (2025: Rs. 34.79 million).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	2026					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	4.50% - 12.50%	126,345,880	-	-	-	126,345,880
Investments	10.21% - 14.99%	2,497,268	99,960,000	437,951,437	22,847	540,431,552
Deposits and other receivables		-	-	-	16,607,855	16,607,855
		128,843,148	99,960,000	437,951,437	16,630,702	683,385,287
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	83,175	83,175
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	41,585	41,585
Accrued expenses and other liabilities		-	-	-	2,306,623	2,306,623
		-	-	-	2,431,384	2,431,383
On-balance sheet gap (a)		128,843,148	99,960,000	437,951,437	14,199,318	680,953,904
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		128,843,148	99,960,000	437,951,437		
Cumulative profit rate sensitivity gap		128,843,148	228,803,148	666,754,585		

	2025					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	4.50% - 16.15%	3,131,683,805	-	-	-	3,131,683,805
Investments	11.4% - 21.26%	127,127,150	14,976,585	307,684,199	9,790	449,797,724
Deposits, profit and other receivables		-	-	-	20,478,631	20,478,631
		3,258,810,955	14,976,585	307,684,199	20,488,421	3,601,960,160
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	180,835	180,835
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	80,060	80,060
Accrued expenses and other liabilities		-	-	-	2,283,084	2,283,084
		-	-	-	2,543,979	2,543,979
On-balance sheet gap (a)		3,258,810,955	14,976,585	307,684,199	17,944,442	3,599,416,181
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		3,258,810,955	14,976,585	307,684,199		
Cumulative profit rate sensitivity gap		3,258,810,955	3,273,787,540	3,581,471,739		

(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

For The Year Ended June 30, 2026

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 significant investment in equity securities as of June 30, 2026 and hence, is not exposed to price risk.

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 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:

	2026						
	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	126,345,880	-	-	-	-	-	126,345,880
Investments	2,497,268	-	99,960,000	265,394,938	172,556,500	22,847	540,431,552
Deposits and other receivables	3,410,172	4,193,224	6,404,459	-	-	2,600,000	16,607,855
	132,253,320	4,193,224	106,364,459	265,394,938	172,556,500	2,622,847	683,385,287
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	83,175	-	-	-	-	-	83,175
Payable to Central Depository Company of Pakistan Limited - Trustee	41,585	-	-	-	-	-	41,585
Accrued expenses and other liabilities	1,443,508	863,115	-	-	-	-	2,306,623
	1,568,269	863,115	-	-	-	-	2,431,384
Net financial assets	130,685,051	3,330,109	106,364,459	265,394,938	172,556,500	2,622,847	680,953,903

	2025						
	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	3,131,683,805	-	-	-	-	-	3,131,683,805
Investments	-	12,127,150	14,976,585	307,684,199	-	115,009,790	449,797,724
Deposits and other receivables	10,790,587	5,102,390	1,985,654	-	-	2,600,000	20,478,631
	3,142,474,392	17,229,540	16,962,239	307,684,199	-	117,609,790	3,601,960,160
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	180,835	-	-	-	-	-	180,835
Payable to Central Depository Company of Pakistan Limited - Trustee	80,060	-	-	-	-	-	80,060
Accrued expenses and other liabilities	1,287,449	995,635	-	-	-	-	2,283,084
	1,548,344	995,635	-	-	-	-	2,543,979
Net financial assets	3,140,926,048	16,233,905	16,962,239	307,684,199	-	117,609,790	3,599,416,181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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:

	2026		2025	
	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	**126,345,880**	**126,345,880**	3,131,683,805	3,131,683,805
Investments	**540,431,552**	**268,775,705**	449,797,724	276,506,934
Deposits and other receivables	**18,230,701**	**7,603,396**	22,137,034	15,892,977
	685,008,133	**402,724,981**	3,603,618,563	3,424,083,716

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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.

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 arises mainly on account of its placements in banks, investment in sukuk certificates and profit accrued thereon. The credit rating profile of bank balances, sukuk certificates and its accrued profit is as follows:

	2026	2025
Rating	% of financial assets exposed to credit risk	
Bank balances and profit accrued thereon		
AAA	**0.45%**	14.45%
AA+	**0.45%**	-
AA	**11.81%**	6.83%
AA-	**-0.02%**	-
A+	**7.40%**	0.07%

	% of financial assets exposed to credit risk	
Sukuk certificates and profit accrued thereon		
AA+	**14.66%**	2.88%
AA	**7.15%**	0.00%
AA-	**0.00%**	0.65%
A+	**12.65%**	2.81%
A	**5.02%**	0.71%
A-	**0.00%**	0.42%
BBB-	**0.38%**	0.34%

Deposit with CDC and NCCPL is highly rated and risk of default is considered minimal.

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.

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

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, 2026, and June 30, 2025 the Fund held the following financial instruments measured at fair value:

	2026			
	Level 1	Level 2	Level 3	Total
ASSETS	---------- (Rupees) ----------			
Tradable financial assets at fair value through profit or loss				
Listed equity securities	**22,847**	**-**	**-**	**22,847**
Corporate sukuk certificates	**-**	**153,775,705**	**-**	**153,775,705**
GoP Ijarah sukuk certificates*	**171,673,000**	**99,960,000**	**-**	**271,633,000**
	171,695,847	**253,735,705**	**-**	**425,431,552**

	2025			
	Level 1	Level 2	Level 3	Total
ASSETS	---------- (Rupees) ----------			
Tradable financial assets at fair value through profit or loss				
Listed equity securities	9,790	-	-	9,790
Corporate sukuk certificates	-	276,506,934	-	276,506,934
GoP Ijarah sukuk certificates*	72,051,000	101,230,000	-	173,281,000
	72,060,790	377,736,934	-	449,797,724

* GOP Ijara sukuk certificates stated in Level 1 are traded and quoted on PSX.

Valuation techniques used in determination of fair value of corporate sukuk certificates and unquoted GoP Ijarah sukuk certificates is explained in Note 19.1.

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.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

19.1 Valuation techniques used in determination of fair values within level 2

Fair values of investment in GoP Ijarah sukuk certificates are measured on the basis of PKISRV, which are average yield-to-maturity calculated on government securities traded in the secondary market, essentially representing the market value of at the end of each trading day.

Fair value of investment in long term corporate sukuk certificates are determined from published pricing rates from MUFAP which are determined by a model based on actual market transactions, incorporating factors like the security's credit rating, maturity period, and expected rate of profit, all while adhering to guidelines set by the Securities and Exchange Commission of Pakistan (SECP) which ensures a standardized approach across the industry.

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'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

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 18, 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	2026			2025		
	Number of unit holder	Number of units held	Percentage of total	Number of unit holder	Number of units held	Percentage of total
Bank & DFIS	2	6,084,847	80.58%	2	5,513,802	13.78%
Insurance Company	1	1,231,345	16.31%	1	1,113,978	2.78%
Retirement Funds	4	66,588	0.88%	4	63,305	0.16%
Individual	171	168,161	2.23%	161	33,309,512	83.27%
Other Corporate	1	265	0.00%	1	247	0.00%
	179	7,551,206	100.00%	169	40,000,844	100.00%

22 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid	2025 Percentage of commission paid
Next Capital Limited	**56.03%**	100.00%
Topline Securities Limited	**0.54%**	-
JS Global Capital Limited	**40.96%**	-
Arif Habib Limited	**2.47%**	-
	100.00%	100.00%

22.1 The Fund has traded with only the above mentioned 4 broker / dealer during the year ended June 30, 2026 (2025: 1 brokers / dealers).

23 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 34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 26 Years
Mr. Syed Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Mr. Mustajab Alam	Fund Manager	MBA, CFA	Over 12 Years
Mr. Syed Eunas Viqar	Head of Internal Audit and Compliance	MBA Finance	Over 17 Years
Mr. Abdul Basit	Unit Head - Risk Management	ACCA	Over 10 Years
Ms. Sarah Rehman	Head of Research	MBA	Over 9 Years

24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Syed Shahid Iqbal	Head of Fixed Income	B.Com	Faysal Islamic Savings Growth 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 KPK Government Employees Pension Fund, Faysal Islamic Mustakil Munafa Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

25 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:

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

26 GENERAL

26.1 Figures have been rounded off to the nearest Rupees, unless otherwise stated.

26.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

(i) PERFORMANCE TABLE

	June 30, 2026 Rupees	June 30, 2025 Rupees	June 30, 2024 Rupees	June 30, 2023 Rupees	June 30, 2022 Rupees
Net assets	681,115,038	3,597,437,464	2,290,336,440	1,997,075,854	2,435,558,204
Net assets value per unit	90.20	89.93	89.67	89.57	77.77
Offer price per unit	93.31	93.04	92.71	92.61	80.41
Repurchase price per unit	90.20	89.93	89.67	89.57	77.77
Highest offer price per unit	102.67	110.38	112.66	92.61	80.41
Highest repurchase price per unit	99.24	106.70	108.97	89.57	77.77
Lowest offer price per unit	93.04	92.76	92.61	80.44	73.18
Lowest repurchase price per unit	89.93	89.72	89.57	77.80	70.78
Total return:	10.71%	19.61%	21.97%	15.17%	9.89%
- capital growth	1.37%	2.34%	0.14%	15.17%	9.89%
- income distribution	9.34%	17.27%	21.83%	-	-
Average annual return: (Launch date: September 9, 2015)					
- one year	10.71%	19.61%	21.97%	15.17%	9.89%
- two years	15.16%	20.79%	18.57%	12.53%	9.11%
- three years	17.43%	18.92%	15.68%		
Four years	16.87%	16.66%			
Five Years	15.47%				
Distribution per unit:	9.34%	17.27%	21.83%		
- Interim distribution (% per unit)	9.34%	17.27%	21.83%	-	-
- Final distribution (% per unit)	-	-	-	-	-
	9.34%	17.27%	21.83%	-	-

* Announced on 22 June 2026

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.

Responsibilities towards Proxy Voting as per Regulation 38A

Faysal Asset Management Limited (FAML) on behalf of Faysal Islamic Asset Allocation Fund (FIAAF) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FIAAF is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML (if any) in respect of the CIS is also available without charge, upon request, to all unit holders.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Faysal Islamic Asset Allocation Fund II

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Asset Allocation Fund II

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
MCB Islamic 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 Faysal Islamic Asset Allocation Fund II endeavours to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classese encompassing Shariah compliant equity, fixed income & money market instruments.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

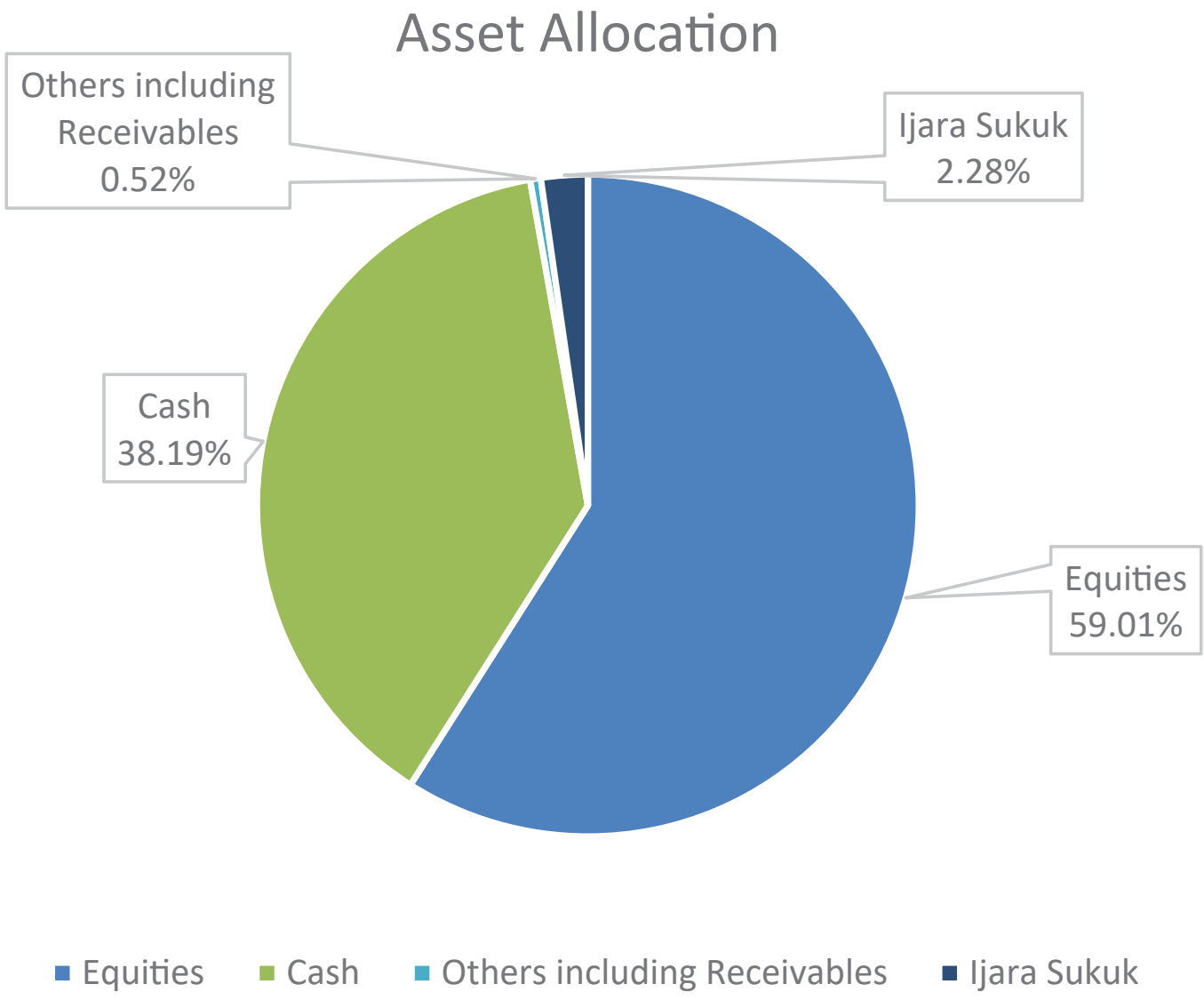
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Scheme
Risk Profile	High
Stability Rating	Not Rated
Launch Date	August 12, 2024
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Up to 3.00% 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*	Shariah Compliant Equity: KMI-30 Index, Shariah Compliant Money Market: 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP, Shariah Compliant Income: 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP based on the Fund's actual proportion in the Equity and Income / Money Market securities
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	123.80
Net Assets (mn)	4267
Total Expense Ratio (Annualized)	3.03%
Total Expense Ratio (Monthly)	2.79%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	32.44%	22.37%
Benchmark (YTD)	30.95%	25.21%



FUND PERFORMANCE

During the period under review, Faysal Islamic Asset Allocation Fund-II (FIAAF-II) posted an absolute FY26TD return of 22.37% relative to its existing benchmark of 25.21%. At the end of the period, exposure in Cash (38.19%), Equities (59.01%), Ijarah Sukuk (2.28%) and Others (0.52%) stood at the period end. In the future, your fund will continue exploring Islamic investment avenues to provide competitive returns.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report of
Faysal Islamic Asset Allocation Fund-II

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Asset Allocation Fund-II (FIAAF-II).** I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIAAF-II** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIAAF-II** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Asset Allocation Fund-II (FIAAF-II)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
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Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL ISLAMIC ASSET ALLOCATION FUND-II

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Asset Allocation Fund-II (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Asset Allocation Fund - II** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

a member firm of Ernst & Young Global Limited

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Islamic Asset Allocation Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Asset Allocation Fund II** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of equity and debt securities) held by the Fund represent 99.48% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained the bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076SuzvVOPJQ

Faysal Islamic Asset Allocation Fund II

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		---------- (Rupees) ----------	
Assets			
Balances with banks	4	**1,658,184,994**	682,702,549
Investments	5	**2,660,946,220**	1,115,757,905
Receivable against sale of investment		**-**	44,714,613
Advances, deposits and other receivables	6	**22,608,621**	10,772,592
Total assets		**4,341,739,835**	1,853,947,659
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	**8,159,545**	3,429,515
Payable to Central Depository Company of Pakistan - Trustee	8	**501,918**	265,416
Payable to the Securities and Exchange Commission of Pakistan	9	**336,546**	141,174
Payable against purchase of investment		**-**	28,978,674
Accrued expenses and other liabilities	10	**66,106,282**	41,414,056
Total liabilities		**75,104,291**	74,228,835
Net assets		**4,266,635,544**	1,779,718,824
Unit holders' fund (as per statement attached)		**4,266,635,544**	1,779,718,824
Contingencies and commitments	11		
		--------- (Number of units) ---------	
Number of units in issue		**34,463,705**	17,591,188
		---------- (Rupees) ----------	
Net assets value per unit		**123.8008**	101.1710

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

Faysal Islamic Asset Allocation Fund II

Income Statement

For The Year Ended June 30, 2026

	Note	2026	For the Period from August 12, 2024 to June 30, 2025
		---------- (Rupees) ----------	
Income			
Profit on balances with banks		**128,936,384**	62,778,672
Dividend Income		**45,685,608**	23,938,160
Profit on corporate sukuk certificates		**-**	15,618,731
Profit on Islamic term deposit receipts		**1,838,627**	-
Profit on Bai Muajjal		**31,262,632**	-
Profit on GoP Ijarah sukuk certificates		**12,477,199**	10,092,347
Realised gain on sale of investments - net		**186,572,582**	312,829,873
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	**152,796,569**	48,130,289
Total Income		**559,569,601**	473,388,072
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	7.1	**66,996,789**	28,477,025
Sindh Sales Tax on remuneration of Management Company	7.2	**10,049,518**	4,271,554
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	**4,349,839**	2,302,361
Sindh Sales Tax on remuneration of the Trustee	8.2	**652,476**	345,679
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	**3,182,347**	1,368,131
Auditors' remuneration	12	**1,201,934**	915,814
Legal & professional charges		**116,663**	231,284
Bank charges		**24,240**	9,344
Transaction charges		**10,428,814**	6,583,576
Shariah advisory fee		**306,692**	150,000
Charity and donation		**3,187,446**	-
Printing charges		**-**	16,025
Total expenses		**100,496,758**	44,670,793
Net income for the year/ period before taxation		**459,072,843**	428,717,279
Taxation	13	**-**	-
Net income for the year/ period after taxation		**459,072,843**	428,717,279
Earnings per unit	14		
Allocation of net income for the year/ period			
- Net income for the year/ period after taxation		**459,072,843**	428,717,279
- Income already paid on units redeemed		**(411,557,352)**	(418,538,464)
		47,515,491	10,178,815
Accounting income available for distribution			
- Relating to capital gains		**44,125,780**	9,089,356
- Excluding capital gains		**3,389,711**	1,089,459
		47,515,491	10,178,815

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

Faysal Islamic Asset Allocation Fund II

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	2026	For the Period August 12, 2024 to June 30 2025
	---------- (Rupees) ----------	
Net income for the year/ period after taxation	**459,072,843**	428,717,279
Other comprehensive income for the year/ period	-	-
Total comprehensive income for the year/ period	**459,072,843**	428,717,279

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

Faysal Islamic Asset Allocation Fund II

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year June 30, 2026			For the Period August 12, 2024 to June 30, 2025		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year / period	**1,769,567,375**	**10,151,449**	**1,779,718,824**	-	-	-
Issuance of 54,977,297 units (2025: 64,066,330 units)						
- Capital value (at net asset value per unit at the beginning of the year/ period)	**5,562,108,130**	**-**	**5,562,108,130**	6,406,632,968	-	6,406,632,968
- Element of income	**1,118,118,619**	**-**	**1,118,118,619**	796,277,827	-	796,277,827
Total proceeds on issuance of units	**6,680,226,749**	**-**	**6,680,226,749**	7,202,910,795	-	7,202,910,795
Redemption of 38,104,781 units (2025: 46,475,141 units)						
- Capital value (at net asset value per unit at the beginning of the year/ period	**(3,855,098,783)**	**-**	**(3,855,098,783)**	(4,647,514,129)	-	(4,647,514,129)
- Element of loss	**(385,726,737)**	**(411,557,352)**	**(797,284,089)**	(368,197,206)	(418,538,464)	(786,735,670)
Total payments on redemption of units	**(4,240,825,519)**	**(411,557,352)**	**(4,652,382,872)**	(5,015,711,335)	(418,538,464)	(5,434,249,799)
Total comprehensive income for the year/ period	**-**	**459,072,843**	**459,072,843**	-	428,717,279	428,717,279
Distribution for the year/ period ended June 30, 2026: Nill (2025: @ Rs. 30.9118 per unit declared on June 27, 2025)	-	-	-	(417,632,085)	(27,366)	(417,659,451)
Net assets at the end of the year/ period	**4,208,968,605**	**57,666,940**	**4,266,635,544**	1,769,567,375	10,151,449	1,779,718,824
Undistributed income brought forward						
- Realised loss		**(37,978,840)**			-	
- Unrealised income		**48,130,289**			-	
		10,151,449			-	
Accounting income available for distribution						
- Relating to capital gains		**44,125,780**			9,089,356	
- Excluding capital gains		**3,389,711**			1,089,459	
		47,515,491			10,178,815	
Distribution during the year/ period		**-**			(27,366)	
Undistributed income carried forward		**57,666,940**			10,151,449	
Undistributed income carried forward						
- Realised Income / (loss)		**9,536,651**			(37,978,840)	
- Unrealised Income		**48,130,289**			48,130,289	
		57,666,940			10,151,449	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year/ period		**101.1710**			-	
Net assets value per unit at end of the year/ period		**123.8008**			101.1710	

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

Faysal Islamic Asset Allocation Fund II

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	2026	For the Period August 12, 2024 to June 30, 2025
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year/ period before taxation		**459,072,843**	428,717,279
Adjustments for:			
Profit on balances with banks		**(128,936,384)**	(62,778,672)
Dividend Income		**(45,685,608)**	(23,938,160)
Profit on Islamic Term Deposit Receipts		**(1,838,627)**	-
Profit on Bai Muajjal		**(31,262,632)**	-
Profit on corporate sukuk certificates		**-**	(15,618,731)
Profit on GoP Ijarah sukuk certificates		**(12,477,199)**	(10,092,347)
Realised gain on sale of investments - net		**(186,572,582)**	(312,829,873)
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	**(152,796,569)**	(48,130,289)
		(100,496,758)	(44,670,793)
(Increase) / decrease in assets			
Advances, deposit and other receivables		**2**	(1,865,334)
Receivable against sale of units		**44,714,613**	-
Investments - net		**(1,205,819,164)**	(770,533,682)
		(1,161,104,549)	(772,399,016)
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**4,730,030**	3,417,912
Payable to Central Depository Company of Pakistan Limited - Trustee		**236,502**	265,416
Payable to the Securities and Exchange Commission of Pakistan		**195,372**	141,174
Payable Against sale of investment		**(28,978,674)**	-
Accrued expenses and other liabilities		**24,692,226**	41,425,659
		875,456	45,250,161
Dividend received		**45,685,608**	23,938,160
Profit received on bank balances		**116,946,215**	56,102,039
Profit received on investments		**45,732,596**	23,480,453
Net cash used in operating activities		**(1,052,361,432)**	(668,298,996)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		**6,680,226,749**	7,202,910,795
Payments against redemption of units		**(4,652,382,872)**	(5,434,249,799)
Dividend paid		**-**	(417,659,451)
Net cash generated from financing activities		**2,027,843,877**	1,351,001,545
Net increase in cash and cash equivalents		**975,482,445**	682,702,549
Cash and cash equivalents at the beginning of the year/ period		**682,702,549**	-
Cash and cash equivalents at the end of the year/ period	4	**1,658,184,994**	682,702,549

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

Faysal Islamic Asset Allocation Fund II

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Asset Allocation Fund II (the Fund) is open ended islamic asset allocation fund constituted under a Trust Deed entered into on 05 June 2024 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

1.2 The investment activities and administration of the Fund are managed by the Management Company. It 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 West Wing, 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as a Shariah Compliant open-ended 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 August 13, 2024 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the fund is to is to earn competitive Riba free return by investing in various Shariah compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and undervalued stocks.

1.5 The Management Company has been assigned a quality rating of "AM1" by VIS dated December 31, 2025 and has assigned a stability rating of AA-(f) dated 25 August 2025 to the Fund. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

1.7 These financial statements are not comparable with prior year's financials as the fund was only operational from August 12, 2024 to June 30, 2025.

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), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of 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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards
Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance easures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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, 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 which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

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 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 FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.2.2 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)"
- 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 losses (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;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

- 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.

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 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

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 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 on sukuk certificates and government 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; 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 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. 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 / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / 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.

3.14 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, 2026

		Note	June 30, 2026	June 30, 2025
			(Rupees)	
4	BALANCES WITH BANKS			
	Saving accounts	4.1	**1,658,184,994**	682,702,549

4.1 These include a balance of Rs. 233.556 million (2025: Rs. 682.66 million) maintained with Faysal Bank Limited (a related party) that carries profit ranging from 5.00% to 12.50% (2025: 5.00% to 11.75%) per annum. Other savings account of the Fund carries profit ranging from 5.00% to 11.85% (2025: 5.00%) per annum.

		Note	June 30, 2026	June 30, 2025
			(Rupees)	
5	INVESTMENTS			
	Financial assets at fair value through profit or loss			
	Listed equity securities	5.1	**2,561,896,220**	966,512,905
	GoP Ijarah sukuk certificates	5.2	**99,050,000**	149,245,000
	Islamic Term Deposit Receipts	5.3	**-**	-
	Bai Muajjal	5.4	**-**	-
			2,660,946,220	1,115,757,905

5.1 Listed equity securities

Name of the Investee Company	As at July 1, 2025	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Percentage in relation to		Paid-up capital of Investee company(with face value of investment)
									Net assets of the Fund	Total market value of investments of the fund	
	Number of shares					(Rupees)			%		
Oil & Gas Exploration Companies											
Pakistan Petroleum Limited	267,119	913,721	-	325,000	855,840	190,188,742	207,643,901	17,455,158	4.78%	7.80%	0.01%
Oil & Gas Development Company Limited	-	537,500	-	449,900	87,600	24,985,921	29,334,612	4,348,691	0.68%	1.10%	0.01%
						215,174,664	236,978,513	21,803,849	5.46%	8.91%	0.02%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	5,615	-	-	5,615	-	-	-	-	-	-	-
Agp Limited	449,793	-	-	449,793	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	379,529	-	-	106,000	273,529	106,873,251	101,274,112	(5,599,139)	2.33%	3.81%	0.12%
Haleon Pakistan Limited	122,039	-	-	122,039	-	-	-	-	-	-	-
						106,873,251	101,274,112	(5,599,139)	2.33%	3.81%	0.12%
Cement											
Fecto Cement Limited	-	332,000	-	-	332,000	53,293,995	38,764,320	(14,529,675)	0.89%	1.46%	0.00%
Lucky Cement Limited **(Note 5.1.2)**	250,000	525,600	-	5,000	770,600	330,869,102	361,812,112	30,943,010	8.33%	13.60%	0.02%
Cherat Cement Company Limited **(Note 5.1.2)**	461,984	-	-	262,984	199,000	57,769,700	68,840,070	11,070,370	1.59%	2.59%	0.24%
D.G. Khan Cement Company Limited	280,000	1,839,741	-	282,000	1,837,741	372,428,369	410,312,433	37,884,064	9.45%	15.42%	0.06%
Maple Leaf Cement Factory Limited **(Note 5.1.2)**	365,525	2,185,000	-	550,525	2,000,000	197,205,180	213,820,000	16,614,820	4.92%	8.04%	0.03%
						1,011,566,346	1,093,548,935	81,982,589	25.19%	41.10%	0.35%
Automobile Assembler											
Ghandhara Automobiles Limited	444,200	139,554	-	544,200	39,554	17,160,801	22,230,139	5,069,338	0.51%	0.84%	0.78%
Ghandhara Industries Limited	-	65,000	-	-	65,000	58,189,164	62,957,050	4,767,886	1.45%	2.37%	0.78%
Honda Atlas Cars (Pakistan) Limited	-	203,735	-	203,735	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	173,639	-	50,248	123,391	261,025,729	254,616,095	(6,409,634)	5.86%	9.57%	0.00%
						336,375,694	339,803,284	3,427,590	7.83%	12.77%	1.56%
Cable & Electrical Goods											
Pak Elektron Limited	-	3,850,000	-	799,000	3,051,000	183,630,287	138,667,950	(44,962,337)	3.19%	5.21%	0.00%
						183,630,287	138,667,950	(44,962,337)	3.19%	5.21%	0.00%
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	98,000	596,443	-	694,443	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	-	30,000	-	30,000	-	-	-	-	-	-	-
Foods & Personal Care Products											
National Foods Limited	88,400	100,000	-	188,400	-	-	-	-	-	-	-
Paper, Board & Packaging											
Spel Limited	1,271,473	-	-	1,271,473	-	-	-	-	-	-	-
Fertilizer											
Engro Fertilizers Limited		1,146,823	-	1,050,303	96,520	21,968,563	19,202,654	(2,765,909)	0.44%	0.72%	0.01%
Fauji Fertilizer Company Limited	-	486,136	-	275,808	210,328	94,522,758	120,618,901	26,096,143	2.78%	4.53%	0.01%
						116,491,322	139,821,555	23,330,234	3.22%	5.25%	0.02%
Foods & Personal Care Products											
Unity Foods Limited	-	600,000	-	600,000	-	-	-	-	-	-	-
Miscellaneous											
Shifa International Hospitals Ltd.	-	40,330	-	40,330	-	-	-	-	-	-	-
Power Generation & Distribution											
The Hub Power Company Limited	-	647,500	-	260,000	387,500	88,160,632	90,461,875	2,301,243	2.08%	3.40%	0.00%
Technology & Communications											
Pakistan Telecommunication Company Ltd.	-	6,581,256	-	640,225	5,941,031	323,207,787	389,256,351	66,048,564	8.97%	14.63%	0.00%
Chemicals											
Ghani Chemical Industries Limited	-	1,900,000	-	997,000	903,000	25,724,206	32,083,645	6,359,439	0.74%	1.21%	0.00%
Total as at June 30, 2026						**2,407,204,188**	**2,561,896,220**	**154,692,032**	**59.01%**	**96.28%**	
Total as at June 30, 2025						918,892,679	966,512,905	47,620,226	54.31%	86.62%	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1.1 All ordinary shares have a face value of Rs.10 each except for the shares of Spel Limited and National Foods Limited which have a face value of Rs.5 each and shares of Lucky Cement Limited which have a face value of Rs.2 each.

5.1.2 Investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of Investee Company	2026		2025	
	Number of Shares	Rupees	Number of Shares	Rupees
Cherat Cement	100,000	34,593,000	100,000	29,030,000
Lucky Cement Limited	100,000	46,952,000	100,000	35,524,000
Fauji Fertilizer Company	165,328	94,812,301	-	-
Maple Leaf Cement	-	-	270,000	22,755,600

5.2 GoP Ijarah sukuk certificates

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 01, 2025	Purchased during the period	Sold / redeemed during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation/ (diminution) as at June	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					--------- Number of certificates ---------				---------- (Rupees) ----------			-------- %--------	
GoP Ijarah Sukuk Certificates - Discounted - PSX	At maturity	December 04, 2024	December 04, 2025	Weighted average 6 months T-Bills	10,000	-	10,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VRR - PSX	Semi-annually / At maturity	June 26, 2023	June 26, 2028	Weighted average 6 months T-Bills		6,000	6,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VRR - PSX	Semi-annually / At maturity	June 26, 2023	June 26, 2028	Weighted average 6 months T-Bills		6,000	6,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VRR - PSX	Semi-annually / At maturity	October 21, 2024	October 21, 2027	Weighted average 6 months T-Bills	10,000	-	-	10,000	50,235,101	49,600,000	(635,101)	1.16%	1.86%
GoP Ijarah Sukuk Certificates - VRR - PSX	Semi-annually / At maturity	October 21, 2024	October 21, 2029	Weighted average 6 months T-Bills	10,000	-	-	10,000	50,710,362	49,450,000	(1,260,362)	1.16%	1.86%
Total as at June 30, 2026									**100,945,463**	**99,050,000**	**(1,895,463)**	**2.32%**	**3.72%**
Total as at June 30, 2025									148,734,937	149,245,000	510,063	8.38%	13.37%

5.2.1 GoP Ijarah sukuk certificates have nominal value of Rs. 5,000 each.

5.3 Islamic Term Deposit Receipts

Name of the security	Rating	Profit payments / principal redemptions	Issue Date	Maturity Date	Profit Rate	As at July 1, 2025	Purchased during the period	Sold / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to	
													Net assets of the Fund	Total market value of investments
						---------- (Number of certificates) ----------				---------- (Rupees) ----------			---------- %----------	
Habib Bank Ltd - Islamic Banking	AAA, VIS	At maturity	February 16, 2026	February 23, 2026	10.15%	-	600,000,000	600,000,000	-	-	-	-	-	-
ZTBL Islamic Banking	AAA, VIS	At maturity	February 26, 2026	March 02, 2026	10.20%	-	600,000,000	600,000,000	-	-	-	-	-	-
Total as at June 30, 2026										-	-	-		
Total as at June 30, 2025										-	-	-		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.4 Bai Muajjal

Name of investee company	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Market value as a percentage of	
			As at July 1, 2025	Purchased during the year	Matured during the year	As at June 30, 2026				Net assets of the Fund	total investments of the Fund
			---------- Rupees ----------							---------- % ----------	
UBL Ameen Islamic Banking	May 15, 2026	10.30%	-	626,825,642	626,825,642	-	-	-	-	-	-
Pak Oman Investment Company Limited	May 6, 2026	10.30%	-	624,994,557	624,994,557	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		
Total as at June 30, 2025							-	-	-		

5.5	Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	June 30, 2026	June 30, 2025
			---------- (Rupees) ----------	
	Market value of investments	5.1, 5.2, 5.3 & 5.4	**2,660,946,220**	1,115,757,905
	Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	**(2,508,149,651)**	(1,067,627,616)
			152,796,569	48,130,289

6	ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
	Profit receivable on balances with banks	6.1	**18,666,802**	6,676,633
	Profit receivable on GoP Ijarah sukuk certificates		**2,076,487**	2,230,625
	Advance tax	6.2	**1,865,332**	1,865,334
			22,608,621	10,772,592

6.1 This includes profit receivable amounting to Rs. 7.97 million (June 30, 2025: Rs. 6.37 million) on balance held with Faysal Bank Limited, a related party.

6.2 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 sections 150 and 151, however, withholding tax on dividend and profit on savings account paid to the Fund has been deducted by various withholding agents based on FBR's interpretation in its letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015, which requires withholding tax unless a valid exemption certificate under section 159(1) is produced by the withholdee, with the tax withheld amounting to Rs. 1.865 million (2025: Rs. 1.865 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP), on behalf of various mutual funds (including the Funds managed by the Management Company), filed a petition in the Sindh High Court (SHC) challenging the FBR's interpretation, which was decided in favor of the FBR, leading the Funds and other CISs (managed by the Management Company and other Asset Management Companies) to file a petition in the Supreme Court of Pakistan (SCP), where the SCP granted leave to appeal from the initial SHC judgment; pending resolution, the withholding tax deducted has been shown as advance tax under "Advances, deposits and other receivables" as of June 30, 2026, as the management believes the tax deducted at source is likely to be refunded.

7	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	June 30, 2026	June 30, 2025
			---------- (Rupees) ----------	
	Remuneration payable to the Management Company	7.1	**7,085,167**	2,972,097
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	**1,062,775**	445,815
	Sales load payable		**11,603**	11,603
			8,159,545	3,429,515

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
From July 01, 2025 to June 30, 2026	2% of the average annual net assets

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

7.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
			---------- (Rupees) ----------	
8	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**			
	Remuneration payable to the Trustee	8.1	**436,450**	230,514
	Sindh sales tax payable on remuneration of the Trustee	8.2	**65,468**	34,902
			501,918	265,416

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
upto 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/period 15% (June 30, 2025: 15%) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
			---------- (Rupees) ----------	
9	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual Fee payable	9.1	**336,546**	141,174

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% (2025: 0.095%) per annum of average annual net assets of the Fund.

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

		June 30, 2026	June 30, 2025
		---------- (Rupees) ----------	
10	**ACCRUED EXPENSES AND OTHER LIABILITIES**		
	Auditors' remuneration payable	**841,296**	915,814
	Legal & professional charges payable	**230,967**	231,284
	Withholding tax payable	**-**	4,109
	Shariah advisory fee payable	**306,692**	150,000
	Capital gain tax payable	**60,925,876**	38,071,565
	Transaction charges payable	**589,005**	2,016,284
	Charity Payable	**3,187,446**	-
	Other payable	**25,000**	25,000
		66,106,282	41,414,056

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

12 AUDITORS' REMUNERATION

	2026	For the Period from August 12, 2024 to June 30, 2025
	---------- (Rupees) ----------	
Annual audit fee	**585,000**	544,186
Shariah Audit fee	**150,000**	
Half yearly review of condensed interim financial statements	**314,972**	255,814
Out of pocket expenses	**62,994**	47,976
	1,112,967	847,976
Sindh Sales Tax	**88,967**	67,838
	1,201,934	915,814

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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 ending June 30, 2026 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the period.

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

14 EARNINGS PER UNIT

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

15 EXPENSE RATIO

The annualized total expense ratio of the Fund as at June 30, 2026 is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
2.000	0.095%	0.130%	0.319%	0.312%	0.049%	0.095%	3.000%	2.680%

16 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at period end.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

The details of transactions carried out by the Fund with connected persons and related parties and balances with them at period end are as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

16.1 Transactions during the year/period:	2026	For the Period from August 12, 2024 to June 30, 2025
	(Rupees)	
Faysal Asset Management Limited - Management Company		
Remuneration of Faysal Asset Management Limited - Management Company	**66,996,789**	28,477,025
Sindh Sales Tax on remuneration of Management Company	**10,049,518**	4,271,554
Faysal Bank Limited - Group Company		
Profit on balances with bank	**94,050,784**	56,169,820
Bank charges	**24,240**	9,342
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	**4,349,839**	2,302,361
Sindh Sales Tax on remuneration of the Trustee	**652,476**	345,679
Transaction Charges	**260,774**	154,285
Unit holders with more than 10% unit holding		
Units issued: 53,435,176 (2025: 48,131,410) units	**6,499,633,351**	4,706,230,751
Units redeemed: 36,473,060 (2025: 30,832,645) units	**4,458,875,492**	3,521,172,102

16.2 Amounts / balances outstanding as at year / period end:	June 30, 2026	June 30, 2025
	(Rupees)	
Faysal Asset Management Limited - Management Company		
Remuneration of Faysal Asset Management Limited	**7,085,167**	2,972,097
Sindh Sales Tax on remuneration of Management Fee	**1,062,775**	445,815
Sales Load Payable	**11,603**	11,603
Faysal Bank Limited - Group Company		
Balances with bank	**233,552,130**	682,663,204
Profit receivable on balance with bank	**7,972,737**	6,374,650
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee payable	**436,450**	230,514
Sindh Sales Tax payable on remuneration of the Trustee	**65,468**	34,902
Unitholders having holding of 10% or more		
Outstanding: 34,260,881 (2025: 17,298,765) units	**4,241,524,473**	1,750,133,354

17 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2026		
	At amortised cost	At fair value through	Total
	Rupees		
Financial assets			
Balances with banks	1,658,184,994	-	1,658,184,994
Investments	-	2,660,946,220	2,660,946,220
Receivable against sale of investment	-	-	-
Deposits and other receivables	20,743,289	-	20,743,289
	1,678,928,283	2,660,946,220	4,339,874,503
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	7,085,167	-	7,085,167
Payable to Central Depository Company of Pakistan Limited - Trustee	436,450	-	436,450
Payable against sale of investment	-	-	-
Accrued expenses and other liabilities	5,180,406	-	5,180,406
	12,702,023	-	12,702,023

	June 30, 2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	682,702,549	-	682,702,549
Investments	-	1,115,757,905	1,115,757,905
Receivable against sale of investment	44,714,613	-	44,714,613
Deposits and other receivables	8,907,258	-	8,907,258
	736,324,420	1,115,757,905	1,852,082,325
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	2,972,097	-	2,972,097
Payable to Central Depository Company of Pakistan Limited - Trustee	230,514	-	230,514
Payable against sale of investment	28,978,674	-	28,978,674
Accrued expenses and other liabilities	3,338,382	-	3,338,382
	35,519,667	-	35,519,667

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks and sukuk 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 and investment in sukuk certificates which expose the Fund to cash flow 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. 17.57 million (2025: Rs. 8.31 million).

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	June 30, 2026				
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5.00% to 12.50%	1,658,184,994	-	-	-	1,658,184,994
Investments	10.15% to 10.71%	-	-	99,050,000	2,561,896,220	2,660,946,220
Deposits and other receivables		18,666,802	2,076,487	-	-	20,743,289
		1,676,851,796	2,076,487	99,050,000	2,561,896,220	4,339,874,503
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	7,085,167	7,085,167
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	436,450	436,450
Payable against sale of investment		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	5,180,406	5,180,406
		-	-	-	12,702,023	12,702,023
On-balance sheet gap (a)		1,676,851,796	2,076,487	99,050,000	2,549,194,197	4,327,172,480
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		1,676,851,796	2,076,487	99,050,000		
Cumulative profit rate sensitivity gap		1,676,851,796	1,678,928,283	1,777,978,283		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		---------- June 30, 2025 ----------				
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	4.50% to 12.50%	682,702,549	-	-	-	682,702,549
Investments	11.39% to 11.55%	-	47,905,000	101,340,000	966,512,905	1,115,757,905
Receivable against sale of investment		44,714,613	-	-	-	44,714,613
Deposits and other receivables		6,676,633	2,230,625	-	-	8,907,258
		734,093,795	50,135,625	101,340,000	966,512,905	1,852,082,325
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	2,972,097	2,972,097
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	230,514	230,514
Payable against sale of investment		-	-	-	28,978,674	28,978,674
Accrued expenses and other liabilities		-	-	-	3,338,382	3,338,382
		-	-	-	35,519,667	35,519,667
On-balance sheet gap (a)		734,093,795	50,135,625	101,340,000	930,993,238	1,816,562,658
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		734,093,795	50,135,625	101,340,000		
Cumulative profit rate sensitivity gap		734,093,795	784,229,420	885,569,420		

(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 the 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.

In case of 1% increase / decrease in KMI 30 Index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 25.62 million (2025: Rs. 9.665 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 KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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:

	June 30, 2026						
	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	1,658,184,994	-	-	-	-	-	1,658,184,994
Investments	-	-	-	99,050,000	-	2,561,896,220	2,660,946,220
Receivable against sale of investment	-	-	-	-	-	-	-
Deposits and other receivables	18,666,802	-	2,076,487	-	-	-	20,743,289
	1,676,851,796	-	2,076,487	99,050,000	-	2,561,896,220	4,339,874,503
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	7,085,167	-	-	-	-	-	7,085,167
Payable to Central Depository Company of Pakistan Limited - Trustee	436,450	-	-	-	-	-	436,450
Payable against sale of investment	-	-	-	-	-	-	-
Accrued expenses and other liabilities	4,339,110	841,296	-	-	-	-	5,180,406
	11,860,727	841,296	-	-	-	-	12,702,023
Net financial assets	1,664,991,069	(841,296)	2,076,487	99,050,000	-	2,561,896,220	4,327,172,480

	June 30, 2025						
	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	682,702,549	-	-	-	-	-	682,702,549
Investments	-	-	47,905,000	101,340,000		966,512,905	1,115,757,905
Receivable against sale of investment	44,714,613	-	-	-	-	-	44,714,613
Deposits and other receivables	6,676,633	-	2,230,625	-	-	-	8,907,258
	734,093,795	-	50,135,625	101,340,000	-	966,512,905	1,852,082,325
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	2,972,097	-	-	-	-	-	2,972,097
Payable to Central Depository Company of Pakistan Limited - Trustee	230,514	-	-	-	-	-	230,514
Payable against sale of investment	28,978,674	-	-	-	-	-	28,978,674
Accrued expenses and other liabilities	2,434,171	915,814	-	-	-	-	3,349,985
	34,615,456	915,814	-	-	-	-	35,531,271
Net financial assets	699,478,338	(915,814)	50,135,625	101,340,000	-	966,512,905	1,816,551,054

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:

	June 30, 2026		June 30, 2025	
	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	**1,658,184,994**	**1,658,184,994**	682,702,549	682,702,549
Investments	**2,660,946,220**	**-**	1,115,757,905	-
Receivable against sale of investment	**-**	**-**	44,714,613	44,714,613
Deposits and other receivables	**22,608,621**	**18,666,802**	8,907,258	6,676,633
	4,341,739,835	**1,676,851,796**	1,852,082,325	734,093,795

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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 2026	% of financial assets exposed to credit risk 2025
Bank balances and islamic term deposit receipts including profit accrued thereon		
AA	-	99.95%
AA+	14.09%	-
AA-	85.91%	-
A+	0.01%	0.05%

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.

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

19.1 Fair value hierarchy

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

Level 1: quoted price (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, 2026 the Fund held the following financial instruments measured at fair values:

	As at June 30, 2026			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Tradable financial assets 'at fair value through profit or loss'				
Listed equity securities	2,561,896,220	-	-	2,561,896,220
GoP Ijarah sukuk certificates	99,050,000	-	-	99,050,000
	2,660,946,220	-	-	2,660,946,220

	As at June 30, 2025			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Tradable financial assets 'at fair value through profit or loss'				
Listed equity securities	966,512,905	-	-	966,512,905
GoP Ijarah sukuk certificates	149,245,000	-	-	149,245,000
	1,115,757,905	-	-	1,115,757,905

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

During the year / period ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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.

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 18, 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	2026			2025		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Associated companies	-	-	-	-	-	-
Insurance companies	-	-	-	-	-	-
Banks and DFI's	-	-	-	-	-	-
Retirement funds	-	-	-	-	-	-
Individuals	133	34,463,705	100.00%	67	17,591,188	100.00%
Others				-	-	-
	133	**34,463,705**	**100.00%**	67	17,591,188	100%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid
Multiline Securities Limited	**15.35%**
Spectrum Securities Limited	**14.81%**
Insight Securities (Private) Limited	**12.88%**
EFG Hermes Pakistan Limited	**11.67%**
DJM Securities (Private) Limited	**10.79%**
Topline Securities Limited	**8.83%**
JS Global Capital Limited	**8.69%**
Taurus Securities Limited	**4.91%**
BMA Capital Management Ltd.	**2.60%**
Ismail Iqbal Securities (Pvt) Ltd	**2.57%**
Akik Capital (Private) Limited	**93.10%**

Name of broker	2025 Percentage of commission paid
DJM Securities (Private) Limited	22.00%
Next Capital Limited	20.00%
Topline Securities Limited	18.00%
Insight Securities (Private) Limited	15.00%
Akik Capital (Private) Limited	11.00%
Arif Habib Limited	10.00%
BMA Capital Management Ltd.	4.00%
	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

23 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. Shahid Iqbal	Head of Fixed Income	B.Com	Over 32 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Ms. Sarah Rehman	Head of Research	MBA/CFA	Over 9 years
Mr. Eunas Viqar	Head of Internal Audit and Compliance	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Noman Ahmed	Head of Equity	MBA	Over 15 Years

24 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 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

25 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:

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

27 GENERAL

27.1 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 July 31, 2026 by the Board of Directors of the Management Company.

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

(i) PERFORMANCE TABLE

	FIAAF-II June 30, 2026 (Rupees)	FIAAF-II June 30, 2025 (Rupees)
Net assets	4,266,635,544	1,779,718,824
Net assets value per unit	123.8008	101.171
Offer price per unit	128.0719	104.6614
Repurchase price per unit	123.8008	101.171
Highest offer price per unit	128.0719	145.6763
Highest repurchase price per unit	123.8008	140.8181
Lowest offer price per unit	122.6869	100
Lowest repurchase price per unit	118.5954	100
Total return:	22.37%	32.44%
- capital growth	22.37%	1.53%
- income distribution	0.00%	30.91%
Average annual return: (Launch date: July 24, 2006)		
- one year	22.37%	32.44%
Distribution per unit:		
- Interim distribution (% per unit)	0.00%	30.91%
- Final distribution (% per unit)*		
	0.00%	30.91%

* Announced on 26 June 2025

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.

Responsibilities towards Proxy Voting as per Regulation 38A

Faysal Asset Management Limited (FAML) on behalf of Faysal Islamic Asset Allocation Fund-II (FIAAF-II) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FIAAF-II is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML (if any) in respect of the CIS is also available without charge, upon request, to all unit holders.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Faysal Islamic Asset Allocation Fund III

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Asset Allocation Fund III

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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

The objective of Faysal Islamic Asset Allocation Fund (FIAAF-III) is to earn competitive riba free return by investing in various Shariah compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and undervalued stocks.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

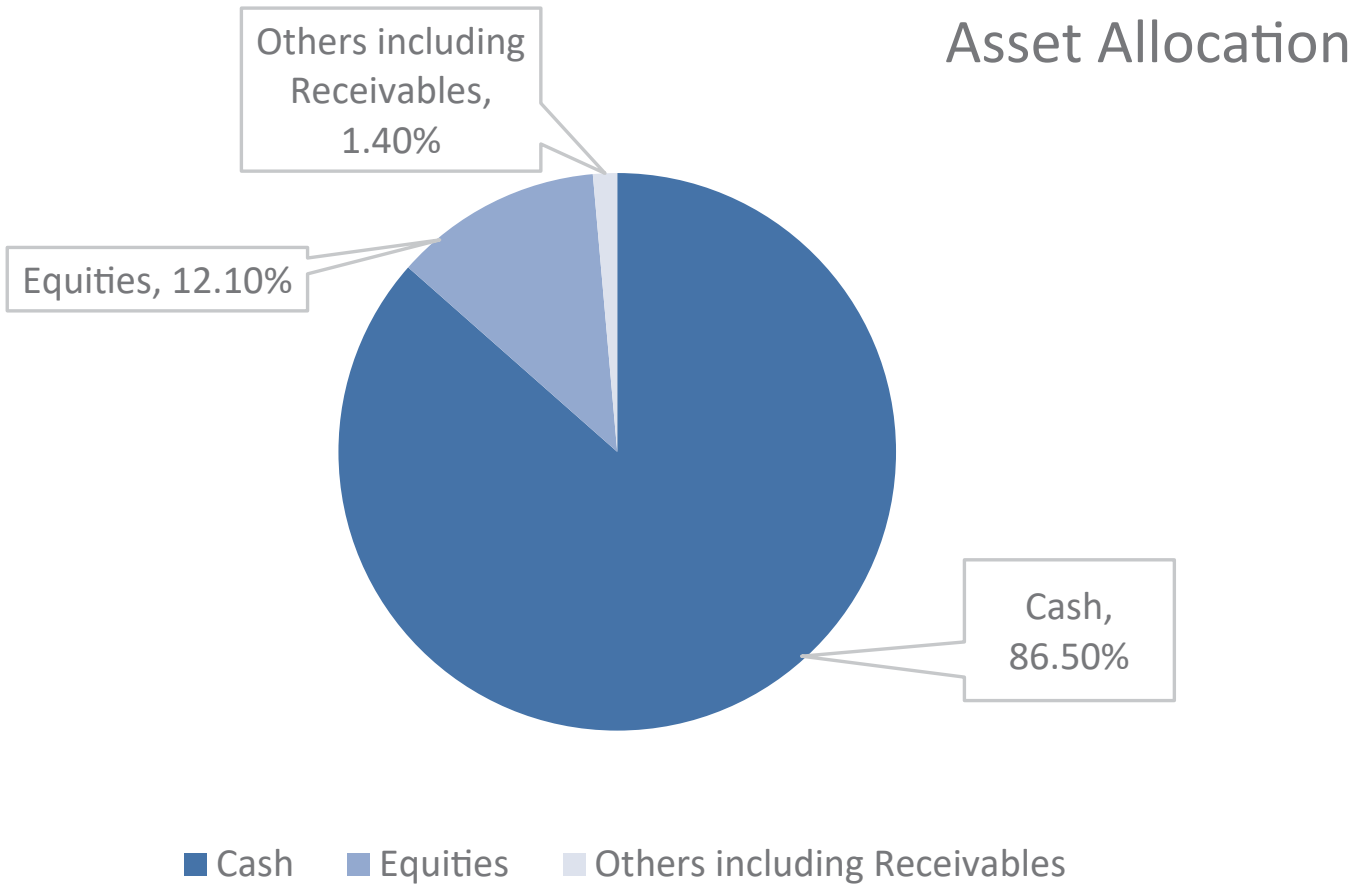
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Scheme
Risk Profile	High
Stability Rating	Not Rated
Launch Date	September 17, 2025
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Up to 3.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.36%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 3% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	Shariah Compliant Equity: KMI-30 Index, Shariah Compliant Money Market: 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP, Shariah Compliant Income: 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP based on the Fund's actual proportion in the Equity and Income / Money Market securities
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	107.58
Net Assets (mn)	1049
Total Expense Ratio (Annualized)	2.01%
Total Expense Ratio (Monthly)	0.72%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	7.83%
Benchmark (YTD)	-	7.63%



FUND PERFORMANCE

During the period under review, Faysal Islamic Asset Allocation Fund-III - Faysal Shariah Flex Plan-I (FIAAF-III-FSFP-I) posted an absolute FY26TD return of 7.83% relative to its existing benchmark of 7.63%. At the end of the period, exposure in Cash (86.50%), Equities (12.10%) and Others (1.40%) stood at the period end. In the future, your fund will continue exploring Islamic investment avenues to provide competitive returns.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

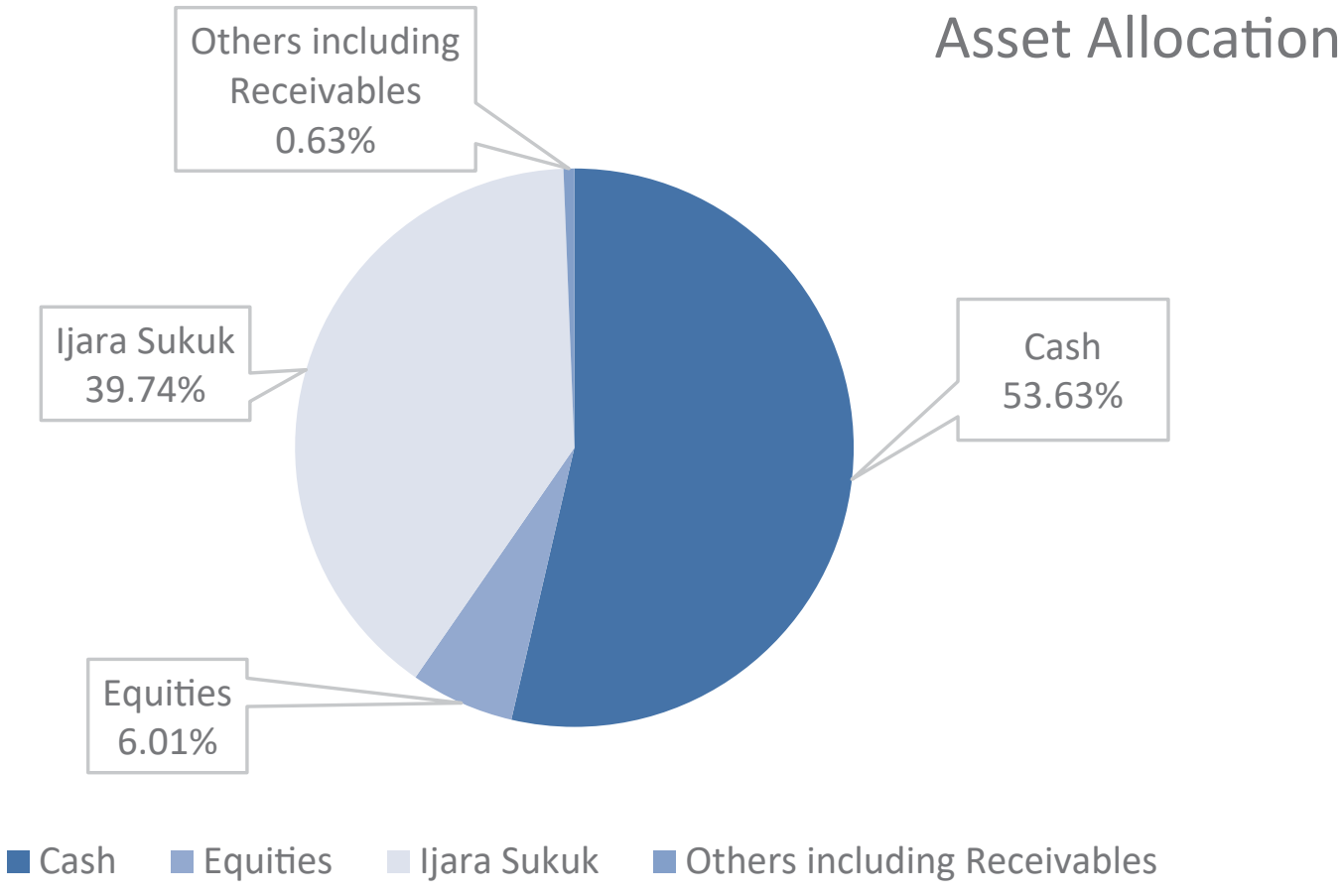
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Scheme
Risk Profile	High
Stability Rating	Not Rated
Launch Date	November 25, 2025
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Up to 3.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.45%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 3% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	Shariah Compliant Equity: KMI-30 Index, Shariah Compliant Money Market: 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP, Shariah Compliant Income: 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP based on the Fund's actual proportion in the Equity and Income / Money Market securities
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	106.43
Net Assets (mn)	1818.71
Total Expense Ratio (Annualized)	0.90%
Total Expense Ratio (Monthly)	0.08%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	6.02%
Benchmark (YTD)	-	5.80%



FUND PERFORMANCE

During the period under review, Faysal Islamic Asset Allocation Fund-III - Faysal Shariah Flex Plan-II (FIAAF-III-FSFP-II) posted an absolute FY26TD return of 6.02% relative to its existing benchmark of 5.80%. At the end of the period, exposure in Cash (53.63%), Equities (6.01%), Ijarah Sukuk (39.74%) and Others (0.63%) stood at the period end. In the future, your fund will continue exploring Islamic investment avenues to provide competitive returns.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

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Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

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Equity Market Review

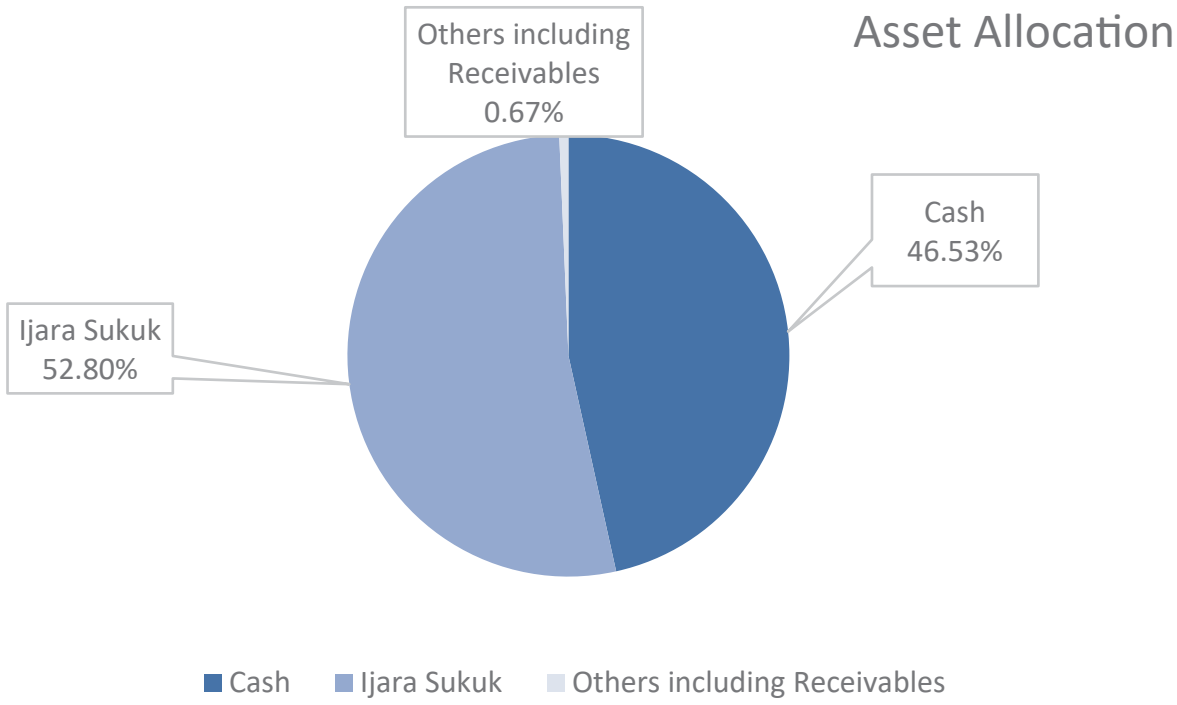
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With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

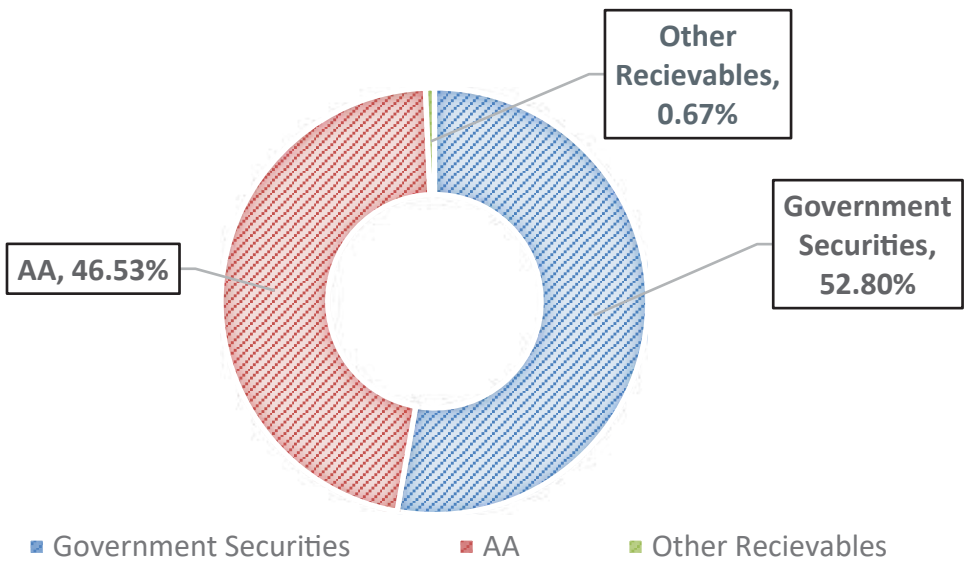
As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Scheme
Risk Profile	High
Stability Rating	Not Rated
Launch Date	January 19, 2026
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee**	Up to 3.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.09%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	FEL up to 3% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	Shariah Compliant Equity: KMI-30 Index, Shariah Compliant Money Market: 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP, Shariah Compliant Income: 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP based on the Fund's actual proportion in the Equity and Income / Money Market securities
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	105.15
Net Assets (mn)	4373.43
Total Expense Ratio (Annualized)	0.97%
Total Expense Ratio (Monthly)	0.43%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	5.15%
Benchmark (YTD)	-	3.97%



ASSET QUALITY



FUND PERFORMANCE

During the period under review, Faysal Islamic Asset Allocation Fund-III - Faysal Shariah Flex Plan-III (FIAAF-III-FSFP-III) posted an absolute FY26TD return of 5.15% relative to its existing benchmark of 3.97%. At the end of the period, exposure in Cash (46.53%), Ijarah Sukuk (52.80%) and Others (0.67%) stood at the period end. In the future, your fund will continue exploring Islamic investment avenues to provide competitive returns.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report of
Faysal Islamic Asset Allocation Fund-III

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Asset Allocation Fund-III (FIAAF-III)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIAAF-III** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIAAF-III** by FAML Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Asset Allocation Fund-III (FIAAF-III)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC ASSET ALLOCATION FUND-III

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Asset Allocation Fund-III (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from September 17, 2025 to June 30, 2026 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.

We would like to draw the attention of unit holders towards clause 2.2.4 of the offering document, wherein the Fund is required to maintain at least 10% of net assets in Cash and near Cash instruments which include cash in bank (excluding TDR) and GOP Ijara Sukuk's not exceeding 90 days maturity. In this regard, Faysal Islamic Asset Allocation Fund-III (Faysal Shariah Flex Plan-II) was non-compliant with the said requirement in various days starting from March 2026 to May 2026 with maximum breach by 9.93% of the net assets of the Fund. 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 10, 2026

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Chartered Accountants
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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Asset Allocation Fund - III** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the Independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Islamic Asset Allocation Fund III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Asset Allocation Fund III** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of equity and debt securities) held by the Fund represent 99.2 % of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - we have obtained the bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076ra2psxFye

Faysal Islamic Asset Allocation Fund III

Statement of Assets and Liabilities

As at June 30, 2026

	Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		(Rupees)			
Assets					
Balances with banks	4	919,821,801	979,634,381	2,043,175,673	3,942,631,855
Investments	5	128,628,269	835,762,928	2,318,445,000	3,282,836,197
Receivable against sale of investments		623,394	279,710	-	903,104
Preliminary expenses and flotation cost	6	198,715	345,599	294,726	839,040
Advances, deposits and other receivables	7	14,048,355	13,392,962	31,545,356	58,986,673
Total assets		1,063,320,534	1,829,415,580	4,393,460,755	7,286,196,869
Liabilities					
Payable to Faysal Asset Management Limited - Management Company	8	3,265,789	5,462,244	3,207,492	11,935,525
Payable to Central Depository Company of Pakistan - Trustee	9	193,619	251,775	393,621	839,015
Payable to the Securities and Exchange Commission of Pakistan	10	81,866	131,497	247,085	460,448
Accrued expenses and other liabilities	11	11,178,442	4,863,830	16,178,630	32,220,902
Total liabilities		14,719,716	10,709,346	20,026,828	45,455,890
Net assets		1,048,600,818	1,818,706,234	4,373,433,927	7,240,740,979
Unit holders' fund (as per statement attached)		1,048,600,818	1,818,706,234	4,373,433,927	7,240,740,979
Contingencies and commitments	12				
		(Number of units)			
Number of units in issue		9,747,187	17,088,287	41,592,331	
		(Rupee per unit)			
Net assets value per unit		107.5798	106.4300	105.1500	

The annexed notes 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

Faysal Islamic Asset Allocation Fund III

Income Statement

For The Year Ended June 30, 2026

	Note	Faysal Shariah Flex Plan-I For the period from September 17, 2025 to June 30, 2026	Faysal Shariah Flex Plan-II For the period from November 25, 2025 to June 30, 2026	Faysal Shariah Flex Plan-III For the period from January 19, 2026 to June 30, 2026	Total
		(Rupees)			
Income					
Profit on balances with banks		95,449,153	63,416,479	121,251,833	280,117,465
Dividend income		2,096,801	1,830,424	1,706,538	5,633,763
Profit on GoP Ijarah sukuk certificates		-	5,368,521	11,571,223	16,939,744
Profit on Islamic Term Deposit Receipts		377,284	4,676,579	6,623,156	11,677,019
Profit on Bai Muajjal		-	53,814,256	49,105,160	102,919,416
Realised gain / (loss) on sale of investments - net		666,118	(7,936,582)	(23,588,726)	(30,859,190)
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	7,592,446	3,782,348	6,938,777	18,313,571
Total Income		106,181,802	124,952,025	173,607,961	404,741,788
Expenses					
Remuneration of Faysal Asset Management Limited - Management Company	8.1	11,628,478	18,264,004	7,046,278	36,938,760
Sindh Sales Tax on remuneration of Management Company	8.2	1,744,272	2,739,601	1,056,941	5,540,814
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,707,911	1,704,065	1,967,224	5,379,200
Sindh Sales Tax on remuneration of the Trustee	9.2	256,186	255,610	295,084	806,880
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	885,448	1,180,952	1,447,220	3,513,620
Auditors' remuneration	13	438,840	438,840	267,120	1,144,800
Bank charges		15,703	16,566	31,722	63,991
Charity and donations		240,245	182,642	149,952	572,839
Transaction charges		1,524,795	1,268,246	1,347,741	4,140,782
Amortization of preliminary expenses and flotation cost		89,603	48,954	31,216	169,773
Shariah advisor fee		121,489	121,376	-	242,865
Legal & professional charges		125,830	30,240	-	156,070
Total expenses		18,778,800	26,251,096	13,640,498	58,670,394
Net income for the period before taxation		87,403,002	98,700,929	159,967,463	346,071,394
Taxation	14	-	-	-	-
Net income for the period after taxation		87,403,002	98,700,929	159,967,463	346,071,394
Earnings per unit	15				
Allocation of net income for the period					
- Net income for the period after taxation		87,403,002	98,700,929	159,967,463	346,071,394
- Income already paid on units redeemed		(82,158,099)	(95,030,467)	(159,402,923)	(336,591,489)
		5,244,903	3,670,462	564,540	9,479,905
Accounting income available for distribution					
- Relating to capital gains		495,582	-	-	495,582
- Excluding capital gains		4,749,321	3,670,462	564,540	8,984,323
		5,244,903	3,670,462	564,540	9,479,905

The annexed notes 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

Faysal Islamic Asset Allocation Fund III

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	Faysal Shariah Flex Plan-I	Faysal Shariah Flex Plan-II	Faysal Shariah Flex Plan-III	Total
	For the period from September 17, 2025 to June 30, 2026	For the period from November 25, 2025 to June 30, 2026	For the period from January 19, 2026 to June 30, 2026	
	---------- (Rupees) ----------			
Net income for the period after taxation	**87,403,002**	**98,700,929**	**159,967,463**	**346,071,394**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**87,403,002**	**98,700,929**	**159,967,463**	**346,071,394**

The annexed notes 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

Faysal Islamic Asset Allocation Fund III

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	Faysal Shariah Flex Plan-I			Faysal Shariah Flex Plan-II			Faysal Shariah Flex Plan-III			Total
	For the period from September 17, 2025 to June 30, 2026			For the period from November 25, 2025 to June 30, 2026			For the period from January 19, 2026 to June 30, 2026			
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Accumulated Loss	Total	
	---------- (Rupees) ----------			---------- (Rupees) ----------			---------- (Rupees) ----------			--- (Rupees) ---
Net assets at the beginning of the period	-	-	-	-	-	-	-	-	-	-
Issuance of 41,655,195 units of FSFP-I Issuance of 88,609,532 units of FSFP-II Issuance of 134,993,331 units of FSFP-III										
- Capital value (at net asset value per unit at the beginning of the period)	4,165,519,541	-	4,165,519,541	8,860,953,213	-	8,860,953,213	13,499,331,138	-	13,499,331,138	26,525,803,892
- Element of income	75,465,191	-	75,465,191	312,767,157	-	312,767,157	348,020,434	-	348,020,434	736,252,782
Total proceeds on issuance of units	4,240,984,732	-	4,240,984,732	9,173,720,370	-	9,173,720,370	13,847,351,572	-	13,847,351,572	27,262,056,674
Redemption of 71,521,246 units of FSFP-II Redemption of 93,400,981 units of FSFP-III										
- Capital value (at net asset value per unit at the beginning of the period)	(3,190,800,825)	-	(3,190,800,825)	(7,152,124,560)	-	(7,152,124,560)	(9,340,098,085)	-	(9,340,098,085)	(19,683,023,470)
- Element of loss	(4,549,530)	(82,158,099)	(86,707,629)	(206,560,038)	(95,030,467)	(301,590,505)	(134,384,100)	(159,402,923)	(293,787,023)	(682,085,157)
Total payments on redemption of units	(3,195,350,355)	(82,158,099)	(3,277,508,454)	(7,358,684,598)	(95,030,467)	(7,453,715,065)	(9,474,482,185)	(159,402,923)	(9,633,885,108)	(20,365,108,627)
Distribution during the period @ Rs. 0.2328 per unit declared on September 26, 2025	-	(2,278,462)	(2,278,462)	-	-	-	-	-	-	(2,278,462)
Total comprehensive income for the period	-	87,403,002	87,403,002	-	98,700,929	98,700,929	-	159,967,463	159,967,463	346,071,394
Net assets at the end of the period	1,045,634,377	2,966,441	1,048,600,818	1,815,035,772	3,670,462	1,818,706,234	4,372,869,387	564,540	4,373,433,927	7,240,740,979
Accounting income available for distribution										
- Relating to capital gains		495,582			-			-		
- Excluding capital gains		4,749,321			3,670,462			564,540		
		5,244,903			3,670,462			564,540		
Distributions during the period		(2,278,462)			-			-		
Undistributed income / (accumulated loss) carried forward		2,966,441			3,670,462			564,540		
Undistributed income / (accumulated loss) carried forward										
- Realised loss		(4,626,005)			(111,886)			(6,374,237)		
- Unrealised Income		7,592,446			3,782,348			6,938,777		
		2,966,441			3,670,462			564,540		
					(Rupees)					
Net assets value per unit at beginning of the period		-			-			-		
Net assets value per unit at end of the period		107.5798			106.4300			105.1500		

The annexed notes 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

Faysal Islamic Asset Allocation Fund III

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	Faysal Shariah Flex Plan-I For the period from September 17, 2025 to June 30, 2026	Faysal Shariah Flex Plan-II For the period from November 25, 2025 to June 30, 2026	Faysal Shariah Flex Plan-III For the period from January 19, 2026 to June 30, 2026	Total
CASH FLOWS FROM OPERATING ACTIVITIES		---------- (Rupees) ----------			
Net income for the period before taxation		87,403,002	98,700,929	159,967,463	346,071,394
Adjustments for:					
Profit on balances with banks		(95,449,153)	(63,416,479)	(121,251,833)	(280,117,465)
Dividend income		(2,096,801)	(1,830,424)	(1,706,538)	(5,633,763)
Preliminary expenses and flotation cost		(198,715)	(345,599)	(294,726)	(839,040)
Realised (gain) / loss on sale of investments - net		(666,118)	7,936,582	23,588,726	30,859,190
Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(7,592,446)	(3,782,348)	(6,938,777)	(18,313,571)
		(106,003,233)	(61,438,268)	(106,603,148)	(274,044,649)
Increase in assets					
Investments		(120,369,705)	(839,917,162)	(2,335,094,949)	(3,295,381,816)
Receivable against sale of investments		(623,394)	(279,710)	-	(903,104)
Advances, deposits and other receivables		(14,048,355)	(13,392,962)	(31,545,356)	(58,986,673)
		(135,041,454)	(853,589,834)	(2,366,640,305)	(3,355,271,593)
Increase in liabilities					
Payable to Faysal Asset Management Limited - Management Company		3,265,789	5,462,244	3,207,492	11,935,525
Payable to Central Depository Company of Pakistan - Trustee		193,619	251,775	393,621	839,015
Payable to the Securities and Exchange Commission of Pakistan		81,866	131,497	247,085	460,448
Payable against purchase of investment		-	-	-	-
Accrued expenses and other liabilities		11,178,442	4,863,830	16,178,630	32,220,902
		14,719,716	10,709,346	20,026,828	45,455,890
Profit received on balances with banks		95,449,153	63,416,479	121,251,833	280,117,465
Dividend received		2,096,801	1,830,424	1,706,538	5,633,763
Net cash used in operating activities		(41,376,015)	(740,370,924)	(2,170,290,791)	(2,952,037,730)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance of units		4,240,984,732	9,173,720,370	13,847,351,572	27,262,056,674
Payments against redemption of units		(3,277,508,454)	(7,453,715,065)	(9,633,885,108)	(20,365,108,627)
Dividend paid		(2,278,462)	-	-	(2,278,462)
Net cash generated from financing activities		961,197,816	1,720,005,305	4,213,466,464	6,894,669,585
Net increase in cash and cash equivalents during the period		919,821,801	979,634,381	2,043,175,673	3,942,631,855
Cash and cash equivalents at the beginning of the period		-	-	-	-
Cash and cash equivalents at the end of the period	4	919,821,801	979,634,381	2,043,175,673	3,942,631,855

The annexed notes 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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Asset Allocation Fund III (the Fund) is open ended islamic asset allocation fund constituted under a Trust Deed under the Sindh Trust Act, 2020 entered into on 17 September 2025 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

1.2 The investment activities and administration of the Fund are managed by the Management Company. It 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 West Wing, 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as a Shariah Compliant open-ended 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 September 26, 2025 and are transferable and redeemable by surrendering them to the Fund.

1.4 The Fund has initially offered two types of Investment Plans, i.e. Faysal Shariah Flex Plan-I (FSFP-I) & Faysal Shariah Flex Plan-II (FSFP-II) further the fund has offered Faysal Shariah Flex Plan-III (FSFP-III). The objective of the Fund is to seek long-term, Riba-free capital appreciation by investing across Shariah-compliant equities and other growth-focused asset classes, based on market trends, economic outlook, and undervaluation opportunities.

1.5 VIS Credit Rating Company Limited has assigned the rating of "AM1" to the Management Company dated 31, December 2025. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

1.7 These are the first financial statements of the Fund for the period from the date of announcement of first NAV i.e. September 17, 2025 for FSFP-1, November 25, 2025 for FSFP-II, and January 19, 2026 for FSFP-III to June 30, 2026. Therefore, no comparative figures have been included in these financial statements.

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 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, 2026

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

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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, valuation and impairment of financial assets.

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.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.2.2 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)"
- 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 losses (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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 one 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 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 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

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, 2026

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 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
- Income on sukuk certificates and government 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: 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.

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 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.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / 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.

3.15 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4 BALANCES WITH BANKS	Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		---------- (Rupees) ----------			
Savings accounts	4.1	919,821,801	979,634,381	2,043,175,673	3,942,631,855

4.1 These carry mark-up ranging between 5.8% to 12.5% per annum and these balances are held with Faysal Bank Limited, a related party.

5 Investments		Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		---------- (Rupees) ----------			
Financial assets at fair value through profit or loss					
Listed equity securities	5.1	128,628,269	109,762,928	-	238,391,197
GOP Ijara Sukuk Certificates	5.2	-	726,000,000	2,318,445,000	3,044,445,000
Bai Muajjal	5.3	-	-	-	-
Islamic Term Deposits Receipts	5.4	-	-	-	-
		128,628,269	835,762,928	2,318,445,000	3,282,836,197

5.1 Listed equity securities

FIAAF-III-Faysal Shariah Flex Plan-I

Name of the investee company	As at September 17, 2025	Purchased during the period	Bonus / right shares received during the period	Disposed of during the period	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of		
						Carrying value	Market Value	Unrealised gain	Net assets of the Fund	Total investments of the Fund	Paid-up capital of Investee company (with face value of investment)
	---------- Number of shares ----------					---------- (Rupees) ----------			---------- % ----------		
Banks											
Meezan Bank Limited (Note 5.1.2)	-	26,000	-	11,800	14,200	6,856,666	7,333,732	477,066	0.70%	5.70%	0.13%
Industrial Engineering											
Mughal Iron & Steel Industries Limited	-	134,577	-	65,000	69,577	4,758,736	6,095,641	1,336,905	0.58%	4.74%	0.08%
Automobile Assembler											
Sazgar Engineering Works Limited	-	800	-	-	800	1,736,040	1,650,792	(85,248)	0.16%	1.28%	0.63%
Cement											
D.G. Khan Cement Company Limited (Note 5.1.2)	-	69,500	-	41,700	27,800	5,219,298	6,206,906	987,608	0.59%	4.83%	0.29%
Fauji Cement Company Limited (Note 5.1.2)	-	700,000	-	628,300	71,700	4,121,349	4,126,335	4,986	0.39%	3.21%	0.16%
Lucky Cement Limited (Note 5.1.1 & Note 5.1.2)	-	70,500	-	47,200	23,300	10,294,356	10,939,816	645,460	1.04%	8.50%	0.33%
Maple Leaf Cement Factory Limited	-	35,000	-	-	35,000	3,468,150	3,741,850	273,700	0.36%	2.91%	3.27%
Chemicals											
Ghani Chemical Industries Limited	-	186,778	-	-	186,778	6,282,429	6,636,222	353,793	0.63%	5.16%	0.12%
Fertilizers											
Fauji Fertilizer Company Limited	-	117,800	-	100,700	17,100	9,247,363	9,806,508	559,145	0.94%	7.62%	1.39%
Foods & Personal Care Products											
Fauji Foods Limited (Note 5.1.2)	-	650,000	-	300,000	350,000	6,431,494	6,258,000	(173,494)	0.60%	4.87%	0.55%
Ghani Dairies Limited	-	23,816	-	-	23,816	785,928	475,129	(310,799)	0.05%	0.37%	0.09%
National Foods Limited	-	2,000	-	-	2,000	825,999	774,860	(51,139)	0.07%	0.60%	2.07%
Power Generation & Distribution											
The Hub Power Company Limited (Note 5.1.2)	-	99,500	-	43,200	56,300	11,846,199	13,143,235	1,297,036	1.25%	10.22%	0.26%
Leather & Tanneries											
Service Global Footwear Limited	-	9,000	-	-	9,000	1,143,000	1,097,280	(45,720)	0.10%	0.85%	0.44%
Paper & Board											
Century Paper & Board Mills Limited	-	270,000	-	-	270,000	8,073,206	8,064,900	(8,306)	0.77%	6.27%	0.08%
Oil & Gas Exploration Companies											
Mari Energies Limited	-	9,500	-	-	9,500	6,257,078	6,405,755	148,677	0.61%	4.98%	0.08%
Oil & Gas Development Company Limited (Note 5.1.2)	-	76,500	-	42,000	34,500	10,846,236	11,553,015	706,779	1.10%	8.98%	0.20%
Pakistan Petroleum Limited (Note 5.1.2)	-	335,448	-	281,979	53,469	12,185,761	12,972,649	786,888	1.24%	10.09%	6.72%
Technology & Communications											
Pakistan Telecommunication Company Limited	-	35,000	-	15,000	20,000	1,090,000	1,310,400	220,400	0.12%	1.02%	0.43%
Systems Limited (Note 5.1.1 & Note 5.1.2)	-	257,000	-	250,000	7,000	1,015,070	1,029,630	14,560	0.10%	0.80%	0.05%
Investment Banks, Investment Companies, and Securities Companies											
Engro Holdings Limited (Formerly Dawood Hercules Corp.	-	131,000	-	99,700	31,300	8,551,466	9,005,614	454,148	0.86%	7.00%	0.05%
Total as at June 30, 2026						121,035,823	128,628,269	7,592,446			

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For The Year Ended June 30, 2026

FIAAF-III-Faysal Shariah Flex Plan-II

Name of the investee company	As at November 25, 2025	Purchased during the period	Bonus / right shares received during the period	Disposed of during the period	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of		
						Carrying value	Market Value	Unrealised gain	Net assets of the Fund	Total invest-ments of the Fund	Paid-up capital of Investee company (with face value of investment)
	Number of shares					(Rupees)			%		
Banks											
Meezan Bank Limited (Note 5.1.2)	-	50,500	-	28,700	21,800	10,871,200	11,258,828	387,628	0.62%	1.35%	0.13%
Automobile Assembler											
Sazgar Engineering Works Limited	-	800	-	-	800	1,742,620	1,650,792	(91,828)	0.09%	0.20%	0.63%
Cement											
Fauji Cement Company Limited	-	67,000	-	29,800	37,200	2,033,063	2,140,860	107,797	0.12%	0.26%	0.16%
Lucky Cement Limited (Note 5.1.1 & Note 5.1.2)	-	68,554	-	44,000	24,554	11,663,321	11,528,594	(134,727)	0.63%	1.38%	0.33%
Maple Leaf Cement Factory Limited	-	33,500	-	-	33,500	3,319,515	3,581,485	261,970	0.20%	0.43%	3.27%
Fertilizers											
Fauji Fertilizer Company Limited	-	73,000	-	51,700	21,300	12,100,014	12,215,124	115,110	0.67%	1.46%	1.39%
Foods & Personal Care Products											
Ghani Dairies Limited	-	42,096	-	-	42,096	1,389,168	839,815	(549,353)	0.05%	0.10%	0.09%
Power Generation & Distribution											
The Hub Power Company Limited (Note 5.1.2)	-	142,611	-	88,911	53,700	12,041,969	12,536,265	494,296	0.69%	1.50%	0.26%
K-Electric Limited	-	1,000,000	-	1,000,000	-	-	-	-	0.00%	0.00%	0.00%
Leather & Tanneries											
Service Global Footwear Limited	-	9,000	-	-	9,000	1,143,000	1,097,280	(45,720)	0.06%	0.13%	0.44%
Oil & Gas Exploration Companies											
Mari Energies Limited (Note 5.1.2)	-	13,283	-	2,500	10,783	7,707,098	7,270,869	(436,229)	0.40%	0.87%	0.08%
Oil & Gas Development Company Limited (Note 5.1.2)	-	63,500	-	20,900	42,600	12,731,464	14,265,462	1,533,998	0.78%	1.71%	0.20%
Pakistan Petroleum Limited (Note 5.1.2)	-	82,000	-	37,000	45,000	10,706,929	10,917,900	210,971	0.60%	1.31%	6.72%
Technology & Communications											
Pakistan Telecommunication Company Limited	-	19,017	-	9,000	10,017	541,229	656,314	115,085	0.04%	0.08%	0.43%
Systems Limited (Note 5.1.1)	-	32,000	-	15,000	17,000	2,465,170	2,500,530	35,360	0.14%	0.30%	0.05%
Investment Banks, Investment Companies, and Securities Companies											
Engro Holdings Limited (Formerly Dawood Hercules Corp. Ltd.)	-	206,000	-	167,637	38,363	10,671,245	11,037,802	366,557	0.61%	1.32%	0.05%
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited (Note 5.1.2)	-	40,000	-	21,700	18,300	7,965,054	6,265,008	(1,700,046)	0.34%	0.75%	0.39%
Total as at June 30, 2026						109,092,059	109,762,929	670,869			

FIAAF-III-Faysal Shariah Flex Plan-III

Name of the investee company	As at November 25, 2025	Purchased during the period	Bonus / right shares received during the period	Disposed of during the period	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of		
						Carrying value	Market Value	Unrealised gain	Net assets of the Fund	Total invest-ments of the Fund	Paid-up capital of Investee company (with face value of investment)
	Number of shares					(Rupees)			%		
Banks											
Meezan Bank Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
Cement											
D.G. Khan Cement Company Limited	-	33,000	-	33,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Lucky Cement Limited (Note 5.1.1)	-	40,000	-	40,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	111,000	-	111,000	-	-	-	-	-	-	-
Fertilizer	-		-		-	-	-	-	-	-	-
Engro Fertilizers Limited	-	32,500	-	32,500	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	44,000	-	44,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	61,000	-	61,000	-	-	-	-	-	-	-
Foods & Personal Care Products	-		-		-	-	-	-	-	-	-
Ghani Dairies Limited	-	38,613	-	38,613	-	-	-	-	-	-	-
Inv. Bank/Inv. Companies/Securities Co.	-		-		-	-	-	-	-	-	-
Engro Holdings Limited (Formerly Dawood Hercules Corp. Ltd	-	126,000	-	126,000	-	-	-	-	-	-	-
Oil & Gas Exploration Companies	-		-		-	-	-	-	-	-	-
Mari Energies Limited	-	11,000	-	11,000	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	93,000	-	93,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	72,822	-	72,822	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	50,500	-	50,500	-	-	-	-	-	-	-
Power Generation & Distribution	-		-		-	-	-	-	-	-	-
The Hub Power Company Limited	-	64,000	-	64,000	-	-	-	-	-	-	-
Total as at June 30, 2026						-	-	-			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1.1 All shares have a face value of Rs. 10 each except the shares Systems Limited and Lucky Cement Limited having face value of Rs.2 each, respectively.

5.1.2 Investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of investee company	June 30, 2026	
	Number of shares	Market value in Rupees
Faysal Shariah Flex Plan-I		
D.G. Khan Cement Company Limited	8,000	1,786,160
Fauji Cement Company Limited	71,000	4,086,050
Fauji Foods Limited	300,000	5,364,000
The Hub Power Company Limited	15,000	3,501,750
Lucky Cement Limited	5,000	2,347,600
Meezan Bank Limited	3,000	1,549,380
Oil & Gas Development Company Limited	5,000	1,674,350
Pakistan Petroleum Limited	9,000	2,183,580
Systems Limited	5,000	735,450
	421,000	23,228,320
Faysal Shariah Flex Plan-II		
The Hub Power Company Limited	15,000	3,501,750
Lucky Cement Limited	10,000	4,695,200
Mari Energies Limited	5,000	3,371,450
Meezan Bank Limited	13,000	6,713,980
Oil & Gas Development Company Limited	15,000	5,023,050
Pakistan Petroleum Limited	13,000	3,154,060
Pakistan State Oil Company Limited	15,000	5,135,250
	86,000	8,196,950
	507,000	31,425,270

5.2 GOP Ijara Sukuk Certificates

FIAAF-III-Faysal Shariah Flex Plan-I

Name of the security	Profit Payment/Principle Redemption	Issue date	Maturity date	Profit rate	Face value				Balance as at June 30, 2026			Percentage in relation to	
					As at 25 November 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of
					(Rupees)							%	
Gop Ijara Sukuk Certificate-Gis36 (26-06-2023)	At Maturity	26-Jun-23	26-Jun-23	9%	-	665,000,000	665,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate-Gis(Vrr)-34 (26-06-2023)	At Maturity	26-Jun-23	26-Jun-28	10%	-	1,350,000,000	1,350,000,000	-	-	-	-	-	-
Gop Discounted Hybrid,Sukuk - 01 Year P01GHS130527	At Maturity	14-May-26	13-May-27	10%	-	800,000,000	-	800,000,000	722,888,520	726,000,000	3,111,480	40%	87%
Total as at June 30, 2026									722,888,520	726,000,000	3,111,480		

FIAAF-III-Faysal Shariah Flex Plan-III

Name of the security	Profit Payment/Principle Redemption	Issue date	Maturity date	Profit rate	Face value				Balance as at June 30, 2026			Percentage in	
					As at 19 January 2026	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investmen
					(Rupees)							%	
Gop Ijara Sukuk Certificate-Gis36 (26-06-2023)	At Maturity	26-Jun-23	26-Jun-26	9.44%	-	665,000,000	665,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate-Gis(Vrr)-34 (26-06-2023)	At Maturity	26-Jun-23	26-Jun-28	10.49%	-	670,000,000	670,000,000	-	-	-	-	-	-
Gop Ijara Sukuk Certificate-Gis(Vrr)-34 (26-06-2023)	At Maturity	26-Jun-23	26-Jun-28	10.49%	-	500,000,000	500,000,000	-	-	-	-	-	-
GoP Discounted Hybrid,Sukuk - 01 Year - P01GHS290427	At Maturity	30-Apr-26	29-May-27	10.05%	-	1,200,000,000	-	1,200,000,000	1,091,631,845	1,093,320,000	1,688,155	25%	47%
GoP Discounted Hybrid,Sukuk - 01 Year P01GHS130527	At Maturity	14-May-26	13-May-27	10.05%	-	1,350,000,000	-	1,350,000,000	1,219,874,378	1,225,125,000	5,250,622	28%	53%
Total as at June 30, 2026									2,311,506,223	2,318,445,000	6,938,777		

5.2.1 The nominal value of these sukuk certificates is Rs 5,000 each.

5.3 Bai Muajjal

FIAAF-III-Faysal Shariah Flex Plan-I

Name of the security	Maturity date	Profit Rate	Face value				Balance as at June 30, 2026			Percentage in relation to	
			As at 25 November 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investments
			(Rupees)							%	
United Bank Limited	15-May-26	10.30%	-	699,955,300	699,955,300	-	-	-	-	-	-
Pak Oman Investment Company Limited	06-May-26	10.30%	-	708,327,164	708,327,164	-	-	-	-	-	-
Pak Brunei Investment Company Limited	22-May-26	10.30%	-	702,804,248	702,804,248	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		

FIAAF-III-Faysal Shariah Flex Plan-III

Name of the security	Maturity date	Profit Rate	Face value				Balance as at June 30, 2026			Percentage in relation to	
			As at 19 January 2026	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investments
			(Rupees)							%	
United Bank Limited	16-Feb-26	10.30%	-	699,955,300	699,955,300	-	-	-	-	-	-
Pak Oman Investment Company Limited	06-Feb-26	10.30%	-	520,828,797	520,828,797	-	-	-	-	-	-
Pak Brunei Investment Company Limited	17-Feb-26	10.30%	-	702,804,248	702,804,248	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.4 Islamic Term Deposit Receipts

FIAAF-III-Faysal Shariah Flex Plan-I

Name of the investee company	Profit rate	Maturity date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (dimunition) as at June 30, 2026	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at 17 September 2026	Purchased during the period	Disposed off / matured during the period	As at 30 June, 2026					
			(Rupees)							%	
Habib Bank Ltd - Islamic Banking	10.15%	23-Feb-26	-	100,000,000	100,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd	10.15%	23-Feb-26	-	110,000,000	110,000,000	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		

FIAAF-III-Faysal Shariah Flex Plan-II

Name of the investee company	Profit rate	Maturity date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (dimunition) as at June 30, 2026	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at 25 November 2025	Purchased during the period	Disposed off / matured during the period	As at 30 June, 2026					
			(Rupees)							%	
Zarai Taraqiati Bank Ltd	10.12%	02-Mar-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd	10.10%	23-Feb-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Habib Bank Ltd - Islamic Banking	10.15%	23-Feb-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	10.20%	09-Mar-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		

FIAAF-III-Faysal Shariah Flex Plan-III

Name of the investee company	Profit rate	Maturity date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (dimunition) as at June 30, 2026	Market value as a percentage of net assets	Market value as a percentage of total investments
			As at 19 January 2026	Purchased during the period	Disposed off / matured during the period	As at 30 June, 2026					
			(Rupees)							%	
Zarai Taraqiati Bank Ltd	10.12%	02-Mar-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Ltd	10.10%	23-Feb-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Habib Bank Ltd - Islamic Banking	10.15%	23-Feb-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Allied Bank Limited Islamic Banking	10.15%	27-Feb-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Askari Bank Limited- Islamic Banking	10.20%	09-Mar-26	-	700,000,000	700,000,000	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		

5.5 Unrealised appreciation on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		(Rupees)			
Market value of investments	5.1 & 5.2	128,628,269	835,762,928	2,318,445,000	3,282,836,197
Less: Carrying value of investments	5.1 & 5.2	(121,035,823)	(831,980,580)	(2,311,506,223)	(3,264,522,626)
		7,592,446	3,782,348	6,938,777	18,313,571

6 PRELIMINARY EXPENSES AND FLOTATION COST

		Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		(Rupees)			
Preliminary Expenses and Flotation Cost incurred		288,318	394,553	325,942	1,008,813
Less: Amortization of Preliminary Expenses	6.1	(89,603)	(48,954)	(31,216)	(169,773)
		198,715	345,599	294,726	839,040

6.1 Formation costs represents expenditure incurred prior to the commencement of the operations of the Faysal Shariah Flex Plan-I. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

		Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		(Rupees)			
Advance Tax	7.1	751,823	-	-	751,823
Security deposit with:					
National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000	2,500,000	7,500,000
Central Depository Company of Pakistan Limited		100,000	100,000	100,000	300,000
Profit receivable on balances with banks	7.2	10,696,532	10,792,962	28,945,356	50,434,850
		14,048,355	13,392,962	31,545,356	58,986,673

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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7.1 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 sections 150 and 151, however, withholding tax on dividend and profit on savings account paid to the Fund has been deducted by various withholding agents based on FBR's interpretation in its letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015, which requires withholding tax unless a valid exemption certificate under section 159(1) is produced by the withholdee, with the tax withheld amounting to Rs. 751,823.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP), on behalf of various mutual funds (including the Funds managed by the Management Company), filed a petition in the Sindh High Court (SHC) challenging the FBR's interpretation, which was decided in favor of the FBR, leading the Funds and other CISs (managed by the Management Company and other Asset Management Companies) to file a petition in the Supreme Court of Pakistan (SCP), where the SCP granted leave to appeal from the initial SHC judgment; pending resolution, the withholding tax deducted has been shown as advance tax under "Advances, deposits and other receivables" as of June 30, 2026, as the management believes the tax deducted at source is likely to be refunded.

7.2 This relates to profit receivable on balance held with Faysal Bank Limited, a related party

		Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
			(Rupees)			
8	**PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**					
	Remuneration payable to the Management Company	8.1	306,496	2,076,253	223,087	2,605,836
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	45,975	311,438	33,463	390,876
	Preliminary Expenses and Flotation Cost		288,318	394,553	325,942	1,008,813
	Other Payable		2,625,000	2,680,000	2,625,000	7,930,000
			3,265,789	5,462,244	3,207,492	11,935,525

8.1 As per regulation 61 of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates

Fund	Period	Rate Applicable
FSFP - I	September 18, 2025 to October 2 2026	1.25%
FSFP - I	October 3, 2025 to October 20, 2026	0.01%
FSFP - I	October 21, 2026 to November 4, 2026	2.00%
FSFP - I	November 5, 2026 to January 28, 2026	1.25%
FSFP - I	January 29, 2026 to June 7, 2026	1.50%
FSFP - I	June 8, 2026 to June 30, 2026	0.01%
FSFP - II	November 26, 2025 to January 28, 2026	1.25%
FSFP - II	January 29, 2026 to June 30, 2026	1.50%
FSFP - III	January 20, 2026 to January 28,2026	1.25%
FSFP - III	January 29, 2026 to Febuary 28, 2026	1.50%
FSFP - III	March 1, 2026 to June 18 2026	0.01%
FSFP - III	June 19 , 2026	1.25%
FSFP - III	June 20 ,2026 to June 30,2026	0.01%

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

8.2 During the year, an amount of Rs. 5,540 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 15%.

		Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
			(Rupees)			
9	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**					
	Remuneration payable to the Trustee	9.1	168,365	218,935	342,279	729,579
	Sindh sales tax payable on remuneration of the Trustee	9.2	25,254	32,840	51,342	109,436
			193,619	251,775	393,621	839,015

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

Net Assets (Rs.)	Remuneration
upto Rs. 1 Billion	0.20% per annum of net assets.
over Rs 1 Billion	Rs. 2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs. 1 billion.

9.2 During the period, an amount of Rs. 0.806 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 15%.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		Note	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
			---------- (Rupees) ----------			
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN					
	Annual Fee payable	10.1	81,866	131,497	247,085	460,448

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay monthly fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% per annum of the daily net assets of the Fund. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
		---------- (Rupees) ----------			
11	ACCRUED EXPENSES AND OTHER LIABILITIES				
	Auditors' remuneration payable	267,120	267,120	267,120	801,360
	Transaction charges payable	79,194	156,680	255,925	491,799
	Legal & professional charges payable	1,290	-	-	1,290
	Capital gain tax payable	10,469,104	4,136,012	15,505,633	30,110,749
	Payable to shariah advisor	121,489	121,376	-	242,865
	Payable to Charitable Institutions	240,245	182,642	149,952	572,839
		11,178,442	4,863,830	16,178,630	32,220,902

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026.

		Faysal Shariah Flex Plan-I For the period from September 17, 2025 to June 30, 2026	Faysal Shariah Flex Plan-II For the period from November 25, 2025 to June 30, 2026	Faysal Shariah Flex Plan-III For the period from January 19, 2026 to June 30, 2026	Total
		---------- (Rupees) ----------			
13	AUDITORS' REMUNERATION				
	Annual audit fee	210,834	210,833	128,333	550,000
	Half yearly review of condensed interim financial statements	150,000	150,000	-	300,000
	Shariah audit fee	22,500	22,500	105,000	150,000
	Out of pocket expenses	23,000	23,000	14,000	60,000
		406,333	406,334	247,333	1,060,000
	Sindh Sales Tax	32,507	32,506	19,787	84,800
		438,840	438,840	267,120	1,144,800

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 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 ending June 30, 2026 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the period.

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

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 of the Fund as at June 30, 2026 based on the current period results is as follows

Fund Name	Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
Faysal Shariah Flex Plan-I	1.248%	0.095%	0.183%	0.215%	0.165%	0.074%	0.035%	2.015%	1.800%
Faysal Shariah Flex Plan-II	1.469%	0.095%	0.137%	0.241%	0.103%	0.047%	0.019%	2.112%	1.871%
Faysal Shariah Flex Plan-III	0.463%	0.095%	0.129%	0.089%	0.091%	0.018%	0.012%	0.895%	0.807%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at period end.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

The details of transactions carried out by the Fund with connected persons and related parties and balances with them at period end are as follows:

	For the period from September 17, 2025 to June 30, 2026	For the period from November 25, 2025 to June 30, 2026	For the period from January 19, 2026 to June 30, 2026	Total
	Faysal Shariah Flex Plan-I	Faysal Shariah Flex Plan-II	Faysal Shariah Flex Plan-III	
17.1 Transactions during the period:	---------- (Rupees) ----------			
Faysal Asset Management Limited - Management Company				
Remuneration of Faysal Asset Management Limited - Management Company	11,628,478	18,264,004	7,046,278	36,938,760
Sindh Sales Tax on remuneration of Management Company	1,744,272	2,739,601	1,056,941	5,540,814
Preliminary Expenses and Flotation Cost	288,318	394,553	325,942	1,008,813
Security Deposit paid on behalf of the Fund	2,600,000	2,600,000	2,600,000	7,800,000
Units issued: FSFP - II: 1,976,429 units	-	203,711,589	-	203,711,589
Units Redeemed: FSFP - II: 1,000,000 units	-	106,211,589	-	106,211,589
Bank charges	15,703	16,566	31,722	63,991
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,707,911	1,704,065	1,967,224	5,379,200
Settlement charges	36,412	26,824	28,871	92,107
Security Deposit	100,000	100,000	100,000	300,000
Unit holders with more than 10% unit holding				
Units issued: FSFP - I: 35,964,943 units; FSFP - II : 38,496, 912 units,FSFP - III :106,697,989 units	3,663,347,346	4,042,764,950	10,883,548,286	18,589,660,582
Units redeemed: FSFP - I:27,327,943 units; FSFP - II :23,819,681 units,FSFP - III : 71,633,152 units	2,656,357,685	2,517,068,822	7,318,144,202	12,491,570,709

	Faysal Shariah Flex Plan-I 2026	Faysal Shariah Flex Plan-II 2026	Faysal Shariah Flex Plan-III 2026	Total
17.2 Amounts / balances outstanding as at period end:	---------- (Rupees) ----------			
Faysal Asset Management Limited - Management Company				
Remuneration of Faysal Asset Management Limited	306,496	2,076,253	223,087	2,605,836
Sindh Sales Tax on remuneration of Management Fee	45,975	311,438	33,463	390,876
Preliminary Expenses and Flotation Cost	288,318	394,553	325,942	1,008,813
Other Payable	2,625,000	2,680,000	2,625,000	7,930,000
Outstanding FSFP - II : 976,429 Units	-	103,921,333	-	103,921,333
Faysal Bank Limited - Group Company				
Balances with bank	919,821,801	979,634,381	2,043,175,673	3,942,631,855
Profit receivable on balance with bank	10,696,532	10,792,962	28,945,356	50,434,850
Central Depository Company of Pakistan Limited - Trustee				
Remuneration to the Trustee payable	168,365	218,935	342,279	729,579
Sindh Sales Tax payable on remuneration of the Trustee	25,254	32,840	51,342	109,436
Security Deposit	100,000	100,000	100,000	300,000
Unitholders having holding of 10% or more				
Outstanding: FSFP - I: :8,636,999 units; FSFP - II :14,677,231 FSFP-III:35,064,837	929,166,955	1,562,097,608	3,687,067,924	6,178,332,487

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026									
	Faysal Shariah Flex Plan-I			Faysal Shariah Flex Plan-II			Faysal Shariah Flex Plan-III			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	919,821,801	-	919,821,801	979,634,381	-	979,634,381	2,043,175,673	-	2,043,175,673	3,942,631,855
Investments	-	128,628,269	128,628,269	-	835,762,928	835,762,928	-	2,318,445,000	2,318,445,000	3,282,836,197
Receivable against sale of investments	-	623,394	623,394	-	279,710	279,710	-	-	-	903,104
Advances, deposits and other receivables	13,296,532	-	13,296,532	13,392,962	-	13,392,962	31,545,356	-	31,545,356	58,234,850
	933,118,333	129,251,663	1,062,369,996	993,027,343	836,042,638	1,829,069,981	2,074,721,029	2,318,445,000	4,393,166,029	7,284,606,006
Financial liabilities										
Payable to Faysal Asset Management Limited - Management Company	3,219,814	-	3,219,814	5,150,806	-	5,150,806	3,174,029	-	3,174,029	11,544,649
Payable to Central Depository Company of Pakistan Limited - Trustee	168,365	-	168,365	218,935	-	218,935	342,279	-	342,279	729,579
Payable against purchase of investment	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	709,338	-	709,338	727,818	-	727,818	672,997	-	672,997	2,110,153
	4,097,517	-	4,097,517	6,097,559	-	6,097,559	4,189,305	-	4,189,305	14,384,381

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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow 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. 69.87 million.

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

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The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

Faysal Shariah Flex Plan-I

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	6.03% to 12.50%	919,821,801	-	-	-	919,821,801
Investments		-	-	-	128,628,269	128,628,269
Receivable against sale of investments		-	-	-	623,394	623,394
Advances, deposits and other receivables		-	-	-	13,296,532	13,296,532
		919,821,801	-	-	142,548,195	1,062,369,996
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		3,219,814	-	-	-	3,219,814
Payable to Central Depository Company of Pakistan Limited - Trustee		168,365	-	-	-	168,365
Accrued expenses and other liabilities		709,338	-	-	-	709,338
		4,097,517	-	-	-	4,097,517
On-balance sheet gap (a)		915,724,284	-	-	142,548,195	1,058,272,479
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		915,724,284	-	-		
Cumulative profit rate sensitivity gap		915,724,284	-	-		

Faysal Shariah Flex Plan-II

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	6.00% to 12.50%	979,634,381	-	-	-	979,634,381
Investments	9.44% to 10.49%	-	-	726,000,000	109,762,928	835,762,928
Receivable against sale of investments		-	-	-	279,710	279,710
Advances, deposits and other receivables		-	-	-	13,392,962	13,392,962
		979,634,381	-	726,000,000	123,435,600	1,829,069,981
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		5,150,806	-	-	-	5,150,806
Payable to Central Depository Company of Pakistan Limited - Trustee		218,935	-	-	-	218,935
Accrued expenses and other liabilities		727,818	-	-	-	727,818
		6,097,559	-	-	-	6,097,559
On-balance sheet gap (a)		973,536,822	-	726,000,000	123,435,600	1,822,972,422
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		973,536,822	-	726,000,000		
Cumulative profit rate sensitivity gap		973,536,822	-	726,000,000		

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Faysal Shariah Flex Plan-III

	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5.80% to 12.50%	2,043,175,673	-	-	-	2,043,175,673
Investments	9.44% to 10.49%	-	-	2,318,445,000	-	2,318,445,000
Advances, deposits and other receivables		-	-	-	31,545,356	31,545,356
		2,043,175,673	-	2,318,445,000	31,545,356	4,393,166,029
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		3,174,029	-	-	-	3,174,029
Payable to Central Depository Company of Pakistan Limited - Trustee		342,279	-	-	-	342,279
Accrued expenses and other liabilities		672,997	-	-	-	672,997
		4,189,305	-	-	-	4,189,305
On-balance sheet gap (a)		2,038,986,368	-	2,318,445,000	31,545,356	4,388,976,724
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		2,038,986,368	-	2,318,445,000		
Cumulative profit rate sensitivity gap		2,038,986,368	-	2,318,445,000		

(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

(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 the 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.

In case of 1% increase / decrease in KMI 30 Index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs 2,383.91 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 KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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:

Faysal Shariah Flex Plan-I

	June 30, 2026						
	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	919,821,801	-	-	-	-	-	919,821,801
Receivable against sale of investments	-	-	-	-	-	623,394	623,394
Investments	-	-	-	-	-	128,628,269	128,628,269
Advances, deposits and other receivables	10,696,532	-	-	-	-	2,600,000	13,296,532
	930,518,333	-	-	-	-	131,851,663	1,062,369,996
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	3,219,814	-	-	-	-	-	3,219,814
Payable to Central Depository Company of							-
Payable against sale of investment	-	-	-	-	-	-	-
Accrued expenses and other liabilities	709,338	-	-	-	-	-	709,338
	4,097,517	-	-	-	-	-	4,097,517
Net financial assets	926,420,816	-	-	-	-	131,851,663	1,058,272,479

Faysal Shariah Flex Plan-II

	June 30, 2026						
	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	979,634,381	-	-	-	-	-	979,634,381
Investments	-	-	-	726,000,000	-	109,762,928	835,762,928
Receivable against sale of investments	-	-	-	-	-	279,710	279,710
Advances, deposits and other receivables	10,792,962	-	-	-	-	2,600,000	13,392,962
	990,427,343	-	-	726,000,000	-	112,642,638	1,829,069,981
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	5,150,806	-	-	-	-	-	5,150,806
Payable to Central Depository Company of Pakistan Limited - Trustee	218,935	-	-	-	-	-	218,935
Accrued expenses and other liabilities	727,818	-	-	-	-	-	727,818
	6,097,560						6,097,559
Net financial assets	984,329,783	-	-	726,000,000	-	112,642,638	1,822,972,422

Faysal Shariah Flex Plan-III

	June 30, 2026						
	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	2,043,175,673	-	-	-	-	-	2,043,175,673
Investments	-	-	-	-	2,318,445,000		2,318,445,000
Advances, deposits and other receivables	28,945,356	-	-	-	-	2,600,000	31,545,356
	2,072,121,029	-	-	-	2,318,445,000	2,600,000	4,393,166,029
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	3,174,029	-	-	-	-	-	3,174,029
Payable to Central Depository Company of Pakistan Limited - Trustee	342,279	-	-	-	-		342,279
Accrued expenses and other liabilities	672,997					-	672,997
	4,189,305						4,189,305
Net financial assets	2,067,931,724	-	-	-	2,318,445,000	2,600,000	4,388,976,724

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

19.3 Credit risk

19.3.1 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:

	Faysal Shariah Flex Plan-I		Faysal Shariah Flex Plan-II		Faysal Shariah Flex Plan-III	
	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	919,821,801	919,821,801	979,634,381	979,634,381	2,043,175,673	2,043,175,673
Investments	128,628,269	-	835,762,928	-	2,318,445,000	-
Advances, deposits and other receivables	14,048,355	10,696,532	13,392,962	10,792,962	31,545,356	28,945,356
	1,062,498,425	930,518,333	1,828,790,271	990,427,343	4,393,166,029	2,072,121,029

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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. 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.

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.

19.3.2 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	% of financial assets exposed to credit risk		
	Exposed to Credit Risk		
	FSFP-I	FSFP-II	FSFP-III
Bank balances receipts including profit accrued thereon			
AA	87%	54%	47%

19.3.3 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, 2026 are unsecured and are not impaired.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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 price (unadjusted) in active markets for identical assets or liabilities;

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

As at June 30, 2026, the Fund held the following financial instruments measured at fair values:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Tradable Financial assets at fair value through profit or loss				
Faysal Shariah Flex Plan-I				
Listed equity securities	128,628,269	-	-	128,628,269
	128,628,269	-	-	128,628,269
Faysal Shariah Flex Plan-II				
Listed equity securities	109,762,928	-	-	109,762,928
GOP ijara sukuk certificates	726,000,000			726,000,000
	835,762,928	-	-	835,762,928
Faysal Shariah Flex Plan-III				
GOP ijara sukuk certificates	2,318,445,000	-	-	2,318,445,000
	2,318,445,000	-	-	2,318,445,000

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.

During the period ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurments, and no transfer into and out of level 3 fair value measurments.

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, 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.

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.

22 UNIT HOLDING PATTERN OF THE FUND

FSFP-I

Category	June 30, 2026	
	Number of unit holders	Investment amount
Individuals	5	9,428,976
Other Corporates	1	318,211
	6	9,747,187

FSFP-II

Category	June 30, 2026	
	Number of unit holders	Investment amount
Individuals	4	16,111,858
Associated Company	1	976,429
	5	17,088,287

FSFP-III

Category	June 30, 2026	
	Number of unit holders	Investment amount
Individuals	16	40,289,639
Other Corporates	1	1,302,692
	17	41,592,331

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	June 30, 2026		
	Percentage of commission paid		
	Faysal Shariah Flex Plan-I	Faysal Shariah Flex Plan-II	Faysal Shariah Flex Plan-III
JS Global Capital Limited	9%	27%	
Insight Securities (Private) Limited	13%	14%	19%
Bright Capital (Private) Limited	-	2%	1%
ICON Management (Private) Limited	-	2%	2%
Arif Habib Limited	-	8%	21%
Taurus Securities Limited	21%	17%	14%
DJM Securities (Private) Limited	8%	2%	-
Topline Securities Limited	12%	15%	28%
Spectrum Securities Limited	25%	4%	5%
Sherman Securities (Private) Limited	6%	1%	-

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	Experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 35 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 27 Years
Mr. Salman Muslim, FCA	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Noman Ahmed	Head of Equity	MBA	Over 15 Years
Ms. Sarah Rehman	Head of Research	CFA	Over 9 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 11 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Faysal Islamic Savings Growth Fund, Faysal Islamic Asset Allocation Fund, Faysal Islamic Financial Planning Fund, Faysal Islamic Cash Fund, Faysal Islamic Special Income Fund, Faysal Islamic Financial Planning Fund-II, Faysal Halal Amdani 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

S.No	Directors	Designation	139th BOD	140th BOD	141st BOD	142nd BOD	143rd BOD	144th BOD	145th BOD	146th BOD
			13-Aug-25	20-Aug-25	8-Oct-25	16-Oct-25	4-Dec-25	11-Feb-26	16-Apr-26	7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

27 GENERAL

27.1 Figures are rounded off to the nearest Rupee.

28 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

	FIAAF-III		
	FLEX-I	FLEX-II	FLEX-III
	June 30, 2026 (Rupees)	June 30, 2026 (Rupees)	June 30, 2026 (Rupees)
(i) PERFORMANCE TABLE			
Net assets	1,048,600,818	1,818,706,234	4,373,433,927
Net assets value per unit	107.5798	106.4300	105.1500
Offer price per unit	111.2913	110.1018	108.7777
Repurchase price per unit	107.5798	106.4300	105.1500
Highest offer price per unit	111.2913	110.1018	108.7777
Highest repurchase price per unit	107.5798	106.4300	105.1500
Lowest offer price per unit	109.4123	108.7233	107.5997
Lowest repurchase price per unit	105.7635	105.0974	104.0113
Total return:	7.83%	6.02%	5.15%
- capital growth	7.83%	6.02%	5.15%
- income distribution	0.00%	0.00%	0.00%
Average annual return: (Launch date: September 17, 2025) Flex-I (Launch date: November 25, 2025) Flex-II (Launch date: January 19, 2026) Flex-III			
- one year	7.83%	6.02%	5.15%
Distribution per unit:			
- Interim distribution (% per unit) *	0.00%	0.00%	0.00%
- Final distribution (% per unit)			
	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.

Responsibilities towards Proxy Voting as per Regulation 38A

Faysal Asset Management Limited (FAML) on behalf of Faysal Islamic Stock Fund (FIAAF-III) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FIAAF-III is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML (if any) in respect of the CIS is also available without charge, upon request, to all unit holders.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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AM1
Excellent Management Quality

Faysal Islamic Dedicated Equity Fund

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Dedicated Equity Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Dubai Islamic Bank
Meezan Bank Limited

MISSION AND VISION

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

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

MISSION STATEMENT

FIDEF is to provide other 'Fund of Funds' schemes an avenue for investing in Shariah compliant equities.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

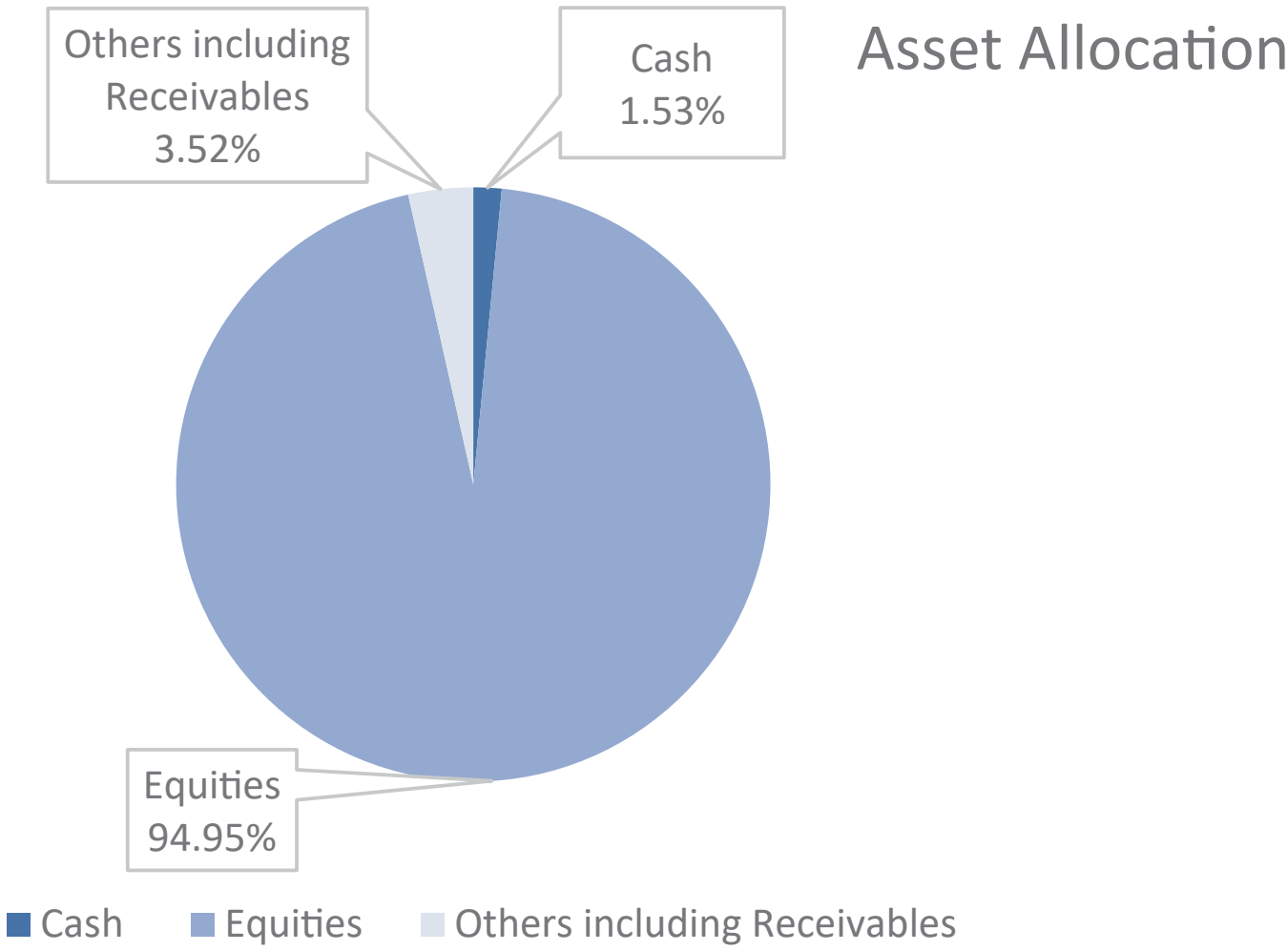
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Equity Scheme
Risk Profile	High
Launch Date	January 2, 2020
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee	Up to 3% of Average Annual N.A. (Actual Rate of Management Fee Charged is 3.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV(Actual Charged is 0.00%) & BEL 0%
Min Subscription	PKR 5,000
Benchmark	KMI 30 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	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	123.45
Net Assets (mn)	61
Net Assets (PKR mn) excluding FoF	0.00
Total Expense Ratio (Annualized) Total Expense Ratio (Monthly)	7.76% 12.34%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	-	23.86%
Benchmark (YTD)	-	37.67%



FUND PERFORMANCE

During the period under review, the fund posted an absolute FY26TD return of 23.86% against its benchmark return of 37.67%. The fund's exposure in Cash (1.53%), Equities (94.95%) and Others (3.52%) stood at the period end. During this period, an overweight stance relative to the KMI-30 index was taken in the Oil & Gas Exploration and Cement sectors whereas an underweight stance was taken in the remaining sectors.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Dedicated Equity Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Dedicated Equity Fund (FIDEF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIDEF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIDEF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Dedicated Equity Fund (FIDEF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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
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Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL ISLAMIC DEDICATED EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Dedicated Equity Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Dedicated Equity Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Faysal Islamic Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, were of most significance in our audit of the financial statements of the current year. 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments held by the Fund represent 94.70% of the total assets of the Fund as at the year end. In view of the significance of bank balances in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence of such bank balances as a key audit matter.	We performed a combination of audit procedures focusing on the existence of bank balances. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076pvd03fE2y

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		(Rupees)	
Assets			
Balances with banks	4	**894,077**	1,964,681
Investments	5	**61,613,917**	-
Receivable against sale of investments		**317,817**	-
Advances, deposits and other receivables	6	**2,982,282**	472,776
Receivable from Faysal Asset Management Limited - Management Company		**200,000**	200,000
Preliminary expenses and flotation cost	7	**-**	97,571
Total assets		**66,008,093**	2,735,028
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	**172,499**	3,078
Payable to the Securities and Exchange Commission of Pakistan	9	**4,665**	-
Accrued expenses and other liabilities	10	**4,472,997**	2,731,950
Total liabilities		**4,650,161**	2,735,028
Net assets		**61,357,932**	-
Unit holders' fund (as per statement attached)		**61,357,932**	-
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		**497,035**	-
		(Rupees)	
Net asset value per unit		**123.4480**	-

The annexed notes 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

Faysal Islamic Dedicated Equity Fund

Income Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ---------	
Income			
Profit on balances with banks		**514,462**	-
Dividend income		**1,922,629**	-
Realized gain on sale of investments - net		**3,964,983**	460,225
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.2	**7,471,234**	-
Other income		**-**	5,172
Total income		**13,873,308**	465,397
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	**986,526**	28,835
Sindh Sales Tax on remuneration of the Management Company	8.2	**147,979**	4,281
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	**103,437**	2,563
Sindh Sales Tax on remuneration of the Trustee	9.2	**15,516**	228
Auditors' remuneration		**1,188,016**	32,184
Fee to the Securities and Exchange Commission of Pakistan	9.1	**49,132**	1,217
Amortisation of preliminary expenses and floatation costs	7	**97,571**	6,804
Legal and professional charges		**116,646**	8,569
Transaction charges		**847,117**	174,911
Printing charges		**-**	324
Charity / Donation		**143,990**	
Shariah advisory fee		**306,642**	5,652
Reimbursement of expenses from the Management Company	7.1	**-**	(200,000)
Bank charges		**12,804**	13
Total expenses		**4,015,376**	65,581
Net operating income for the year		**9,857,932**	399,816
Write off - receivable balance		**-**	(4,647,525)
Net Income / (loss) for the year before taxation		**9,857,932**	(4,247,709)
Taxation	13	**-**	-
Net Income / (loss) for the year after taxation		**9,857,932**	(4,247,709)
Earnings / (loss) per unit	15		
Allocation of net income for the year			
Net income for the period after taxation		**9,857,932**	-
Income already paid on units redeemed		**(9,522,390)**	-
		335,542	-
Accounting income available for distribution			
- Relating to capital gains		**389,263**	-
- Excluding capital gains		**(53,721)**	-
		335,542	-

The annexed notes 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, 2026

	2026	2025
	---------- (Rupees) ---------	
Net income / (loss) for the year after taxation	**9,857,932**	(4,247,709)
Other comprehensive income for the year	**-**	-
Total comprehensive income / (loss) for the year	**9,857,932**	(4,247,709)

The annexed notes 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

Faysal Islamic Dedicated Equity Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For The Year Ended June 30, 2026			For The Year Ended June 30, 2025		
	Capital value	Accumulated Loss	Total	Capital value	Accumulated Loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	**767,909,174**	**(767,909,174)**	**-**	799,425,104	(763,661,465)	35,763,639
Issuance of 994,069 units (2025: 126,743 units)						
- Capital value (at net asset value per unit at the beginning of the period)	**99,406,937**	**-**	**99,406,937**	19,737,643	-	19,737,643
- Element of income	**13,115,453**	**-**	**13,115,453**	262,357	-	262,357
Total proceeds on issuance of units	**112,522,390**	**-**	**112,522,390**	20,000,000	-	20,000,000
Redemption of 497,035 units (2025: 356,389 units)						
- Capital value (at net asset value per unit at the beginning of the period)	**(49,703,469)**	**-**	**(49,703,469)**	(55,500,366)	-	(55,500,366)
- Element of (loss) / income	**(1,796,531)**	**(9,522,390)**	**(11,318,921)**	3,984,436	-	3,984,436
Total payments on redemption of units	**(51,500,000)**	**(9,522,390)**	**(61,022,390)**	(51,515,930)	-	(51,515,930)
Total comprehensive income / (loss) for the period	**-**	**9,857,932**	**9,857,932**	-	(4,247,709)	(4,247,709)
Net assets at the end of the year	**828,931,564**	**(767,573,632)**	**61,357,932**	767,909,174	(767,909,174)	-

Accumulated loss brought forward		
- Realised loss	**(767,909,174)**	(770,406,076)
- Unrealised income	**-**	6,744,611
	(767,909,174)	(763,661,465)
Accounting income available for distribution		
- Relating to capital gains	**389,263**	-
- Excluding capital gains	**(53,721)**	-
	335,542	-
Net loss for the year after taxation	**-**	(4,247,709)
Accumulated loss carried forward	**(767,573,632)**	(767,909,174)
Accumulated loss carried forward		
- Realised loss	**(775,044,866)**	(767,909,174)
- Unrealised income	**7,471,234**	-
	(767,573,632)	(767,909,174)
	(Rupees)	(Rupees)
Net asset value per unit at the beginning of the year	**-**	155.73
Net asset value per unit at the end of the year	**123.4480**	-

The annexed notes 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, 2026

	Note	2026	2025
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before taxation		**9,857,932**	(4,247,709)
Adjustments for:			
Profit on balances with banks		**(514,462)**	-
Realized gain on sale of investments - net		**(3,964,983)**	(460,225)
Unrealised appreciationon re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		**(7,471,234)**	-
Amortisation of preliminary expenses		**97,571**	6,804
Dividend Income		**(1,922,629)**	-
Write off - receivable balance		**-**	4,647,525
		(3,917,805)	(53,605)
(Increase) / Decrease in assets			
Investments - net		**(50,177,700)**	31,528,290
Receivable against sale of investments		**(317,817)**	-
Receivable from Faysal Asset Management Limited - Management Company		**-**	1,400,000
Advances, deposits and other receivables		**(2,507,989)**	1,002,442
		(53,003,506)	33,930,732
Increase / (Decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**169,421**	(64,827)
Payable to the Securities and Exchange Commission of Pakistan		**4,665**	(2,256)
Accrued expenses and other liabilities		**1,741,047**	(1,111,908)
		1,915,133	(1,178,991)
Profit received on balances with banks		**512,945**	-
Dividend received		**1,922,629**	-
		2,435,574	-
Net cash (used in) / generated from operating activities		**(52,570,604)**	32,698,136
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		**112,522,390**	20,000,000
Payments against redemption and conversion of units		**(61,022,390)**	(51,515,930)
Net cash generated from / (used in) financing activities		**51,500,000**	(31,515,930)
Net (decrease) / increase in cash and cash equivalents during the year		**(1,070,604)**	1,182,206
Cash and cash equivalents at the beginning of the year		**1,964,681**	782,475
Cash and cash equivalents at the end of the year	4	**894,077**	1,964,681

The annexed notes 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

Faysal Islamic Dedicated Equity Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Dedicated Equity Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on February 25, 2019 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on November 29, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

1.3 The Fund has been categorised as an open end Shariah Compliant Islamic Dedicated Equity scheme by the Board of Directors of the Management Company persuant to the provisions contained in circular 7 of 2009. The units of the Fund were intially offered for public subsription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continous basis from January 02, 2020 and are transferable and redeemable by surrendering them to the Fund.The Fund had nil net Assets and no unit holders for a period of 375 days, from 12 July 2024 to 22 July 2025. Subsequently from 22 July 2025, the Fund issued units and commenced investment activities.

1.4 According to the trust deed the objective of the Fund is to provide other 'Fund of Funds' Schemes an avenue for investing in Shariah Compliant Equities. 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 'AM1' with stable outlook by VIS Credit Rating Company Limited dated December 31, 2025 (2025: AM1 dated September 10, 2024). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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.

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

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 certain 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 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.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 one days from the transaction date as per the Pakistan 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

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 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 / institution declaring the dividend.
- Profit on balances with banks is recognised on a 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.

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.

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.

		Note	June 30, 2026	June 30, 2025
			(Rupees)	
4	**BALANCES WITH BANKS**			
	Saving accounts	4.1	**894,077**	1,964,681

4.1 These carry mark-up ranging between 5% to 12.5% (June 30, 2025: 4.50% to 12.50%) per annum and include balance of Rs. 0.731 million (June 30, 2025: Rs. 0.461 million) held with Faysal Bank Limited, a related party and carry profit rate of 5% to 12.5% (June 30, 2025 : 4.5%) per annum.

		Note	June 30, 2026	June 30, 2025
			(Rupees)	
5	**INVESTMENTS**			
	Financial assets at 'fair value through profit or loss'			
	Listed equity securities	5.1	**61,613,917**	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1 Listed equity securities

Name of the investee company	As at July 01, 2025	Purchased during the period	Right / bonus of shares during the period	Sold during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Investment as percentage of Net Assets		
									Net assets	Total investments	Investee company's paid-up capital
	Number of shares					(Rupees)			%		
Automobile Assembler											
Ghandhara Industries Limited	-	600	-	-	600	577,196	581,142	3,946	1%	1%	0.00
Sazgar Engineering Works Limited	-	1,000	-	600	400	840,000	825,396	(14,604)			0.00
						1,417,196	1,406,538	(10,658)	1%	1%	0%
Automobile Parts & Accessories											
Service Long March Tyres Limited	-	7,870	-	-	7,870	157,007	199,741	42,734	0%	0%	0.00
Thal Limited **(note 5.1.1)**	-	1,100	-	1,100	-	-	-	-	0%	0%	0.00
						157,007	199,741	42,734	0%	0%	0%
Banks											
Faysal Bank Limited	-	6,000	-	-	6,000	472,642	595,440	122,798	1%	1%	0.00
Meezan Bank Limited **(note 5.1.2)**	-	10,300	-	3,000	7,300	2,909,698	3,770,158	860,460	6%	6%	0.00
						3,382,340	4,365,598	983,258	7%	7%	0%
Cement											
Cherat Cement Company Limited	-	1,400	-	-	1,400	340,900	484,302	143,402	1%	1%	0.00
D.G. Khan Cement Company Limited	-	12,730	-	5,700	7,030	1,214,721	1,569,588	354,867	3%	3%	0.00
Fauji Cement Company Limited	-	91,000	-	58,800	32,200	1,768,454	1,853,110	84,656	3%	3%	0.00
Lucky Cement Limited **(note 5.1.1 & 5.1.2)**	-	16,400	-	5,600	10,800	4,294,951	5,070,816	775,865	8%	8%	0.00
Maple Leaf Cement Factory Limited	-	42,900	-	22,200	20,700	1,885,765	2,213,037	327,272	4%	4%	0.00
Pioneer Cement Limited	-	4,000	-	4,000	-	-	-	-	0%	0%	0.00
						9,504,791	11,190,853	1,686,062	18%	18%	0%
Chemicals											
Ghani Chemical Industries Limited	-	17,000	-	17,000	-	-	-	-	0%	0%	0.00
Ittehad Chemicals Limited	-	5,500	-	1,100	4,400	418,968	666,468	247,500	1%	1%	0.00
						418,968	666,468	247,500	1%	1%	0%
Fertilizer											
Engro Fertilizers Limited	-	9,100	-	3,500	5,600	1,203,149	1,114,120	(89,029)	2%	2%	0.00
Fatima Fertilizer Company Limited	-	8,000	-	-	8,000	1,137,280	1,322,400	185,120	2%	2%	0.00
Fauji Fertilizer Company Limited	-	13,110	-	4,200	8,910	4,554,976	5,109,707	554,731	8%	8%	0.00
						6,895,405	7,546,227	650,822	12%	12%	0%
Foods & Personal Care Products											
Unity Foods Limited	-	17,300	-	17,300	-	-	-	-	0%	0%	-
Glass & Ceramics											
Tariq Glass Industries Limited	-	2,900	-	-	2,900	574,200	560,222	(13,978)	1%	1%	-
						574,200	560,222	(13,978)	1%	1%	0%
Industrial Engineering											
International Industries Limited	-	2,250	-	-	2,250	430,500	379,958	(50,542)	1%	1%	-
Mughal Iron And Steel Industries Limited	-	6,500	-	6,500	-	-	-	-	0%	0%	-
						430,500	379,958	(50,542)	1%	1%	0%
Investment Bank / Investment Companies											
Engro Holdings Limited	-	22,600	-	5,700	16,900	4,182,878	4,862,468	679,590	8%	8%	0.00
						4,182,878	4,862,468	679,590	8%	8%	0%
Leather & Tanneries											
Service Global Footwear Limited	-	5,000	-	-	5,000	650,192	609,600	(40,592)	1%	1%	0.00
						650,192	609,600	(40,592)	1%	1%	0%
Miscellaneous											
Shifa International Hospitals Limited	-	1,600	-	-	1,600	889,600	808,784	(80,816)	1%	1%	0.00
						889,600	808,784	(80,816)	1%	1%	0%
Oil & Gas Exploration & Marketing Companies											
Mari Energies Limited	-	5,877	-	500	5,377	3,588,243	3,625,657	37,414	6%	6%	0.00
Oil & Gas Development Company Limited **(note 5.1.2)**	-	25,300	-	5,200	20,100	5,129,896	6,730,887	1,600,991	11%	11%	0.00
Pakistan Petroleum Limited **(note 5.1.2)**	-	33,900	-	8,700	25,200	4,614,850	6,114,024	1,499,174	10%	10%	0.00
Pakistan State Oil Company Limited	-	9,500	-	3,200	6,300	2,552,924	2,156,805	(396,119)	4%	4%	0.00
Sui Northern Gas Pipelines Limited	-	9,200	-	3,400	5,800	678,957	701,394	22,437	1%	1%	0.00
						16,564,870	19,328,767	2,763,897	32%	31%	0%
Pharmaceuticals											
Agp Limited	-	3,000	-	3,000	-	-	-	-	0%	0%	0.00
Glaxosmithkline Pakistan Limited	-	2,400	-	1,500	900	373,903	333,225	(40,678)	1%	1%	0.00
Haleon Pakistan Limited	-	760	-	760	-	-	-	-	0%	0%	0.00
Highnoon Laboratories Limited	-	550	-	550	-	-	-	-	0%	0%	0.00
						373,903	333,225	(40,678)	1%	1%	0%
Power Generation & Distribution											
The Hub Power Company Limited **(note 5.1.2)**	-	39,800	-	16,600	23,200	4,893,542	5,416,040	522,498	9%	9%	0.00
K-Electric Limited **(note 5.1.1)**	-	75,000	-	75,000	-	-	-	-	0%	0%	0.00
						4,893,542	5,416,040	522,498	9%	9%	0%
Refinery											
Attock Refinery Limited	-	2,000	-	2,000	-	-	-	-	0%	0%	0.00
Technology & Communications											
Air Link Communication Limited	-	3,400	-	3,400	-	-	-	-	0%	0%	0.00
Pakistan Telecommunication Company Limited	-	40,000	-	20,000	20,000	1,288,448	1,310,400	21,952	2%	2%	0.00
Systems Limited **(note 5.1.1)**	-	37,800	-	29,800	8,000	1,182,174	1,176,720	(5,454)	2%	2%	0.00
						2,470,622	2,487,120	16,498	4%	4%	0%
Textile Composite											
Interloop Limited	-	2,000	-	2,000	-	-	-	-	0%	0%	0.00
Nishat Mills Limited	-	9,200	-	-	9,200	1,336,669	1,452,309	115,648	2%	2%	0.00
						1,336,669	1,452,309	115,648	2%	2%	0%
Total as at June 30, 2026						**54,142,683**	**61,613,917**	**7,471,234**	**100%**	**99%**	**0.03%**
Total as at June 30, 2025						-	-	-	-	-	

5.1.1 All shares have a face value of Rs. 10 each except the shares of Thal Limited having face value of Rs.5 each, K-Electric Limited having face value of Rs.3.5 each, Lucky Cement Limited and Systems Limited having face value of Rs.2 each, respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1.2 Investments include the following shares of the 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 dated October 23, 2007 issued by the SECP.

Name of the investee company	2026		2025	
	Number of shares	Market value in Rupees	Number of shares	Market value in Rupees
Oil and Gas Development Company Limited	5,000	1,674,350	-	-
Pakistan Petroleum Limited	8,000	1,940,960	-	-
The Hub Power Company Limited	2,500	583,625	-	-
Lucky Cement Limited	2,500	1,173,800	-	-
Meezan Bank	1,500	774,690	-	-
	19,500	6,147,425	-	-

		Note	June 30, 2026	June 30, 2025
			(Rupees)	
5.2	**Unrealised apppreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net**			
	Market value of investments	5.1	**61,613,917**	-
	Less: carrying value of investments	5.1	**(54,142,683)**	-
			7,471,234	-

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Security deposit with:			
Central Depository Company of Pakistan Limited		**100,000**	100,000
National Clearing Company of Pakistan Limited (NCCPL)		**2,500,000**	-
		2,600,000	100,000
Dividend Receivable from equity securities		**78,947**	32,897
Profit receivable on balances with banks	6.1	**1,517**	-
Advance tax	6.2	**285,745**	280,492
Trustee fee receivable	6.3	**16,073**	59,036
Other receivable		**-**	351
		2,982,282	472,776

6.1 This includes profit receivable amounting to Rs. 0.007 million (June 30, 2025: Rs. Nil) on balance held with Faysal Bank Limited, a related party.

6.2 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 on dividend and profits 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 withholdee. The tax withheld on profits on bank deposits and dividend amounts to Rs. 285,745 (June 30, 2025: Rs. 280,492).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the 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 bank deposits has been shown as other receivable as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

6.3 This balance includes Payable to Central Depository Company of Pakistan Limited - Trustee on account of Trustee Fee for the year. Details are as follows:

	Note	June 30, 2026	June 30, 2025
		(Rupees)	
Remuneration payable	6.3.1	**39,124**	2,563
Sindh Sales Tax payable on remuneration of the Trustee	6.3.2	**3,840**	228
		42,964	2,791

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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6.3.1 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.)	Tariff
up to Rs. 1,000 million	0.2% per annum of net assets or Rs.700,000 whichever is higher.
from Rs.1,000 million and above	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

6.3.2 During the year, an amount of Rs. 15,156 (June 30, 2025: Rs. 228) 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 15% (June 30, 2025: 15%).

7 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	June 30, 2026	June 30, 2025
		(Rupees)	
At the beginning of the year		**97,571**	104,375
Less: Amortisation during the year		**(97,571)**	(6,804)
At the end of the year	7.1	**-**	97,571

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

8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	June 30, 2026	June 30, 2025
		(Rupees)	
Remuneration payable to the Management Company	8.1	**148,049**	726
Sindh Sales Tax payable on remuneration of the Management Company	8.2	**24,450**	2,352
		172,499	3,078

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.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
From 23 July 2025 to 2 February 2026	1% of average annual net assets
From 3 Feb 2026 to 30 June 2026	3% of average annual net assets

The remuneration is payable to the Management Company monthly in arrears

8.2 During the year, an amount of Rs. 0.147 million (June 30, 2025: Rs. 0.004 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 15% (June 30, 2025: 15%).

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30, 2026	June 30, 2025
		(Rupees)	
Annual Fee payable	9.1	**4,665**	-

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 0.075% per annum of average annual net assets of the Fund.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		Note	June 30, 2026	June 30, 2025
10	ACCRUED EXPENSES AND OTHER LIABILITIES		---------- (Rupees) ----------	
	Auditors' remuneration payable		**714,634**	99,330
	Legal and professional charges payable		**1,054,128**	1,054,463
	Printing charges payable		**14,265**	14,265
	Payable to Charitable Institutions		**143,990**	-
	Shariah advisory fee payable		**483,293**	176,651
	Transaction charges payable		**765,146**	989,240
	Withholding tax payable		**-**	100,460
	Others	**10.1**	**1,297,541**	297,541
			4,472,997	2,731,950

10.1 This includes payable amounting to Rs. 1 million (June 30, 2025: Rs. Nil) to Faysal Sharia Capital Preservation Plan - X, a related party.

11 CONTINGENCIES AND COMMITMENTS

Monitoring proceedings initiated for tax year 2021 vide show cause notice dated September 21, 2024 issued under section 161/205 of the Ordinance. No adverse inference has been drawn by the Commissioner after submission of the response by the Fund.

There were no other contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

		2026	2025
12	AUDITORS' REMUNERATION	---------- (Rupees) ----------	
	Annual audit fee	**608,853**	28,113
	Half yearly review of condensed interim financial statements	**278,897**	-
	Shariah audit fee	**150,000**	-
	Out of pocket expenses	**62,265**	1,687
		1,100,015	29,800
	Sindh sales tax	**88,001**	2,384
		1,188,016	32,184

13 TAXATION

The income of the Fund is exempt from tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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% 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 ending June 30, 2026 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.

14 TOTAL EXPENSE RATIO

The total expense ratio of the Fund as at June 30, 2026 based on the current period result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
1.9075%	0.0950%	0.2000%	0.3161%	1.6627%	3.1155%	0.4671%	7.7639%	7.4478%

15 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) / 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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.

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at year end are as follows:

		2026	2025
16.1	**Transactions during the year**	---------- (Rupees)	----------
	Faysal Asset Management Limited - Management Company		
	Remuneration of the Management Company	**986,526**	28,835
	Sindh Sales Tax on remuneration of the Management Company	**147,979**	4,281
	Faysal Bank Limited (Group Company)		
	Profit on balances with banks	**731,296**	-
	Bank Charges	**10,544**	13
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	**103,437**	2,563
	Sindh Sales Tax on remuneration of the Trustee	**15,516**	228
	Faysal Islamic Financial Planning Fund II -Faysal Priority Ascend Plan-I (fund managed by the Management Company)		
	Units issued: 910,711 (2025: Nil units)	**102,405,321**	-
	Units redeemed: 455,356 units (2025: Nil units)	**55,905,321**	-
	Faysal Islamic Financial Planning Fund II -Faysal Priority Ascend Plan-II (fund managed by the Management Company)		
	Units issued: 83,358 units (2025: Nil units)	**10,117,068**	-
	Units redeemed: 41,679 units (2025: Nil units)	**5,117,068**	-
	Faysal Sharia Capital Preservation Plan - X (fund managed by the Management Company)		
	Units issued: Nil units (2025: 126,743 units)	-	20,000,000
	Units redeemed: Nil units (2025: 356,389 units)	-	51,515,944
16.2	**Amounts / balances outstanding as at year end**		
	Faysal Asset Management Limited - Management Company		
	Management remuneration payable	148,049	726
	Sindh Sales Tax payable on remuneration of the Management Company	24,450	2,352
	Receivable from management company	200,000	200,000
	Faysal Bank Limited (Group Company)		
	Balance with bank	731,296	460,734
	Profit receivable on balance with bank	7,142	-

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	2026	2025
	(Rupees)	
Central Depository Company of Pakistan Limited - Trustee		
Receivable from trustee	59,036	61,827
Remuneration Payable	39,124	2,563
Sindh Sales Tax payable on remuneration of the Trustee	3,840	228
Security Deposit	100,000	100,000
Faysal Sharia Capital Preservation Plan - X (fund managed by the Management Company)		
Other Liabilities	1,000,000	-
Faysal Islamic Financial Planning Fund II* -Faysal Priority Ascend Plan-I (fund managed by the Management Company)		
Outstanding 455,356 units (June 30, 2025: Nil units)	56,212,732	-
Faysal Islamic Financial Planning Fund II -Faysal Priority Ascend Plan-II (fund managed by the Management Company)		
Outstanding units 41,679 (June 30, 2025: Nil units)	5,145,206	-

*These units holders also hold more than 10% units at period end.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	894,077	-	894,077
Investments	-	61,613,917	61,613,917
Receivable from Faysal Asset Management Limited - Management Company	200,000	-	200,000
Advances, Deposits and other receivables	2,700,377	-	2,700,377
	3,794,453	61,613,917	65,408,371
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	148,049	-	148,049
Accrued expenses and other liabilities	4,472,997	-	4,472,997
	4,621,046	-	4,621,046

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	1,964,681	-	1,964,681
Investments	-	-	-
Receivable from Faysal Asset Management Limited - Management Company	200,000	-	200,000
Advances, Deposits and other receivables	192,512	-	192,512
	2,357,193	-	2,357,193
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	726	-	726
Accrued expenses and other liabilities	2,631,490	-	2,631,490
	2,632,216	-	2,632,216

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow 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 0.0099 million (2025: Nil).

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 financial in ruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	2026				
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5%-12.5%	894,077	-	-	-	894,077
Investments		-	-	-	61,613,917	61,613,917
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	200,000	200,000
Advances, deposits and other receivables		-	-	-	2,700,377	2,700,377
		894,077	-	-	64,514,294	65,408,371
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	148,049	148,049
Accrued expenses and other liabilities		-	-	-	4,472,997	4,472,997
		-	-	-	4,621,046	4,621,046
On-balance sheet gap (a)		894,077	-	-	59,893,248	60,787,325
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		894,077	-	-		
Cumulative profit rate sensitivity gap		894,077	894,077	894,077		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5% -12.5%	1,964,681	-	-	-	1,964,681
Investments		-	-	-	-	-
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	200,000	200,000
Advances, deposits and other receivables		-	-	-	192,512	192,512
		1,964,681	-	-	392,512	2,357,193
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	726	726
Accrued expenses and other liabilities		-	-	-	2,631,490	2,631,490
		-	-	-	2,632,216	2,632,216
On-balance sheet gap (a)		1,964,681	-	-	(2,239,704)	(275,023)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		1,964,681	-	-		
Cumulative profit rate sensitivity gap		1,964,681	1,964,681	1,964,681		

(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 the 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.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the year would increase/decrease by Rs 0.616 million (2025 : NIL) 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 KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share 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.

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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:

	2026						
	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	**894,077**	**-**	**-**	**-**	**-**	**-**	**894,077**
Investments	**-**	**-**	**-**	**-**	**-**	**61,613,917**	**61,613,917**
Receivable from Faysal Asset Management Limited - Management Company	**200,000**	**-**	**-**	**-**	**-**	**-**	**200,000**
Advances, deposits and other receivables	**100,377**	**-**	**-**	**-**	**-**	**2,600,000**	**2,700,377**
	1,194,454	**-**	**-**	**-**	**-**	**64,213,917**	**65,408,371**
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	**148,049**	**-**	**-**	**-**	**-**	**-**	**148,049**
Accrued expenses and other liabilities	**3,275,070**	**714,634**	**483,293**	**-**	**-**	**-**	**4,472,997**
	3,423,119	**714,634**	**483,293**	**-**	**-**	**-**	**4,621,046**
Net financial assets	**(2,228,665)**	**(714,634)**	**(483,293)**	**-**	**-**	**64,213,917**	**60,787,325**

	2025						
	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	1,964,681	-	-	-	-	-	1,964,681
Investments	-	-	-	-	-	-	-
Receivable from Faysal Asset Management Limited - Management Company	200,000	-	-	-	-	-	200,000
Advances, deposits and other receivables	92,512	-	-	-	-	100,000	192,512
	2,257,193		-	-	-	100,000	2,357,193
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	726	-	-	-	-	-	726
Accrued expenses and other liabilities	2,048,867	99,330	483,293	-	-	-	2,631,490
	2,049,593	99,330	483,293	-	-	-	2,632,216
Net financial assets	207,600	(99,330)	(483,293)	-	-	100,000	(275,023)

18.3 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:

	2026		2025	
	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	**894,077**	**894,077**	1,964,681	1,964,681
Investments	**61,613,917**	**-**	-	-
Receivable from Faysal Asset Management Limited - Management Company	**200,000**	**200,000**	200,000	200,000
Advances, deposits and other receivables	**2,982,282**	**2,700,377**	472,776	192,512
	65,690,276	**3,794,454**	2,637,457	2,357,193

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The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securities, however, is not exposed to credit risk and have been excluded from the above analysis.

18.3.1 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	% of financial assets exposed to credit risk	
	2026	2025
Bank balances and profit accrued thereon		
AAA	**5.36%**	2.71%
AA+	**83.63%**	23.45%
AA-	**1.09%**	0.55%
AA	**9.92%**	73.28%

Deposit with CDC is highly rated and risk of default is considered minimal.

18.3.2 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, 2026 and June 30, 2025 are unsecured and are not impaired.

19 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. However, the Fund is exempt from any "Minimum Fund Size" requirements in NBFC and Notified Entity Regulations, 2008 as it is designed to provide equity exposure to other "Fund-of-Fund" schemes, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund.

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 18, 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.

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value

Tradable financial assets at fair value through profit or loss	As at June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Listed equity securities	61,613,917	-	-	61,613,917
	61,613,917	-	-	61,613,917

Tradable financial assets at fair value through profit or loss	As at June 30, 2025			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Listed equity securities	-	-	-	-
	-	-	-	-

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.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Associated companies	2	497,035	100%	-	-	0.00%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid	2025 Percentage of commission paid
Taurus Securities Limited	21.10%	-
Topline Securities Limited	16.82%	-
EFG Hermes Pakistan Limited	9.86%	-
JS Global Capital Limited	9.57%	-
DJM Securities (Private) Limited	7.70%	-
Insight Securities (Private) Limited	7.30%	-
Sherman Securities (Private) Limited	5.93%	-
Next Capital Limited	5.31%	92.90%
Darson Securities (Pvt) Limited	4.94%	-
Summit Capital (Private) Limited	4.12%	-
Alfalah CLSA Securities (Private) Limited	-	0.67%
Trust Securities & Brokerage Limited	-	5.78%
Chase Securities Pakistan (Private) Limited	-	0.65%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	Bs Economics	34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	26 Years
Mr. Salman Muslim	Chief Financial Officer & Company Secretary	FCA	19 Years
Mr. Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	17 Years
Mr. Syed Noman Ahmed	Head of Equity	MBA	15 Years
Ms. Sarah Rehman	Head of Research	MBA,CFA	9 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	10 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Syed Noman Ahmed	Fund Manager	Bachelors in Commerce	Faysal Islamic Asset Allocation Fund – II, Faysal Islamic Stock Fund, Faysal Islamic Stock Fund - II

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

S.No	Directors	Designation	139th BOD	140th BOD	141st BOD	142nd BOD	143rd BOD	144th BOD	145th BOD	146th BOD
			13-Aug-25	20-Aug-25	8-Oct-25	16-Oct-25	4-Dec-25	11-Feb-26	16-Apr-26	7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

26 GENERAL

26.1 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

26.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2021 (Rupees)
(i) PERFORMANCE TABLE						
Net assets	61,357,928	N/A	35,763,639	1,584,235,972	2,685,981,220	4,181,837,379
Net assets value per unit	123.45	N/A	155.73	98.7	90.78	114.97
Offer price per unit	127.71	N/A	161.01	102.05	93.86	118.87
Repurchase price per unit	123.45	N/A	155.73	98.7	90.78	114.97
Highest offer price per unit	129.23	N/A	161.17	108.43	121.4	124.18
Highest repurchase price per unit	124.92	N/A	155.89	104.87	117.41	120.1
Lowest offer price per unit	119.45	N/A	102.06	90.43	92.45	82.57
Lowest repurchase price per unit	115.47	N/A	98.71	87.46	89.41	79.86
Total return:	23.86%	N/A	57.79%	8.72%	-21.04%	47.23%
- capital growth	23.86%	N/A	57.79%	8.72%	-21.04%	47.23%
- income distribution	0.00%	N/A	0.00%	0.00%	0.00%	0.00%
Average annual return: (Launch date: January 02, 2020)						
- one year	23.86%	N/A	57.79%	8.72%	-21.04%	47.23%
- two years	40.83%	N/A	33.26%	-6.16%	13.10%	47.23%
- three years	17.33%	N/A	15.16%	11.64%	N/A	N/A
four years	17.33%	N/A	23.18%	N/A	N/A	N/A
Five Years	23.31%	N/A				
Distribution per unit:						
- Interim distribution (% per unit)	-	-	-	-	-	-
- Final distribution (% per unit)	-	-	-	-	-	-
	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.

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.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Khushal Mustaqbil Fund

Financial Statements
For The Year Ended June 30, 2026



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Disclaimer: All investments in mutual & pension funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies, taxation policies and risks involved. Use of the name and logo of Faysal Bank Limited does not mean that it is responsible for the liabilities/obligation of Faysal Funds or any investment scheme managed by it. All our operations have been approved by our Shariah Advisor Mufti Abdul Basit whose registration number is (SECP/IFD/SA/192).

Faysal Khushal Mustaqbil Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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

The Fund is categorized as a 'Shariah Compliant Fund of Funds Scheme, and the Fund shall offer multiple allocation plans. The objective of the Fund is to provide a simple savings tool which would enable savers to manage their finances astutely without compromising their goals and dreams.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

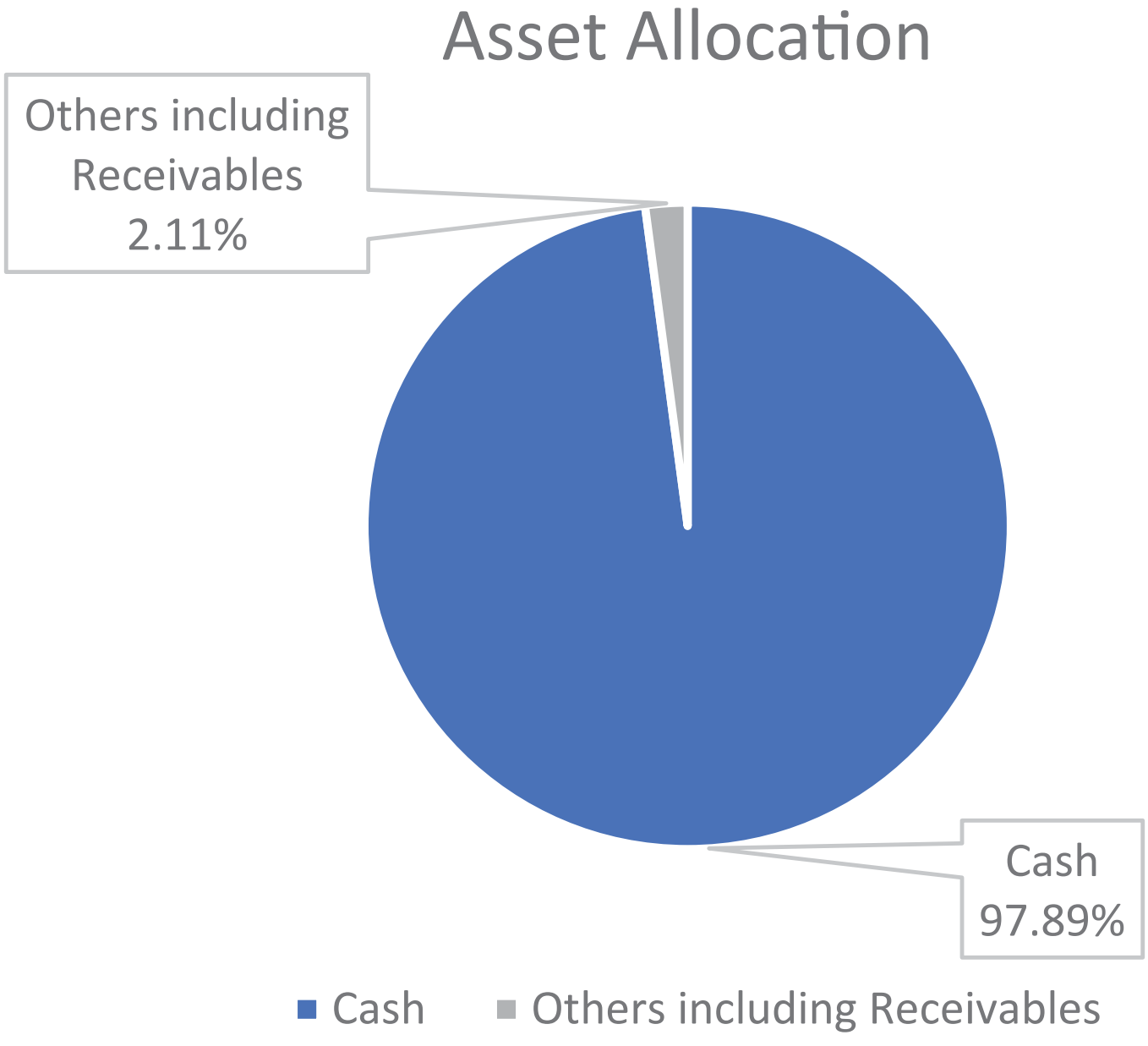
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Fund of Funds Scheme
Risk Profile	Medium
Launch Date	January 10, 2025
Custodian/Trustee	CDC
Stability Rating	Not Rated
Auditor	A.F. Ferguson & Co.
Management Fee	Up to 2.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.00%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	Upto 3% of Average Annual N.A. (Actual Rate of FEL Charged is 0.00%)
Min Subscription	PKR. 5,000
Benchmark*	KMI-30 Index, Three (3) months PKISRV rates and Six (6) months PKISRV rates of Three (3) AA rated Scheduled Islamic Banks or Islamic window of conventional banks as selected by MUFAP based on the actual proportion of investment in Shariah Compliant Equity/Asset Allocation, Shariah compliant Sovereign Income, Shariah compliant Income, Shariah compliant Money Market Scheme made by the investment plan.
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	108.97
Net Assets (mn)	53
Total Expense Ratio (Annualized)	2.42%
Total Expense Ratio (Monthly)	3.09%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	3.57%	8.88%
Benchmark (YTD)	3.40%	9.37%



FUND PERFORMANCE

Faysal Barak'ah Women Savers Plan yielded an absolute FY26TD return of 8.88% relative to its benchmark yield of 9.37%. The management invested in Cash (97.89%) and Others (2.11%).

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

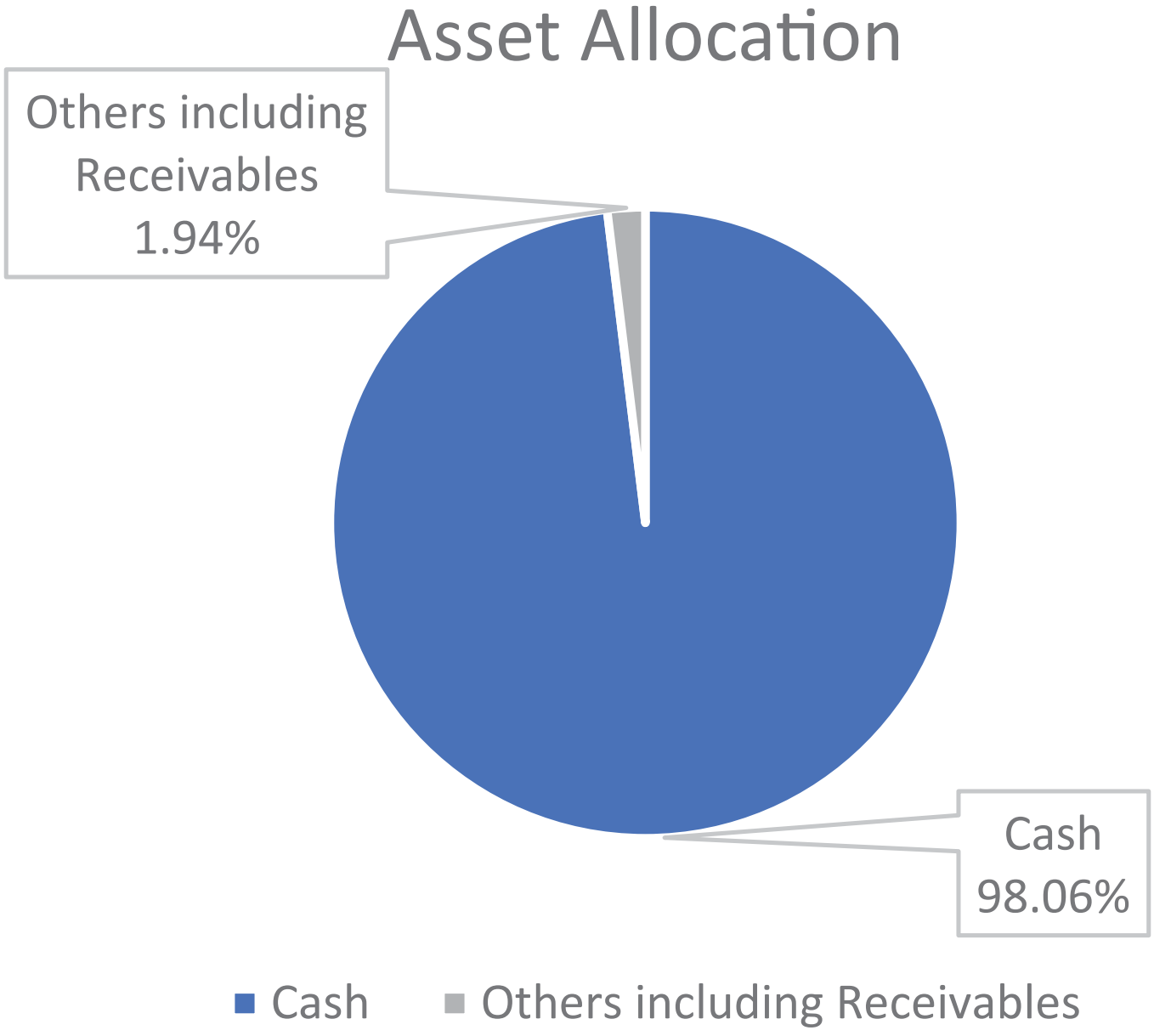
Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Asset Allocation Fund of Funds Scheme
Risk Profile	Low - Moderate
Launch Date	January 10, 2025
Custodian/Trustee	CDC
Stability Rating	Not Rated
Auditor	A.F. Ferguson & Co.
Management Fee	Up to 2.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.00%)
Selling and Marketing Expense	0.00%
Front/Back-end Load	Upto 3% of Average Annual N.A. (Actual Rate of FEL Charged is 0.00%)
Min Subscription	PKR. 5,000
Benchmark*	6 months average deposit rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP, Six (6) months PKISRV rates and three (3) months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of conventional banks as selected by MUFAP based on the actual proportion of investment in Shariah Compliant Income, Sovereign Income and Money Market scheme made by the Investment Plan.
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Mon to Thu 9:00 am to 3:00 pm, Fri 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	109.16
Net Assets (mn)	84.0444
Total Expense Ratio (Annualized)	2.23%
Total Expense Ratio (Monthly)	2.40%

Fund Returns (% p.a)		
	FY26	**FY25**
YTD	9.07%	3.47%
Benchmark (YTD)	9.37%	3.40%



FUND PERFORMANCE

Faysal Nu'umah Women Savers Plan yielded an absolute FY26TD return of 9.07% relative to its benchmark yield of 9.37%. The management invested in Cash (98.06%) and Others (1.94%)

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Khushal Mustaqbil Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Khushal Mustaqbil Fund (FKMF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FKMF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FKMF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Khushal Mustaqbil Fund (FKMF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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CDC House, 99-B, Block 'B'
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TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL KHUSHAL MUSTAQBIL FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Khushal Mustaqbil Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 02, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants
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INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Faysal Asset Management Limited (Management Company of Faysal Khushal Mustaqbil Fund)

1. **Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Faysal Khushal Mustaqbil Fund (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. **Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

a) legal and regulatory framework administered by the SECP;

b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;

c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;

d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP;

e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above; and

f) Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

3. **Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

YOUSUF ADIL
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Yousuf Adil
Chartered Accountants

4. **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM-1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. **Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. **Conclusion**

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali.**

Chartered Accountants

Date: September 21, 2026
Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Faysal Khushal Mustaqbil Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Khushal Mustaqbil Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the 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, 2026, 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 (NAV)** (Refer notes 4 to the financial statements) Balances with banks constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 137.417 million. The existence of balances with banks for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of balances with banks as at June 30, 2026 and traced the confirmed balances to 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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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Faysal Asset Management Limited) 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 the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company (Faysal Asset Management Limited) 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, the Management Company 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 the Management Company.

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- Conclude on the appropriateness of Management Company'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:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2026
UDIN: AR202610068p7XPBd0UA

Faysal Khushal Mustaqbil Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026				June 30, 2025			
		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan	Total	Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan	Total
		(Rupees)				(Rupees)			
Assets									
Balances with banks	4	52,856,218	84,559,365	1,007	137,416,590	55,980,681	50,638,761	51,268,668	157,888,110
Profit and other receivables	5	410,468	553,828	-	964,296	979,559	1,024,324	788,351	2,792,234
Preliminary expenses and floatation costs	6	129,397	129,397	-	258,794	166,069	166,069	166,069	498,207
Total assets		53,396,083	85,242,590	1,007	138,639,680	57,126,309	51,829,154	52,223,088	161,178,551
Liabilities									
Payable to Faysal Asset Management Limited - Management Company	7	233,661	267,535	-	501,196	235,902	228,821	228,773	693,496
Payable to Central Depository Company of Pakistan Limited - Trustee	8	3,290	5,556	-	8,846	3,678	3,032	3,179	9,889
Payable to the Securities and Exchange Commission of Pakistan	9	3,280	5,299	-	8,579	3,642	3,046	3,176	9,864
Accrued expenses and other liabilities	10	600,199	920,330	1,007	1,521,536	304,109	339,138	258,808	902,055
Total liabilities		840,430	1,198,720	1,007	2,040,157	547,331	574,037	493,936	1,615,304
Net assets		52,555,653	84,043,870	-	136,599,523	56,578,978	51,255,117	51,729,152	159,563,247
Unit holders' fund (as per the statement attached)		52,555,653	84,043,870	-	136,599,523	56,578,978	51,255,117	51,729,152	159,563,247
Contingencies and commitments	11								
		(Number of units)				(Number of units)			
Number of units in issue		482,294	769,912	-		565,324	512,131	500,000	
		(Rupees)				(Rupees)			
Net asset value per unit		108.9703	109.1604	-		100.0825	100.0820	103.4583	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Khushal Mustaqbil Fund

Income Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan	
		(Rupees)				(Rupees)			
Income									
Profit on balances with banks		6,120,085	7,311,776	723,868	14,155,729	2,919,475	3,263,879	2,328,650	8,512,004
Gain on disposal of Mutual Funds		794,754	896,937	-	1,691,691	-	-	-	-
Total Income		6,914,839	8,208,713	723,868	15,847,420	2,919,475	3,263,879	2,328,650	8,512,004
Expenses									
Remuneration of Faysal Asset Management Company Limited - Management Company	7.1	543,757	646,127	65,537	1,255,421	299,547	347,829	236,564	883,940
Sindh Sales Tax on remuneration of the Management Company	7.2	81,564	96,919	9,831	188,314	44,932	52,174	35,485	132,591
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	44,544	52,543	4,588	101,675	20,968	24,348	16,559	61,875
Sindh Sales Tax on remuneration of the Trustee	8.2	6,682	7,881	688	15,251	3,145	3,652	2,484	9,281
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	40,782	48,460	4,915	94,157	22,467	26,088	17,743	66,298
Auditors' remuneration	12	575,310	575,310	51,326	1,201,946	191,916	191,916	191,916	575,748
Amortisation of preliminary expenses and floatation costs	6.1	36,672	36,672	4,622	77,966	17,281	17,281	17,281	51,843
Legal and professional charges		56,518	56,518	5,245	118,281	43,815	43,815	43,815	131,445
Shariah advisory fee		152,666	152,666	1,443	306,775	23,077	23,077	23,077	69,231
Printing charges		290	290	-	580	1,955	1,955	1,955	5,865
Advance Tax written off		-	-	304,453	304,453	-	-	-	-
Bank charges		2,105	2,730	124	4,959	1,920	4,326	2,746	8,992
Total operating expenses		1,540,890	1,676,116	452,772	3,669,778	671,023	736,461	589,625	1,997,108
Net income for the year / period before taxation		5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896
Taxation	14	-	-	-	-	-	-	-	-
Net income for the year / period after taxation		5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896
Allocation of net income for the year / period									
Net income for the year / period after taxation		5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896
Income already paid on units redeemed		(5,360,254)	(6,508,121)	(271,096)	(12,139,471)	(2,234,375)	(2,499,721)	(1,739,022)	(6,473,118)
		13,695	24,476	-	38,171	14,077	27,697	3	41,778
Accounting income available for distribution									
- Relating to capital gains		-	-	-	-	-	-	-	-
- Excluding capital gains		13,695	24,476	-	38,171	14,077	27,697	3	41,778
		13,695	24,476	-	38,171	14,077	27,697	3	41,778

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Khushal Mustaqbil Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
	Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan	
	----------(Rupees)----------				----------(Rupees)----------			
Net income for the year / period after taxation	5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896
Other comprehensive income for the year / period	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Khushal Mustaqbil Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			For the year ended June 30, 2026			For the year ended June 30, 2026			Total
	Faysal Barakah Women Savers Plan			Faysal Nuumah Women Savers Plan			Faysal Ujala Women Savers Plan			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	(Rupees)			(Rupees)			(Rupees)			
Net assets at the beginning of the year / period	56,578,658	320	56,578,978	51,254,404	713	51,255,117	51,729,149	3	51,729,152	159,563,247
Issuance of units: 630,508 in FBWSP, 1,366,366 in FNWSP and Nil in FUWSP										
- Capital value	63,102,781	-	63,102,781	136,748,615	-	136,748,615	-	-	-	199,851,396
- Element of income	4,543,572	-	4,543,572	9,768,139	-	9,768,139	-	-	-	14,311,711
Total proceeds on issuance of units	67,646,353	-	67,646,353	146,516,754	-	146,516,754	-	-	-	214,163,107
Redemption of units: 713,538 in FBWSP, 1,108,586 in FNWSP and 500,000 in FUWSP										
- Capital value	(71,412,676)	-	(71,412,676)	(110,949,497)	-	(110,949,497)	(51,729,152)	-	(51,729,152)	(234,091,325)
- Element of loss	(270,697)	(5,360,254)	(5,630,951)	(2,802,980)	(6,508,121)	(9,311,101)	-	(271,096)	(271,096)	(15,213,148)
Total payments on redemption of units	(71,683,373)	(5,360,254)	(77,043,627)	(113,752,477)	(6,508,121)	(120,260,598)	(51,729,152)	(271,096)	(52,000,248)	(249,304,473)
Total comprehensive income for the year	-	5,373,949	5,373,949	-	6,532,597	6,532,597	-	271,096	271,096	12,177,642
Net assets at the end of the year	52,541,638	14,015	52,555,653	84,018,681	25,189	84,043,870	(3)	3	-	136,599,523
Undistributed income brought forward										
- Realised income		320			713			3		
- Unrealised income		-			-			-		
		320			713			3		
Accounting income available for distribution										
- Relating to capital gains		320			713			3		
- Excluding capital gains		13,695			24,476			-		
		14,015			25,189			3		
Distributions made during the year		-			-			-		
Undistributed income carried forward		14,015			25,189			3		
Undistributed income carried forward										
- Realised income		14,015			25,189			3		
- Unrealised income		-			-			-		
		14,015			25,189			3		
		(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		100.0825			100.0820			103.4583		
Net asset value per unit at the end of the year		108.9703			109.1604			-		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Khushal Mustaqbil Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2025

	For the period from January 10, 2025 to June 30, 2025			For the period from January 10, 2025 to June 30, 2025			For the period from January 10, 2025 to June 30, 2025			Total
	Faysal Barakah Women Savers Plan			Faysal Nuumah Women Savers Plan			Faysal Ujala Women Savers Plan			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	(Rupees)			(Rupees)			(Rupees)			
Net assets at the beginning of the period	-	-	-	-	-	-	-	-	-	-
Issuance of units: 2,457,524 in FBWSP, 4,255,811 in FNWSP & 2,039,490 in FUWSP										
- Capital value	245,752,361	-	245,752,361	425,581,062	-	425,581,062	203,948,956	-	203,948,956	875,282,379
- Element of income	2,190,882	-	2,190,882	3,047,851	-	3,047,851	3,621,164	-	3,621,164	8,859,897
Total proceeds on issuance of units	247,943,243	-	247,943,243	428,628,913	-	428,628,913	207,570,120	-	207,570,120	884,142,276
Redemption of units: 1,892,200 in FBWSP, 3,743,679 in FNWSP & 1,539,490 in FUWSP										
- Capital value	(189,220,004)	-	(189,220,004)	(374,367,940)	-	(374,367,940)	(153,948,956)	-	(153,948,956)	(717,536,900)
- Element of loss	(256,722)	(2,234,375)	(2,491,097)	(1,356,304)	(2,499,721)	(3,856,025)	(1,892,015)	(1,739,022)	(3,631,037)	(9,978,159)
Total payments on redemption of units	(189,476,726)	(2,234,375)	(191,711,102)	(375,724,244)	(2,499,721)	(378,223,965)	(155,840,971)	(1,739,022)	(157,579,993)	(727,515,059)
Total comprehensive income for the period	-	2,248,452	2,248,452	-	2,527,418	2,527,418	-	1,739,025	1,739,025	6,514,895
Distribution of Rs. 3.4806 per unit declared on June 27, 2025 in FBWSP	(1,887,859)	(13,757)	(1,901,616)	-	-	-	-	-	-	(1,901,616)
Distribution of Rs. 3.3853 per unit declared on June 27, 2025 in FNWSP	-	-	-	(1,650,265)	(26,984)	(1,677,249)	-	-	-	(1,677,249)
Net income for the period less distribution	(1,887,859)	2,234,695	346,836	(1,650,265)	2,500,434	850,169	-	1,739,025	1,739,025	2,936,030
Net assets at the end of the period	56,578,658	320	56,578,978	51,254,404	713	51,255,117	51,729,149	3	51,729,152	159,563,247
Accounting income available for distribution										
- Relating to capital gains		-			-			-		
- Excluding capital gains		14,077			27,697			3		
		14,077			27,697			3		
Distributions made during the period		(13,757)			(26,984)			-		
Undistributed income carried forward		320			713			3		
Undistributed income carried forward										
- Realised income		320			713			3		
- Unrealised income		-			-			-		
		320			713			3		
		(Rupees)			(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the Fund		100.0000			100.0000			100.0000		
Net asset value per unit at the end of the period		100.0825			100.0820			103.4583		

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer | **Chief Executive Officer** | **Director**

Faysal Khushal Mustaqbil Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan		Faysal Barakah Women Savers Plan	Faysal Nuumah Women Savers Plan	Faysal Ujala Women Savers Plan	
		(Rupees)				(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES									
Net income for the year / period before taxation		5,373,949	6,532,597	271,096	12,177,642	2,248,452	2,527,418	1,739,025	6,514,896
Adjustments for:									
Profit on balances with banks		(6,120,085)	(7,311,776)	(723,868)	(14,155,729)	(2,919,475)	(3,263,879)	(2,328,650)	(8,512,004)
Amortisation of preliminary expenses and floatation costs	6.1	36,672	36,672	4,622	77,966	17,281	17,281	17,281	51,843
Advance tax written off		-	-	304,453	304,453	-	-	-	-
		(709,464)	(742,507)	(143,697)	(1,595,668)	(653,742)	(719,180)	(572,344)	(1,945,265)
Decrease / (increase) in assets									
Other receivables		-	-	-	-	(410,468)	(553,828)	(304,453)	(1,268,750)
Preliminary expenses and floatation costs		-	-	-	-	(183,350)	(183,350)	(183,350)	(550,050)
		-	-	-	-	(593,818)	(737,178)	(487,803)	(1,818,800)
(Decrease) / increase in liabilities									
Payable to Faysal Asset Management Limited - Management Company		(2,241)	38,714	(228,773)	(192,300)	235,902	228,821	228,773	693,496
Payable to Central Depository Company of Pakistan Limited - Trustee		(388)	2,524	(3,179)	(1,043)	3,678	3,032	3,179	9,889
Payable to the Securities and Exchange Commission of Pakistan		(362)	2,253	(3,176)	(1,285)	3,642	3,046	3,176	9,864
Accrued expenses and other liabilities		296,090	581,192	(96,354)	780,928	304,109	339,138	258,808	902,055
		293,099	624,683	(331,482)	586,300	547,331	574,037	493,936	1,615,304
Profit received on balances with banks		6,689,176	7,782,272	1,207,766	15,679,214	2,350,384	2,793,384	1,844,752	6,988,520
Net cash generated from operating activities		6,272,811	7,664,448	732,587	14,669,846	1,650,155	1,911,062	1,278,541	4,839,758
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts against issuance of units		67,646,353	146,516,754	-	214,163,107	247,943,244	428,628,913	207,570,120	884,142,277
Payments made against redemption of units		(77,043,627)	(120,260,598)	(52,000,248)	(249,304,473)	(191,711,102)	(378,223,965)	(157,579,993)	(727,515,060)
Dividend paid		-	-	-	-	(1,901,616)	(1,677,249)	-	(3,578,865)
Net cash (used in) / generated from financing activities		(9,397,274)	26,256,156	(52,000,248)	(35,141,366)	54,330,526	48,727,699	49,990,127	153,048,352
Net (decrease) / increase in cash and cash equivalents during the year / period		(3,124,463)	33,920,604	(51,267,661)	(20,471,520)	55,980,681	50,638,761	51,268,668	157,888,110
Cash and cash equivalents at the beginning of the year / period		55,980,681	50,638,761	51,268,668	157,888,110	-	-	-	-
Cash and cash equivalents at the end of the year / period	4	52,856,218	84,559,365	1,007	137,416,590	55,980,681	50,638,761	51,268,668	157,888,110

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer | **Chief Executive Officer** | **Director**

Faysal Khushal Mustaqbil Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Khushal Mustaqbil Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on September 21, 2023 between Faysal Asset Management Limited as the Management Company ('the Management Company') and Central Depository Company of Pakistan Limited (CDC) as the Trustee and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). 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, ST-02, main Sharah-e-Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund is categorised as a 'Shariah Compliant Fund of Fund 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.

1.3 The Fund shall offer multiple allocation plans, however three allocation plan i.e. Faysal Barakah Women Savers Plan (FKMF-FBWSP), Faysal Nuumah Women Savers Plan (FKMF-FNWSP) and Faysal Ujala Women Savers Plan (FKMF-FUWSP) have been offered by the Fund. The objective of the Fund is to provide competitive regular return with capital preservation on investments as per respective allocation plans by investing in authorised investable avenues in line with the risk tolerance of the investor. The objective of the Fund and the authorised avenues are more fully explained in the Fund's offering document. The duration of the Fund is perpetual, however, allocation plans may have a set time frame. The Fund offered the following plans:

a. Faysal Barak'ah Women Savers Plan (FBWSP): The term / duration of the investment plan is perpetual.
b. Faysal Nu'umah Women Savers Plan (FNWSP): The term / duration of the investment plan is perpetual.
c. Faysal Ujala Women Savers Plan (FUWSP): The plan is revoked on August 15, 2025.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

2 BASIS OF PREPARATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in

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:

- 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, 2026

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, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and therefore, have not been disclosed in these financial statements.

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

There are certain 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, 2026. 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 2025) 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.

- 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the fund.

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 (note 3.1).

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.

The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 18.

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 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 Financial assets

3.1.1 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, 2026

3.1.2 Classification and subsequent measurement

3.1.2.1 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.

3.1.3 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.

3.1.4 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.

3.1.5 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 one day from the transaction date as per the stock exchange regulations.

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

3.2 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 amortized cost.

A financial liability is derecognized 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, 2026

3.3 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.

3.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

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.

3.5 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 distributors during business hours of the day. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redeemed price represents the net assets value per unit as on the close of the business day, less back end load, 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 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.

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;
- Profit on bank balances is recognised on time proportion basis using the effective yield method;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise; and
- Income on sukuk certificates, certificates of musharakah, term deposit receipts and government securities are recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2026

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 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% 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.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
4 BALANCES WITH BANKS		(Rupees)				(Rupees)			
Balances with banks in savings accounts	4.1	52,856,218	84,559,365	1,007	137,416,590	55,980,681	50,638,761	51,268,668	157,888,110

4.1 This represents balance maintained with Faysal Bank Limited, a related party, that carries profit at the rate of 10.5% to 12.5% (June 30, 2025: 5.5% to 12%) per annum.

4.2 Balances with banks represent cash and cash equivalent of the Fund.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
5 PROFIT AND OTHER RECEIVABLES		(Rupees)				(Rupees)			
Profit receivable on bank balances	5.1	-	-	-	-	569,091	470,495	483,898	1,523,484
Advance tax	5.2	410,468	553,828	-	964,296	410,468	553,828	304,453	1,268,750
		410,468	553,828	-	964,296	979,559	1,024,324	788,351	2,792,234

5.1 This represents the profit receivable on bank balance held with Faysal Bank Limited, a related party.

5.2 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 150 and 151. However, withholding tax on profit on debt 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 withholdee.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
6 PRELIMINARY EXPENSES AND FLOATATION COSTS		(Rupees)				(Rupees)			
Balances at the beginning of the year / period		166,069	166,069	166,069	498,207	183,350	183,350	183,350	550,050
Less: amortisation for the year / period		(36,672)	(36,672)	(4,622)	(77,966)	(17,281)	(17,281)	(17,281)	(51,843)
Other adjustment		-	-	(161,447)	(161,447)	-	-	-	-
Balance at the end of the year / period	6.1	129,397	129,397	-	258,794	166,069	166,069	166,069	498,207

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations, 2008.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		(Rupees)				(Rupees)			
Remuneration payable to the Management Company	7.1	43,749	71,329	-	115,078	45,697	37,665	39,498	122,860
Sindh Sales Tax on remuneration of the Management Company	7.2	6,562	10,699	-	17,261	6,855	5,650	5,925	18,429
Preliminary expenses and floatation costs payable		183,350	183,350	-	366,700	183,350	183,350	183,350	550,050
Other payable		-	2,157	-	2,157	-	2,157	-	2,157
		233,661	267,535	-	501,196	235,902	228,821	228,773	693,496

7.1 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 and subject to the capping of 1.25% for a collective investment scheme categorised as a 'Fund of fund Schemes', keeping in view the the maximum allowable threshold. The Management Company has charged its remuneration at the rate of 1% (June 30, 2025: 1%) per annum of the daily average net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company in arrears.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

7.2 Sindh Sales Tax is levied at the rate of 15% (June 30, 2025: 15%) under the Sindh Sales Tax Act on Services, 2011.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
		(Rupees)				(Rupees)			
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE									
Remuneration payable to the Trustee	8.1	2,861	4,788	-	7,649	3,198	2,637	2,765	8,599
Sindh Sales Tax on remuneration payable to the Trustee	8.2	429	768	-	1,197	480	395	414	1,289
		3,290	5,556	-	8,846	3,678	3,032	3,179	9,889

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.07% (June 30, 2025: 0.07%) per annum of the average daily net assets of FBWSP, FNWSP and FUWSP.

8.2 Sindh Sales Tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (June 30, 2025: 15%) on the Trustee remuneration.

	Note	June 30, 2026				June 30, 2025			
		FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
		(Rupees)				(Rupees)			
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN									
Annual fee payable	9.1	3,280	5,299	-	8,579	3,642	3,046	3,176	9,864

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.075% (June 30, 2025: 0.075%) per annum of the average annual net assets of the Fund for FBWSP, FNWSP and FUWSP. The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	June 30, 2026				June 30, 2025			
10 ACCRUED EXPENSES AND OTHER LIABILITIES	FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
	(Rupees)				(Rupees)			
Auditors' remuneration payable	392,018	390,993	-	783,011	191,916	191,916	191,916	575,748
Legal and professional charges payable	44,466	88,281	-	132,747	43,815	43,815	43,815	131,446
Shariah advisory fee payable	152,666	154,110	-	306,776	23,077	23,077	23,077	69,230
Capital gain tax payable	11,049	286,946	-	297,995	41,862	72,585	-	114,447
Other payable	-	-	1,007	1,007	3,439	7,745	-	11,184
	600,199	920,330	1,007	1,521,536	304,109	339,138	258,808	902,055

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2026.

	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
12 AUDITORS' REMUNERATION	FBWSP	FNWSP	FUWSP		FBWSP	FNWSP	FUWSP	
	(Rupees)				(Rupees)			
Audit fee	502,542	502,542	44,834	1,049,918	127,700	127,700	127,700	383,100
Out of pocket expenses	30,152	30,152	2,690	62,994	50,000	50,000	50,000	150,000
	532,694	532,694	47,524	1,112,912	177,700	177,700	177,700	533,100
Sales tax	42,616	42,616	3,802	89,034	14,216	14,216	14,216	42,648
	575,310	575,310	51,326	1,201,946	191,916	191,916	191,916	575,748

13 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I) / 2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit of 2.5% for a collective investment scheme categorised as a 'Fund of Fund Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 7.1 to these financial statements for a collective investment scheme categorised as a 'Fund of Fund Scheme'.

The total expense ratio of the Fund is as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Fund Name	Management Fee	Regulatory Fee	Trustee Fee & Custody Charges	Levies & Taxes	Transaction Expenses (Broker, Bank, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	Total TER with Levies	Total TER without Levies
FBWSP	0.85%	0.06%	0.07%	0.14%	0.00%	1.23%	0.06%	2.42%	2.28%
FNWSP	0.86%	0.06%	0.07%	0.14%	0.00%	1.05%	0.05%	2.23%	2.09%

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 NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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.

15 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS AND RELATED PARTIES

15.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors, their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding 10 percent or more of the Fund's net assets.

15.2 Transactions with connected persons / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

15.4 Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

15.5 The details of transactions carried out by the Fund with connected persons and related parties during the year / period and balances with them, otherwise than disclosed elsewhere, as at year end are as follows:

Transactions during the year / period:	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
	FBWSP	FNWSP	FUWSP		FBWSP	FNWSP	FUWSP	
	(Rupees)				(Rupees)			
Faysal Asset Management Limited - Management Company								
Remuneration of the Management Company	543,757	646,127	65,537	1,255,421	299,547	347,829	236,564	883,940
Sindh Sales Tax on remuneration of the Management Company	81,564	96,919	9,831	188,314	44,932	52,174	35,485	132,591
Issuance of 625,468 units (June 30, 2025: 2,034,806 units) - FBWSP, 470,052 units (June 30, 2025: 2,141,830 units) - FNWSP and Nil (June 30, 2025: 2,000,000 units) - FUWSP	67,101,555	50,228,036	-	117,329,591	205,468,586	216,463,596	203,610,700	625,542,881
Redemption of 664,624 units (June 30, 2025: 1,517,403 units) - FBWSP, 500,000 units (June 30, 2025: 1,757,020 units) - FUWSP and 532,055 units (June 30, 2025: 1,500,000 units) - FNWSP	72,101,555	57,728,036	52,000,248	181,829,839	153,728,286	177,576,505	153,610,700	484,915,490
Faysal Bank Limited (Group / Associated company)								
Profit on bank balance	6,120,085	7,311,776	723,868	14,155,729	2,919,475	3,263,879	2,328,650	8,512,004
Bank charges	2,105	2,730	124	4,959	1,920	4,326	2,746	8,992
Central Depository Company of Pakistan Limited (the Trustee)								
Remuneration of the Trustee	44,544	52,543	4,588	101,675	20,968	24,348	16,559	61,875
Sindh Sales Tax on remuneration of the Trustee	6,682	7,881	688	15,251	3,145	3,652	2,484	9,281

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Transactions during the year / period:	For the year ended June 30, 2026			Total	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	For the period from January 10, 2025 to June 30, 2025	Total
	FBWSP	FNWSP	FUWSP		FBWSP	FNWSP	FUWSP	
	(Rupees)				(Rupees)			
Unit holders with more than 10% holding *								
Units issued - FBWSP: 625,468 units (June 30, 2025: 2,034,806 units)	67,101,555	-	-	67,101,555	205,468,586	-	-	205,468,586
Units issued - FNWSP: 470,052 units (June 30, 2025: 2,141,830 units)	-	50,228,036	-	50,228,036	-	216,463,596	-	216,463,596
Units issued - FWUSP: Nil units (June 30, 2025: 2,000,000 units)	-	-	-	-	-	-	203,610,700	203,610,700
Units redeemed - FBWSP : 664,624 units (June 30, 2025: 1,517,403 units)	72,101,555	-	-	72,101,555	153,728,286	-	-	153,728,286
Units redeemed - FNWSP: 532,055 units (June 30, 2025: 1,757,020 units)	-	57,728,036	-	57,728,036	-	177,576,505	-	177,576,505
Units redeemed - FWUSP: Nil units (June 30, 2025: 1,500,000 units)	-	-	-	-	-	-	153,610,700	153,610,700

* This reflects the position of related party / connected persons status for the year ended June 30, 2026 and June 30, 2025.

Amounts / balances outstanding as at year / period end:	June 30, 2026				June 30, 2025			
	FBWSP	FNWSP	FUWSP	Total	FBWSP	FNWSP	FUWSP	Total
	(Rupees)				(Rupees)			
Faysal Asset Management Limited - Management Company								
Remuneration payable	43,749	71,329	-	115,078	45,697	37,665	39,498	122,860
Sindh Sales Tax on remuneration of the Management Company	6,562	10,699	-	17,261	6,855	5,650	5,925	18,429
Preliminary expenses and floatation cost payable	183,350	183,350	-	366,700	183,350	183,350	183,350	550,050
Other payables	-	2,157	-	2,157	-	2,157	-	2,157
Units outstanding - 478,247 units (June 30, 2025: 517,403 units)	52,114,719	-	-	52,114,719	51,782,986	-	-	51,782,986
Units outstanding - 322,807 units (June 30, 2025: 384,810 units)	-	35,237,741	-	35,237,741	-	38,512,554	-	38,512,554
Units outstanding - Nil units (June 30, 2025: 500,000 units)	-	-	-	-	-	-	51,729,150	51,729,150
Faysal Bank Limited - group company / associated company								
Balances with bank	52,856,218	84,559,365	1,007	137,416,590	55,980,681	50,638,761	51,268,668	157,888,110
Profit receivable on bank balances	-	-	-	-	569,091	470,495	483,898	1,523,484
Central Depository Company of Pakistan Limited - the Trustee								
Remuneration payable	2,861	4,788	-	7,649	3,198	2,637	2,765	8,599
Sindh Sales Tax on remuneration of the Trustee	429	768	-	1,197	480	395	414	1,289
Unit holders with more than 10% holding*								
Units outstanding: 478,247 units (June 30, 2025: 517,403 units)	52,114,719	-	-	52,114,719	51,782,986	-	-	51,782,986
Units outstanding: 322,807 units (June 30, 2025: 322,807 units)	-	35,237,741	-	35,237,741	-	38,512,554	-	38,512,554
Units outstanding: Nil units (June 30, 2025: 500,000 units)	-	-	-	-	-	-	51,729,152	51,729,152

* This reflects the position of related party / connected persons status for the year ended June 30, 2026 and June 30, 2025.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2026			June 30, 2026			June 30, 2026		
	FBWSP			FNWSP			FUWSP		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees			Rupees			Rupees		
Financial assets									
Balances with banks	52,856,218	-	52,856,218	84,559,365	-	84,559,365	1,007	-	1,007
Profit and other receivables	-	-	-	-	-	-	-	-	-
	52,856,218	-	52,856,218	84,559,365	-	84,559,365	1,007	-	1,007
Financial liabilities									
Payable to Faysal Asset Management Limited - Management Company	233,661	-	233,661	267,535	-	267,535	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	3,290	-	3,290	5,556	-	5,556	-	-	-
Accrued expenses and other liabilities	589,150	-	589,150	633,384	-	633,384	1,007	-	1,007
	826,101	-	826,101	906,475	-	906,475	1,007	-	1,007

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	June 30, 2025			June 30, 2025			June 30, 2025		
	FBWSP			FNWSP			FUWSP		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees			Rupees			Rupees		
Financial assets									
Balances with banks	55,980,681	-	55,980,681	50,638,761	-	50,638,761	51,268,668	-	51,268,668
Profit and other receivables	569,091	-	569,091	470,495	-	470,495	483,898	-	483,898
	56,549,772	-	56,549,772	51,109,256	-	51,109,256	51,752,566	-	51,752,566
Financial liabilities									
Payable to Faysal Asset Management Limited - Management Company	235,902	-	235,902	228,821	-	228,821	228,773	-	228,773
Payable to Central Depository Company of Pakistan Limited - Trustee	3,678	-	3,678	3,032	-	3,032	3,179	-	3,179
Accrued expenses and other liabilities	258,808	-	258,808	258,808	-	258,808	258,808	-	258,808
	498,388	-	498,388	490,661	-	490,661	490,760	-	490,760

17 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.

17.1 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with bank. 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. 0.53 million and Rs. 0.85 million of FBWSP and FNWSP respectively.

The KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

The Fund's profit sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

FBWSP

	June 30, 2026				
	Effective profit rate	Exposed to profit rate risk			Not exposed to profit 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	10.5% to 12.5%	52,856,218	-	-	-	52,856,218
Profit and other receivables		-	-	-	-	-
		52,856,218	-	-	-	52,856,218
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	233,661	233,661
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,290	3,290
Accrued expenses and other liabilities		-	-	-	589,150	589,150
		-	-	-	826,101	826,101
On-balance sheet gap (a)		52,856,218	-	-	(826,101)	52,030,117
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		52,856,218	-	-		
Cumulative interest rate sensitivity gap		52,856,218	52,856,218	52,856,218		

FBWSP

	June 30, 2025				
	Effective profit rate	Exposed to profit rate risk			Not exposed to profit 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	5.5% to 12%	55,980,681	-	-	-	55,980,681
Profit and other receivables		-	-	-	569,091	569,091
		55,980,681	-	-	569,091	56,549,772
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	235,902	235,902
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,678	3,678
Accrued expenses and other liabilities		-	-	-	258,808	258,808
		-	-	-	498,388	498,388
On-balance sheet gap (a)		55,980,681	-	-	70,703	56,051,384
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		55,980,681	-	-		
Cumulative interest rate sensitivity gap		55,980,681	55,980,681	55,980,681		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

FNWSP

	June 30, 2026				
		Exposed to profit rate risk			
	Effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
	(%)	Rupees				
Financial assets						
Balances with banks	10.5% to 12.5%	84,559,365	-	-	-	84,559,365
Profit and other receivables		-	-	-	-	-
		84,559,365	-	-	-	84,559,365
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	267,535	267,535
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	5,556	5,556
Accrued expenses and other liabilities		-	-	-	633,384	633,384
		-	-	-	906,475	906,475
On-balance sheet gap (a)		84,559,365	-	-	(906,475)	83,652,890
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		84,559,365	-	-		
Cumulative interest rate sensitivity gap		84,559,365	84,559,365	84,559,365		

FNWSP

	June 30, 2025				
		Exposed to profit rate risk			
	Effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
	(%)	Rupees				
Financial assets						
Balances with banks	5.5% to 12%	50,638,761	-	-	-	50,638,761
Profit and other receivables		-	-	-	470,495	470,495
		50,638,761	-	-	470,495	51,109,256
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	228,821	228,821
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,032	3,032
Accrued expenses and other liabilities		-	-	-	258,808	258,808
		-	-	-	490,661	490,661
On-balance sheet gap (a)		50,638,761	-	-	(20,165)	50,618,596
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		50,638,761	-	-		
Cumulative interest rate sensitivity gap		50,638,761	50,638,761	50,638,761		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

FUWSP

	June 30, 2026				
		Exposed to profit rate risk			
	Effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
	(%)	Rupees				
Financial assets						
Balances with banks	10.5% to 12.5%	1,007	-	-	-	1,007
Profit and other receivables		-	-	-	-	-
		1,007	-	-	-	1,007
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,007	1,007
		-	-	-	1,007	1,007
On-balance sheet gap (a)		1,007	-	-	(1,007)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,007	-	-		
Cumulative interest rate sensitivity gap		1,007	1,007	1,007		

FUWSP

	June 30, 2025				
		Exposed to profit rate risk			
	Effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to profit rate risk	Total
	(%)	Rupees				
Financial assets						
Balances with banks	5.5% to 12%	51,268,668	-	-	-	51,268,668
Profit and other receivables		-	-	-	483,898	483,898
		51,268,668	-	-	483,898	51,752,566
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	228,773	228,773
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,179	3,179
Accrued expenses and other liabilities		-	-	-	258,808	258,808
		-	-	-	490,760	490,760
On-balance sheet gap (a)		51,268,668	-	-	(6,862)	51,261,806
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		51,268,668	-	-		
Cumulative interest rate sensitivity gap		51,268,668	51,268,668	51,268,668		

(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, 2026.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17.2 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 of 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:

FBWSP	June 30, 2026						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	52,856,218	-	-	-	-	-	52,856,218
Profit and other receivables	-	-	-	-	-	-	-
	52,856,218	-	-	-	-	-	52,856,218
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	233,661	-	-	-	-	-	233,661
Payable to Central Depository Company of Pakistan Limited - Trustee	3,290	-	-	-	-	-	3,290
Accrued expenses and other liabilities	197,132	392,018	-	-	-	-	589,150
	434,083	392,018	-	-	-	-	826,101
Net financial assets	52,422,135	(392,018)	-	-	-	-	52,030,117

FBWSP	June 30, 2025						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	55,980,681	-	-	-	-	-	55,980,681
Profit and other receivables	569,091	-	-	-	-	-	569,091
	56,549,772	-	-	-	-	-	56,549,772
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	235,902	-	-	-	-	-	235,902
Payable to Central Depository Company of Pakistan Limited - Trustee	3,678	-	-	-	-	-	3,678
Accrued expenses and other liabilities	66,892	191,916	-	-	-	-	258,808
	306,472	191,916	-	-	-	-	498,388
Net financial assets	56,243,300	(191,916)	-	-	-	-	56,051,384

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

FNWSP

	June 30, 2026						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	84,559,365	-	-	-	-	-	84,559,365
Profit and other receivables	-	-	-	-	-	-	-
	84,559,365	-	-	-	-	-	84,559,365
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	267,535	-	-	-	-	-	267,535
Payable to Central Depository Company of Pakistan Limited - Trustee	5,556	-	-	-	-	-	5,556
Accrued expenses and other liabilities	242,391	390,993	-	-	-	-	633,384
	515,482	390,993	-	-	-	-	906,475
Net financial assets	84,043,883	(390,993)	-	-	-	-	83,652,890

FNWSP

	June 30, 2025						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	50,638,761						50,638,761
Profit and other receivables	470,495	-	-	-	-	-	470,495
	51,109,256	-	-	-	-	-	51,109,256
Financial liabilities		-	-	-	-	-	
Payable to Faysal Asset Management Limited - Management Company	228,821	-	-	-	-	-	228,821
Payable to Central Depository Company of Pakistan Limited - Trustee	3,032	-	-	-	-	-	3,032
Accrued expenses and other liabilities	66,892	191,916	-	-	-	-	258,808
	298,745	191,916	-	-	-	-	490,661
Net financial assets	50,810,512	(191,916)	-	-	-	-	50,618,596

FUWSP

	June 30, 2026						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	1,007	-	-	-	-	-	1,007
Profit and other receivables	-	-	-	-	-	-	-
	1,007	-	-	-	-	-	1,007
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-
Accrued expenses and other liabilities	1,007	-	-	-	-	-	1,007
	1,007	-	-	-	-	-	1,007
Net financial assets	-	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

FUWSP

	June 30, 2025						
	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 five years	Financial instruments with no fixed maturity	Total
	Rupees						
Financial assets							
Balances with banks	51,268,668	-	-	-	-	-	51,268,668
Profit and other receivables	483,898	-	-	-	-	-	483,898
	51,752,566	-	-	-	-	-	51,752,566
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	228,773	-	-	-	-	-	228,773
Payable to Central Depository Company of Pakistan Limited - Trustee	3,179	-	-	-	-	-	3,179
Accrued expenses and other liabilities	66,892	191,916	-	-	-	-	258,808
	298,844	191,916	-	-	-	-	490,760
Net financial assets	51,453,722	(191,916)	-	-	-	-	51,261,806

17.3 Credit risk

17.3.1 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.

Credit risk arises from deposits with banks, profit receivable on balances with banks and credit exposure arising on investments. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonable high

The table below analyses the Fund's maximum exposure to credit risk:

	June 30, 2026					
	FBWSP		FNWSP		FUWSP	
	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		Rupees		Rupees	
Balances with banks	52,856,218	52,856,218	84,559,365	84,559,365	1,007	1,007
Profit and other receivables	-	-	-	-	-	-
	52,856,218	52,856,218	84,559,365	84,559,365	1,007	1,007

	June 30, 2025					
	FBWSP		FNWSP		FUWSP	
	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		Rupees		Rupees	
Balances with banks	55,980,681	55,980,681	50,638,761	50,638,761	51,268,668	51,268,668
Profit and other receivables	569,091	569,091	470,495	470,495	483,898	483,898
	56,549,772	56,549,772	51,109,256	51,109,256	51,752,566	51,752,566

17.3.2 Credit quality of financial assets

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

	% of financial assets exposed to credit risk					
	FBWSP	FNWSP	FUWSP	FBWSP	FNWSP	FUWSP
	June 30, 2026			June 30, 2025		
Rating	%			%		
AA+	100%	100%	100%	100%	100%	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17.3.3 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.

18 FAIR VALUE MEASUREMENT

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

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

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

18.1 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

As at June 30, 2026, the Fund did not hold any financial instruments measured at fair values.

19 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.

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 16, 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.

20 UNIT HOLDING PATTERN OF THE FUND

Category	FBWSP			FNWSP			FUWSP		
	June 30, 2026			June 30, 2026			June 30, 2026		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Individual	6	4,047	1%	36	447,106	58%	-	-	-
Associated Companies / Directors	1	478,247	99%	1	322,807	42%	-	-	0%
Total	7	482,294	100.00%	37	769,913	100%	-	-	0%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Category	FBWSP June 30, 2025			FNWSP June 30, 2025			FUWSP June 30, 2025		
	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total	Number of unit holders	Number of units held	Percentage of total
Individual	4	47,921	8%	15	127,321	25%	-	-	-
Associated Companies / Directors	1	517,403	92%	1	384,810	75%	1	500,000	100%
Total	5	565,324	100%	16	512,131	100%	1	500,000	100%

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 26 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Mr. Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 17 Years
Mr. Syed Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Mustajab Alam	Fund Manager	MBA, Finance	Over 12 Years
Ms. Sarah Rehman, CFA	Head of Research	MBA	Over 8 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 10 Years

22 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 Mustakil Munafa Fund, Faysal Islamic Sovereign Fund and Faysal Islamic Financial Growth Fund

23 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							
		13-Aug-25	20-Aug-25	08-Oct-25	16-Oct-25	04-Dec-25	11-Feb-26	16-Apr-26	07-May-26
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali**	Director	Yes	Yes	-	-	-	-	-	-
Mr. Ali Waqar**	Director	Yes	Absent	-	-	-	-	-	-

* Mr. Aneeq Malik, Syed Amin Ur Rahman and Syed Muhammad Fraz Zaidi were appointed on October 03,2025.
** Syed Majid Ali and Mr. Ali Waqar had resigned on October 03,2025.

24 GENERAL

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

24.2 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.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

(i) PERFORMANCE TABLE

	FKMF (Barakah) June 30, 2026 (Rupees)	FKMF (Barakah) June 30, 2025 (Rupees)	FKMF (Naumm'ah) June 30, 2026 (Rupees)	FKMF (Naumm'ah) June 30, 2025 (Rupees)	FKMF (Ujala) June 30, 2025 (Rupees)
Net assets	52,555,651	56,561,745	84,043,868	51,240,377	51,712,704
Net assets value per unit	108.9703	100.051	109.1604	100.0504	103.4254
Offer price per unit	112.7298	103.5028	112.9264	103.5021	106.9936
Repurchase price per unit	108.9703	100.051	109.1604	100.0504	103.4254
Highest offer price per unit	112.7298	107.0234	112.9264	106.925	107.0276
Highest repurchase price per unit	108.9703	103.4543	109.1604	103.3591	103.4583
Lowest offer price per unit	111.8252	100	111.9388	100	103.45
Lowest repurchase price per unit	108.0959	100	108.2057	100	100
Total return:	8.88%	3.57%	9.07%	3.47%	3.46%
- capital growth	8.88%	0.09%	9.07%	0.08%	3.46%
- income distribution	0.00%	3.48%	0.00%	3.39%	0.00%
Average annual return: (Launch date: January 10, 2025)					
- one year	8.88%	3.57%	9.07%	3.47%	3.46%
Distribution per unit:					
- Interim distribution (% per unit)	0.00%	3.48%	0.00%	3.39%	0.00%
- Final distribution (% per unit)*					
	0.00%	3.48%	0.00%	3.39%	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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Faysal Islamic KPK Government Employees Pension Fund

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic KPK Government Employees Pension Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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

The objective of Faysal Islamic KPK Government Employees Pension Fund is to provide Employees with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Voluntary Pension Scheme
Risk Profile	Low to High (As per Allocation Scheme)
Launch Date	December 20, 2023
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee Debt	Upto 1.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Management Fee Money market	Upto 1.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.15%)
Management Fee Index Equity	Upto 1.25% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Management Fee Equity	Upto 2.00% 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 0% 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	AM1 (VIS) September 10, 2024
NAV per Unit (PKR) Debt Sub fund	130.86
Net Assets (mn) Debt Sub fund	0.65
NAV per Unit (PKR) Equity Sub fund	126.60
Net Assets (mn) Equity Sub fund	0.63
NAV per Unit (PKR) Money market Sub fund	135.28
Net Assets (mn) Money market Sub fund	45.46
NAV per Unit (PKR) Index equity Sub fund	127.99
Net Assets (mn) Index equity Sub fund	0.64
Total Expense Ratio Debt sub fund (Annualized)	0.00%
Total Expense Ratio Debt sub fund (Monthly)	0.00%
Total Expense Ratio Equity sub fund (Annualized)	0.39%
Total Expense Ratio Equity sub fund (Monthly)	0.00%
Total Expense Ratio Money Market sub fund (Annualized)	0.90%
Total Expense Ratio Money Market sub fund (Monthly)	0.83%
Total Expense Ratio Index Equity sub fund (Annualized)	0.00%
Total Expense Ratio Index Equity sub fund (Monthly)	0.00%

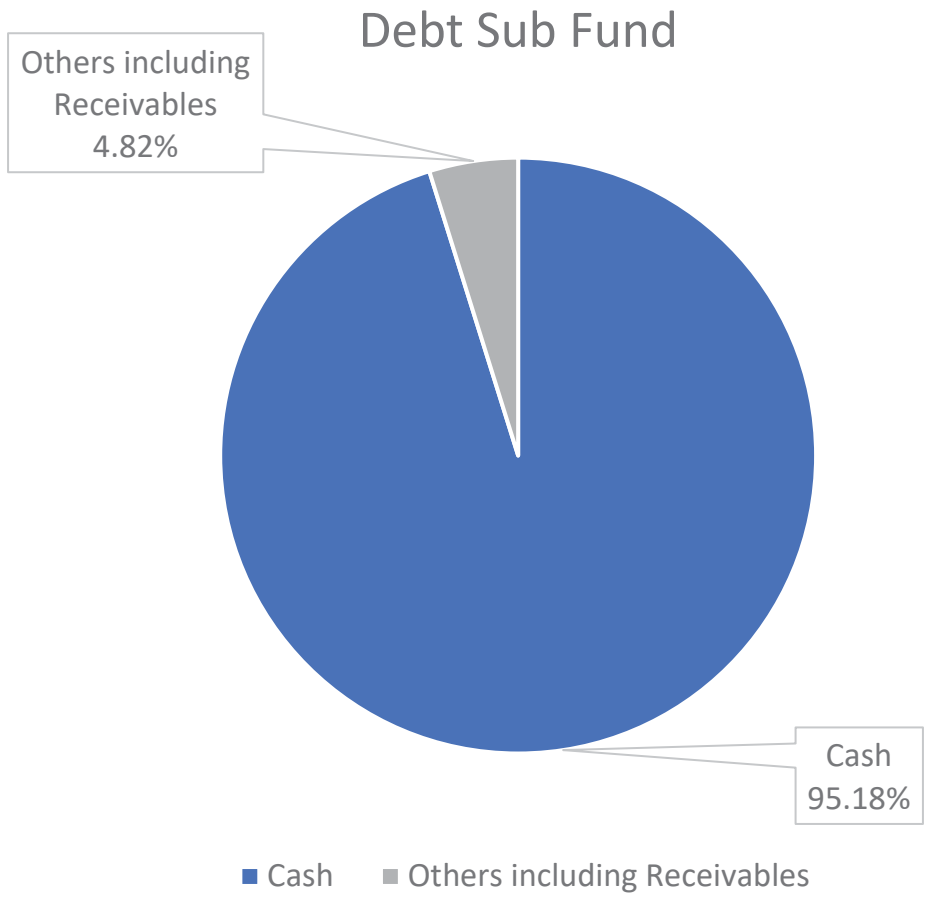
* weighted average of 6M KIBOR & percentage invested in equities

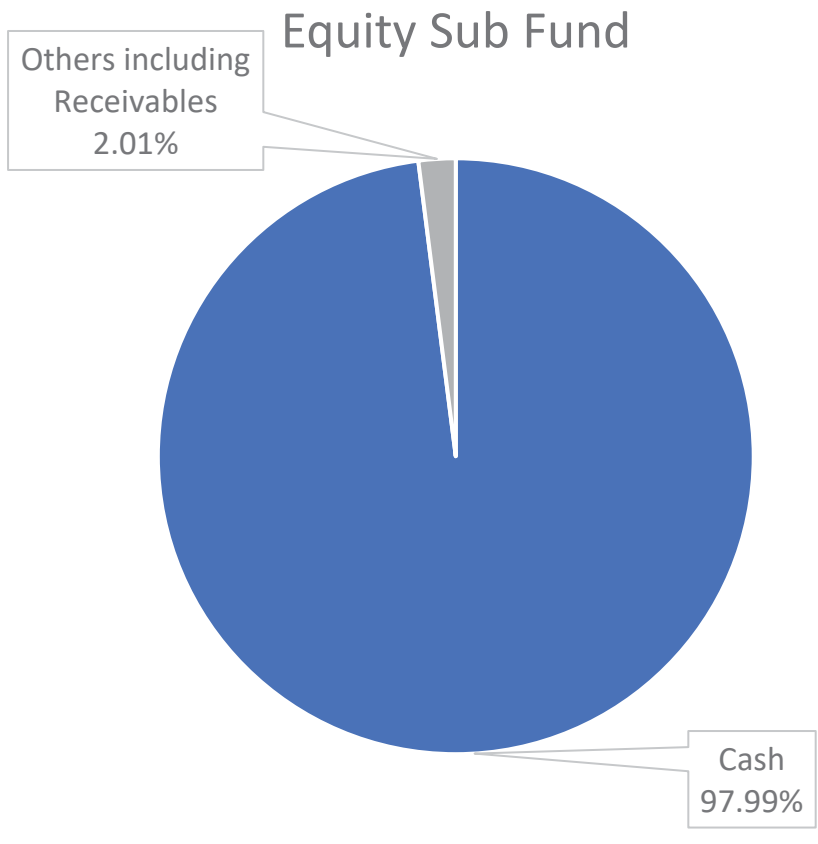
Fund Returns (% p.a) Debt sub fund		
	FY26	**FY25**
FY26 to Date	7.92	14.59%
Month on Month	4.37%	19.73%
1 Year Trailing	4.82%	14.59%
Since Inception	12.89%	18.12%

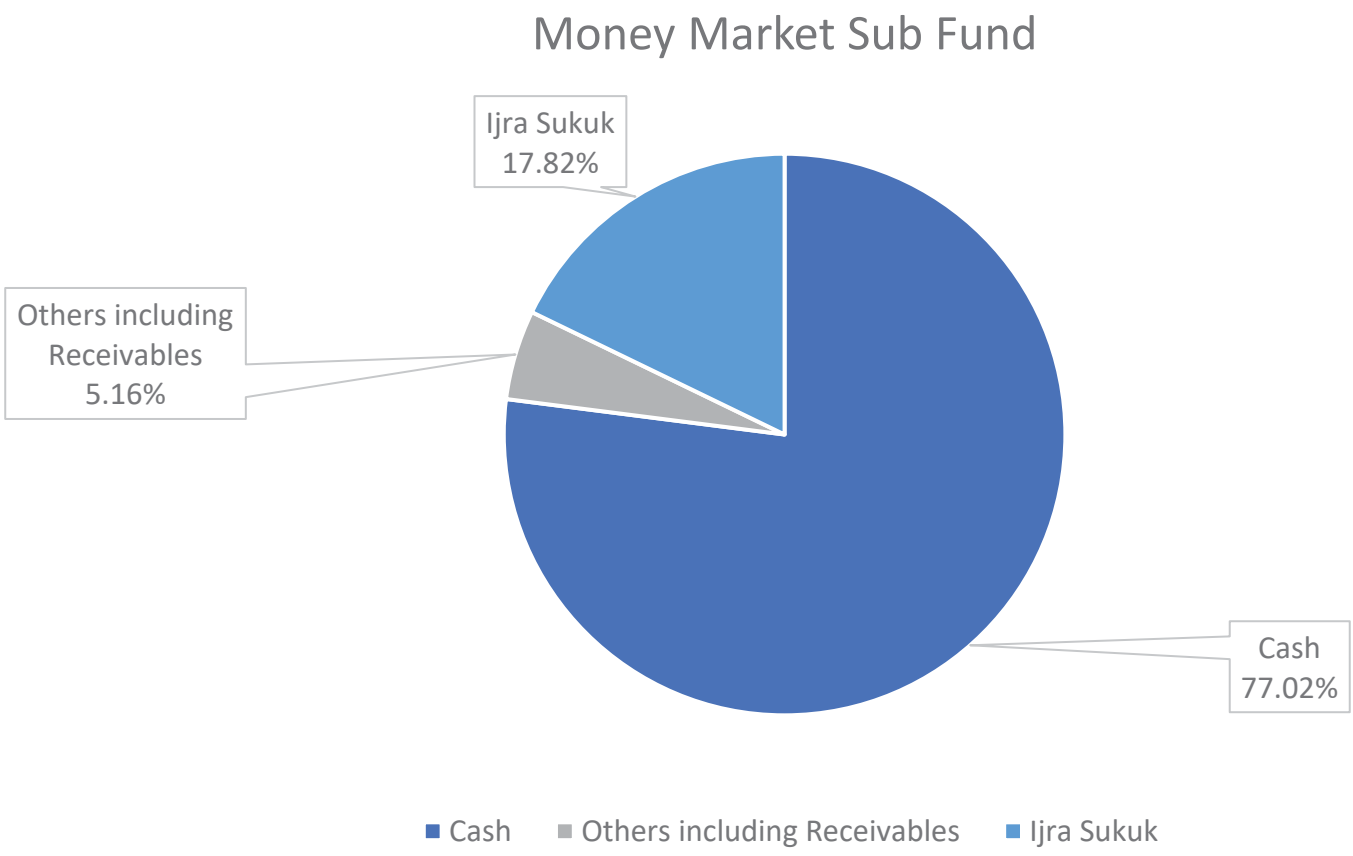
Fund Returns (% p.a) Equity sub fund		
	FY26	**FY25**
FY26 to Date	7.74%	14.83%
Month on Month	0.38%	2.03%
1 year Trailing	7.74%	14.83%
Since Inception	26.30%	26.33%

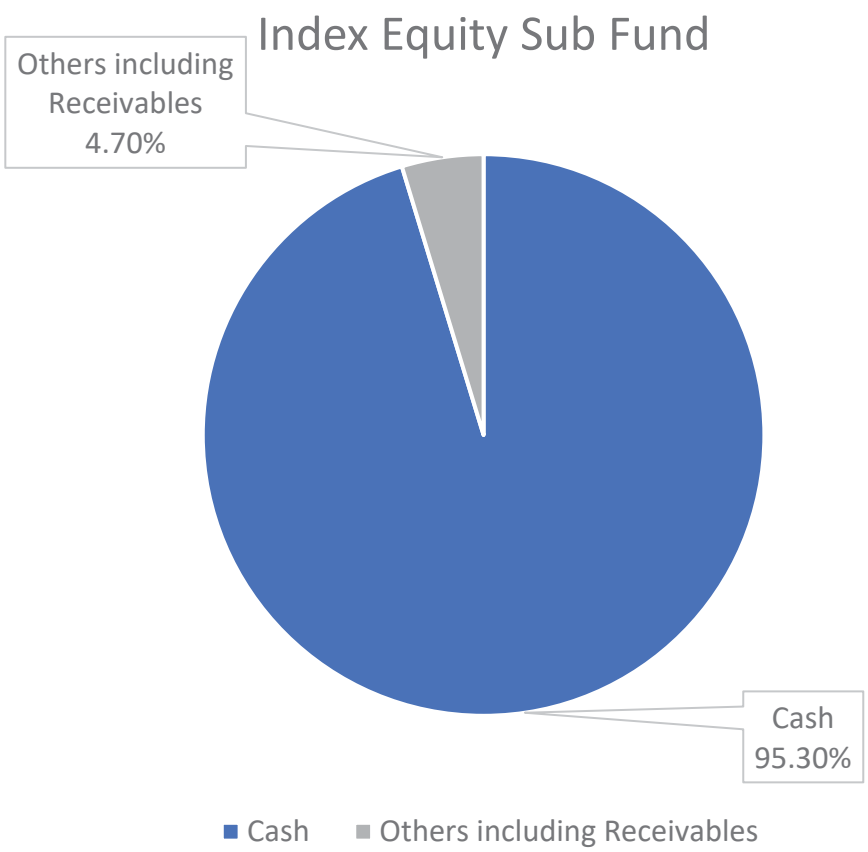
Fund Returns (% p.a) Money market sub fund		
	FY26	**FY25**
FY26 to Date	9.40%	12.41%
Month on Month	11.16%	9.94%
1 year Trailing	9.40%	12.41%
Since Inception	13.89%	16.68%

Fund Returns (% p.a) Index Equity sub fund		
	FY26	**FY25**
FY26 to Date	8.08%	15.26%
Month on Month	0.37%	1.76%
1 year Trailing	8.08%	15.26%
Since Inception	27.99%	27.23%


Debt Sub Fund
Others including Receivables 4.82%
Cash 95.18%
Cash
Others including Receivables


Equity Sub Fund
Others including Receivables 2.01%
Cash 97.99%
Cash
Others including Receivables


Money Market Sub Fund
Ijra Sukuk
17.82%
Others including
Receivables
5.16%
Cash
77.02%
Cash
Others including Receivables
Ijra Sukuk


Index Equity Sub Fund
Others including
Receivables
4.70%
Cash
95.30%
Cash
Others including Receivables

FUND PERFORMANCE

In FY26TD, Faysal Islamic KPK Government Pension Fund Debt Sub Fund posted an annualized return of 7.66%. Faysal Islamic KPK Government Pension Fund Debt Sub Fund allocations stood in Cash (95.18%) and Others (4.82%). Faysal Islamic KPK Government Pension Fund Money Market Sub Fund posted an annualized return of 9.40%. Faysal Islamic KPK Government Pension Fund Money Market Sub Fund allocations stood in Cash (77.02%), Ijarah Sukuk (17.82%) and Others (5.16%). Faysal Islamic KPK Government Pension Fund Equity Sub Fund posted an absolute return of 7.74%, with allocations in Cash (97.99%) and Others (2.01%). Faysal Islamic KPK Government Pension Fund Index Equity Sub Fund posted an absolute return of 8.08%, with allocations in Cash (97.71%) and Others (2.29%).

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيين وسيد المرسلين،
وعلى آله واصحابه أجمعين.أما بعد

Annual Report
of
Faysal Islamic KPK Govt Employee Pension Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of Faysal Islamic KPK Govt **Employee Pension Fund (FIKPKPF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of FIKPKPF in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of FIKPKPF by FAML Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of Faysal Islamic KPK **Govt Employee Pension Fund (FIKPKPF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 PARTICIPANTS

FAYSAL ISLAMIC KPK GOVERNMENT EMPLOYEES 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 Islamic KPK Government Employees Pension Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 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 03, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (021) 3454 4494-7
www.yousufadil.com

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Faysal Asset Management Limited (Pension Fund Manager of Faysal Islamic KPK Government Employees Pension Fund)

1. **Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Faysal Islamic KPK Government Employees Pension Fund (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. **Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

a) legal and regulatory framework administered by the SECP;

b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;

c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;

d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP;

e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above; and

f) Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

3. **Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records

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Yousuf Adil
Chartered Accountants

4. **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM-1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. **Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. **Conclusion**

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali.**

Yousuf Adil
Chartered Accountants

Date: September 21, 2026
Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To the Participants of Faysal Islamic KPK Government Employees Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Islamic KPK Government Employees Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the 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, 2026, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Pension Fund Manager (Faysal Asset Management Limited) 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 the Pension Fund Manager and Board of Directors of Pension Fund Manager for the Financial Statements

The Pension Fund Manager (Faysal Asset Management Limited) is responsible for the preparation and fair presentation of the 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.

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

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In preparing the financial statements, the Pension Fund Manager 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 the Pension Fund Manager.

- Conclude on the appropriateness of Pension Fund Manager'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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and Voluntary Pension System Rules, 2005;

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b) true and fair view is given of the disposition of the pension fund at the end of the period and of the transactions of the pension fund of the period then ended;

c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;

d) the cost and expenses debited to the pension fund are as specified in the constitutive documents of the pension fund;

e) proper books and records have been kept by the pension fund and the financial statements prepared are in agreement with the pension fund's books and records; and

f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2026
UDIN: AR202610068F09Ib638g

Faysal Islamic KPK Government Employees Pension Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026 Equity Sub-Fund	2026 Debt Sub-Fund	2026 Money Market Sub-Fund	2026 Equity Index Sub-Fund	2026 Total	2025 Equity Sub-Fund	2025 Debt Sub-Fund	2025 Money Market Sub-Fund	2025 Equity Index Sub-Fund	2025 Total
		Rupees					Rupees				
Assets											
Balances with banks	5	648,608	644,353	35,467,108	648,851	37,408,920	572,916	577,600	36,307,235	580,748	38,038,499
Investments	6	-	-	8,123,200	-	8,123,200	-	-	-	-	-
Advance, deposits, prepayment and other receivable	7	6,252	25,415	1,998,697	8,183	2,038,547	26,486	45,609	2,869,849	28,421	2,970,365
Total assets		654,860	669,768	45,589,005	657,034	47,570,667	599,402	623,209	39,177,084	609,169	41,008,864
Liabilities											
Payable to Faysal Asset Management Limited - Pension Fund Manager	8	11,249	4,824	6,374	6,440	28,887	11,249	4,824	366	6,440	22,879
Payable to Central Depository Company of Pakistan Limited - Trustee	9	-	-	6,374	-	6,374	-	-	5,489	-	5,489
Payable to the Securities and Exchange Commission of Pakistan	10	-	-	16,730	-	16,730	-	-	14,669	-	14,669
Accrued expenses and other liabilities	11	10,599	10,654	104,405	10,645	136,303	599	10,654	80,769	10,645	102,667
Total liabilities		21,848	15,478	133,883	17,085	188,294	11,848	15,478	101,293	17,085	145,704
Net assets		633,012	654,290	45,455,122	639,949	47,382,373	587,554	607,731	39,075,791	592,084	40,863,160
Participants' sub funds (as per the statement attached)		633,012	654,290	45,455,122	639,949	47,382,373	587,554	607,731	39,075,791	592,084	40,863,160
Contingencies and commitments	12										
		Number of units					Number of units				
Number of units in issue	15	5,000	5,000	336,011	5,000		5,000	5,000	316,000	5,000	
		Rupees					Rupees				
Net asset value per unit		126.6024	130.8580	135.2787	127.9898		117.5108	121.5462	123.6576	118.4168	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Islamic KPK Government Employees Pension Fund

Income Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026					For the year ended June 30, 2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees					Rupees				
Income											
Profit on balances with banks		47,844	46,559	3,409,830	47,865	3,552,098	45,464	60,931	3,289,664	45,515	3,441,574
Profit on GoP ijarah sukuk		-	-	766,334	-	766,334	-	-	1,375,411	-	1,375,411
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.2	-	-	(23,503)	-	(23,503)	-	-	-	-	-
Total income		47,844	46,559	4,152,661	47,865	4,294,929	45,464	60,931	4,665,075	45,515	4,816,985
Expenses											
Remuneration of Faysal Asset Management Limited - Pension Fund Manager	8.1	-	-	73,261	-	73,261	4,909	2,110	200,901	2,820	210,740
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	-	-	10,989	-	10,989	736	317	30,135	423	31,611
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	-	-	62,740	-	62,740	-	-	54,920	-	54,920
Sindh sales tax on remuneration of the Trustee	9.2	-	-	9,411	-	9,411	-	-	8,238	-	8,238
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	-	-	16,730	-	16,730	-	-	14,645	-	14,645
Transaction charges		-	-	7,795	-	7,795	-	-	7,686	-	7,686
Legal and professional charges		-	-	116,664	-	116,664	-	-	29,538	-	29,538
Shariah advisory fee		-	-	76,673	-	76,673	-	-	36,973	-	36,973
Bank charges		2,386	-	1,223	-	3,609	2,330	2,331	3,751	2,641	11,053
Printing charges		-	-	-	-	-	-	-	16,412	-	16,412
Other expenses		-	-	-	-	-	-	-	16,807	-	16,807
Total expenses		2,386	-	375,486	-	377,872	7,975	4,758	420,006	5,884	438,623
Net income for the year before taxation		45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362
Taxation	13	-	-	-	-	-	-	-	-	-	-
Net income for the year after taxation		45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer | **Chief Executive Officer** | **Director**

Faysal Islamic KPK Government Employees Pension Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	For the year ended June 30, 2026					For the year ended June 30, 2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees					Rupees				
Net income for the year after taxation	45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Islamic KPK Government Employees Pension Fund

Statement of Movement in Participants' Sub-funds

For The Year Ended June 30, 2026

	For the year ended June 30, 2026					For the year ended June 30, 2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees					Rupees				
Net assets at the beginning of the year	587,554	607,731	39,075,791	592,084	40,863,160	550,065	551,558	33,316,873	552,453	34,970,949
Amount received on issuance of units	-	-	2,602,156	-	2,602,156	-	-	1,513,849	-	1,513,849
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	-	-	(23,503)	-	(23,503)	-	-	-	-	-
Other income - net	45,458	46,559	3,800,678	47,865	3,940,560	37,489	56,173	4,245,069	39,631	4,378,362
	45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362
Net assets at the end of the year	633,012	654,290	45,455,122	639,949	47,382,373	587,554	607,731	39,075,791	592,084	40,863,160

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Islamic KPK Government Employees Pension Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026					For the year ended June 30, 2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees					Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the year before taxation		45,458	46,559	3,777,175	47,865	3,917,057	37,489	56,173	4,245,069	39,631	4,378,362
Adjustments for:											
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	6	-	-	(23,503)	-	(23,503)	-	-	-	-	-
		45,458	46,559	3,753,672	47,865	3,893,554	37,489	56,173	4,245,069	39,631	4,378,362
Decrease / (increase) in assets											
Advance, deposits, prepayment and other receivable		20,234	20,194	871,152	20,238	931,818	29,781	(8,473)	171,159	27,874	220,341
Investments		-	-	(8,099,697)	-	(8,099,697)	-	-	25,165,000	-	25,165,000
		20,234	20,194	(7,228,545)	20,238	(7,167,879)	29,781	(8,473)	25,336,159	27,874	25,385,341
Increase / (decrease) in liabilities											
Payable to Faysal Asset Management Company Limited - Pension Fund Manager		-	-	6,008	-	6,008	5,743	2,468	(17,992)	3,299	(6,482)
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	885	-	885	-	-	899	-	899
Payable to the Securities and Exchange Commission of Pakistan		-	-	2,061	-	2,061	-	-	8,003	-	8,003
Accrued expenses and other liabilities		10,000	-	23,636	-	33,636	(97)	9,959	65,614	9,944	85,420
		10,000	-	32,590	-	42,590	5,646	12,427	56,524	13,243	87,840
Net cash generated from / (used in) operating activities		75,692	66,753	(3,442,283)	68,103	(3,231,735)	72,916	60,127	29,637,752	80,748	29,851,543
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipt against issuance of units - net of refund of capital		-	-	2,602,156	-	2,602,156	-	-	1,513,849	-	1,513,849
Net cash generated from financing activities		-	-	2,602,156	-	2,602,156	-	-	1,513,849	-	1,513,849
Net increase in cash and cash equivalents		75,692	66,753	(840,127)	68,103	(629,579)	72,916	60,127	31,151,601	80,748	31,365,392
Cash and cash equivalents at the beginning of the year		572,916	577,600	36,307,235	580,748	38,038,499	500,000	517,473	5,155,634	500,000	6,673,107
Cash and cash equivalents at the end of the year	5	648,608	644,353	35,467,108	648,851	37,408,920	572,916	577,600	36,307,235	580,748	38,038,499

The annexed notes from 1 to 26 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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic KPK Government Employees Pension Fund (the Fund) has been established as a trust under the Sindh Trust Act, 2020 constituted under a Trust Deed entered into on October 25, 2023 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 November 15, 2023 under the Voluntary Pension System Rules, 2005 (the VPS Rules). The Offering Document was approved by the SECP through its letter No. SCD/AMCW/FIKPKGEPF/2023/331 dated December 6, 2023.

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. The registered office of the Pension Fund Manager is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi.

1.2 All Employees of KPK Government appointed / recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.

1.3 The objective of the Fund is to provide employees with an individualised, 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 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025 (June 30, 2025: "AM1" as of September 10, 2024). 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 four sub-funds namely, Faysal Islamic KPK Government Employees Pension Fund - Equity Sub-Fund (Equity Sub-Fund), Faysal Islamic KPK Government Employees Pension Fund - Debt Sub-Fund (Debt Sub-Fund), Faysal Islamic KPK Government Employees Pension Fund - Equity Index Sub-Fund (Equity Index Sub-Fund) and Faysal Islamic KPK Government Employees 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:

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. 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 (90) days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five percent (5%) of net assets of the 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 the 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 fifteen percent (15%) of net assets of the Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty-five percent (35%) of net assets of Equity Sub-Fund or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of the 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 Islamic banks or Islamic windows of 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 ten percent (10%) of the net assets of the Equity Sub-Fund on monthly average basis. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity sub fund in a separate bank account instead of compliance with the above requirements for first three years from the date of launch of the Pension Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Debt Sub-Fund

The Debt Sub-Fund shall consist of Shariah compliant government securities, placement in the Islamic banks or Islamic windows of commercial banks, money market placements, deposits, certificates of deposit, certificates of musharakah, term deposit receipts, Islamic commercial papers, sukuk certificates or any other Islamic mode of placement, 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 Shariah compliant government securities not exceeding ninety (90) days' maturity or deposit with scheduled placement in the Islamic banks or Islamic windows of commercial banks (excluding term deposit receipts) having not less than "A+" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed fifteen percent (15%) 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 fifteen percent (15%) 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 musharakah, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of the 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. The Investment limits of the Debt Sub-Fund are determined by the Commission. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of debt sub- fund in a separate bank account instead of compliance with the above requirements for first three years from the date of launch of the 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 musharakah, or any other Islamic mode of placement, term deposit receipts, commercial papers and 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 Islamic banks or Islamic windows of commercial banks having not less than "AA" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed fifteen percent (15%) 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 fifteen percent (15%) of net assets of the Money Market Sub-Fund or ten percent (10%) of size of the issue of that security. 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 musharakah, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of the 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 one year. Time to maturity of any asset in the portfolio of the Money Market Sub-Fund shall not exceed six months, except Shariah compliant government securities (such as GoP Ijarah sukuks), where time to maturity may be up to five years.

Equity Index Sub-Fund

The Equity Index Sub-Fund shall provide investors an opportunity to track closely the performance of the KMI 30 Index by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un-invested amount shall be kept in cash and / or near cash instruments where near cash instruments include Shariah Compliant cash in bank accounts (excluding Shariah Compliant TDRs), and Shariah Compliant Government securities not exceeding 90 days maturity of Performance Benchmark of Index Sub - Fund shall be return of KMI 30 Index. Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party. Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset and Exposure to any security shall not exceed weight of security in the index or its subset. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity index sub fund in a separate bank account instead of compliance with the above requirements for first three years from the date of launch of the Pension Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1.7 The Fund offers four (4) types of allocation schemes, as prescribed by the SECP under the 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 PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of, directives and notifications 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), Voluntary Pension System Rules, 20005 (the VPS Rules).

Where provisions of, and directives and notifications 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 and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations, the VPS Rules and have been followed.

3.2 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, 2025. 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.

3.3 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, 2026. 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 2025) 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the condensed financial statements of the Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.4 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 Company'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 4.2 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 20.

3.6 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 Pakistan Rupee, which is the Fund's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

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

4.2 Financial assets

4.2.1 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.

4.2.2 Classification and subsequent measurement

4.2.2.1 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)"; or
- 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 Debt Sub-Fund and the Money Market Sub-Fund primarily invest in debt securities and their performance is measured on a fair value basis. Hence, the management has classified the debt securities invested through the Debt Sub-Fund and the Money Market Sub-Fund as FVPL.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.2.2.2 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".

4.2.3 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 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

4.2.4 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 been placed on the Pension Fund Manager's website as required under the SECP's circular.

4.2.5 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.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

4.3 Financial liabilities

4.3.1 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 value and subsequently stated at amortised cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.3.2 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".

4.4 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

4.5 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.

4.6 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;
- Profit on balances with banks is recognised on time proportionate basis using the effective yield method.

4.7 Expenses

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

4.8 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.

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.

4.9 Issue, allocation, reallocation and redemption of units

The prescribed application form, completed in all respects including payment (on realised basis), received by the Pension Fund Manager or distributor at its / their authorised 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 of the Fund 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 the 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 Manger or from one pension fund to another pension fund. Units shall be encashed at the net asset value of each Sub-Fund notified on the working day prior to the date of transfer.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
5 BALANCES WITH BANKS						
Savings accounts	5.1	648,608	644,353	35,467,108	648,851	37,408,920

	Note	2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Savings accounts	5.1	572,916	577,600	36,307,235	580,748	38,038,499

5.1 These savings accounts carry profit rates ranging between 4.50%-12.50% (2025: 10.50%-11.75%) per annum. Deposits in savings accounts include Rs. 0.6 million, Rs. 0.6 million, Rs. 35.1 million, Rs. 0.6 million (2025: Rs. 0.5 million, Rs. 0.5 million, Rs. 34.5 million and Rs 0.5 million) in Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Equity Index Sub-Fund respectively, maintained with Faysal Bank Limited (a related party), that carries profit at the rate of 12.50% (2025: 11.75%) per annum.

	2026				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
5.2 CASH AND CASH EQUIVALENTS					
Balances with banks	648,608	644,353	35,467,108	648,851	37,408,920

	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Balances with banks	572,916	577,600	36,307,235	580,748	38,038,499

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
6 INVESTMENTS						
Investments - ' classified at fair value through profit or loss'						
GoP Ijarah sukuk	6.1	-	-	8,123,200	-	8,123,200

	Note	2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
GoP Ijarah sukuk	6.1	-	-	-	-	-

6.1 GoP Ijarah sukuk

Name of the security	Issue date	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value as at June 30,2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation as at June 30, 2026	Market value as a percentage of	
											Net assets of the fund	total investments
				Number of certificates				Rupees			%	
GOP Ijarah Sukuk - PSX listed*	January 24, 2024	January 24, 2029	10.21%	-	8,000,000	-	8,000,000	8,146,703	8,123,200	(23,503)	17.87%	100%
Balance as at June 30, 2026				**-**	**-**	**-**	**8,000,000**	**8,146,703**	**8,123,200**	**(23,503)**	**17.87%**	**100%**
Balance as at June 30, 2025								-	-	-		

*The nominal value of these sukuk certificates is Rs 5,000 each.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

6.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Market value of investments	6.1	-	-	8,123,200	-	8,123,200
Less: carrying value of investments		-	-	8,146,703	-	8,146,703
		-	-	(23,503)	-	(23,503)

	Note	2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Market value of investments	6.1	-	-	-	-	-
Less: carrying value of investments		-	-	-	-	-
		-	-	-	-	-

7 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLE

		2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Profit receivable on:						
GoP Ijarah sukuk		-	-	353,505	-	353,505
Balances with banks		4,545	22,995	335,596	6,133	369,269
Deposits with CDC		-	-	100,000	-	100,000
Prepaid Audit fee		-	-	286,200	-	286,200
Advance tax	7.1	1,707	2,420	920,608	2,050	926,785
Other receivable		-	-	2,788	-	2,788
		6,252	25,415	1,998,697	8,183	2,038,547

		2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Profit receivable on:						
GoP Ijarah sukuk		-	-	-	-	-
Profit receivable on balances with						
Balances with banks		24,779	43,189	1,563,041	26,371	1,657,380
Deposits with CDC		-	-	100,000	-	100,000
Prepaid Audit fee		-	-	286,200	-	286,200
Advance tax	7.1	1,707	2,420	920,608	2,050	926,785
		26,486	45,609	2,869,849	28,421	2,970,365

7.1 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, during prior year, withholding tax on interest on debt securities and profit on savings accounts with banks 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 withholdee. The tax withheld on interest on debt securities and profit on savings accounts with banks amounts to Rs. 0.927 million (2025: Rs. 0.927 million) in aggregate. Pending resolution of the matter, the amount of withholding tax deducted on interest on debt securities and profit on savings accounts with bank has been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC.

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER						
Remuneration payable to the Pension Fund Manager	8.1	9,782	4,195	5,543	5,600	25,120
Sindh sales tax payable on remuneration of the Pension Fund Manager	8.2	1,467	629	831	840	3,767
		11,249	4,824	6,374	6,440	28,887

		2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Remuneration payable to the Pension Fund Manager	8.1	9,782	4,195	318	5,600	19,895
Sindh sales tax payable on remuneration of the Pension Fund Manager	8.2	1,467	629	48	840	2,984
		11,249	4,824	366	6,440	22,879

8.1 As per Regulation 67 of NBFC Regulations, 2008, the Pension Fund Manager 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 Pension Fund Manager has charged its remuneration at the rate of Nil% (2025: Nil to 1.75%) of daily net assets of the Equity Sub-Fund, Nil% (2025: Nil to 0.75%) of daily net assets of the Debt Sub-Fund, ranging from 0.01% to 0.175% (2025: 0.01% to 0.75%) of daily net assets of the Money Market Sub-Fund and Nil% (2025: Nil to 1%) of daily net assets of the Equity Index Sub-Fund.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap upto 2.50% of the Equity Sub-Fund, upto 1.25% of the Debt Sub-Fund, upto 1.00% of the Money Market Sub-Fund and upto 0.75% of the Equity Index Sub-Fund to be calculated on a per annum basis of the average daily net assets, applicable to an "Pension Fund". This revision is effective from July 01, 2025. As at June 30, 2025 the Pension Fund Manager is not subject to a management fee cap.

8.2 Sindh Sales Tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY DEPOSITORY COMPANY - TRUSTEE						
Remuneration payable	9.1	-	-	5,543	-	5,543
Sindh sales tax payable on remuneration of the Trustee	9.2	-	-	831	-	831
		-	-	6,374	-	6,374

		2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Remuneration payable	9.1	-	-	4,773	-	4,773
Sindh sales tax payable on remuneration of the Trustee	9.2	-	-	716	-	716
		-	-	5,489	-	5,489

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 Sindh Sales Tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (June 30, 2025: 15%) on the Trustee remuneration.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2026				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Annual fee payable	10.1	-	-	16,730	-	16,730

	Note	2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Annual fee payable	10.1	-	-	14,669	-	14,669

10.1 In accordance with the Voluntary Pension System (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%) of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes. The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	2026				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Legal and professional charges payable	-	-	-	-	-
Printing charges payable	-	-	-	-	-
Legal and professional charges payable	-	-	29,222	-	29,222
Shariah advisory fee	-	-	75,183	-	75,183
Other payables	10,599	10,654	-	10,645	31,898
	10,599	10,654	104,405	10,645	136,303

	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Legal and professional charges payable	-	-	-	-	-
Printing charges payable	-	-	-	-	-
Legal and professional charges payable	-	-	29,538	-	29,538
Shariah advisory fee	-	-	34,307	-	34,307
Other payables	599	10,654	16,924	10,645	38,822
	599	10,654	80,769	10,645	102,667

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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

14 TOTAL EXPENSE RATIO

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 of these financial statements.

The total expense ratio of the fund is as follows:

Fund Name	Management Fee	Regulatory Fee	Trustee Fee and Custody Charges	Levies and Taxes	Transaction Levies and Expenses (Broker, Bank, PSX, CDC,	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah	Other Expenses	Total TER with levies	Total TER without levies
DSF	-	-	-	-	-	-	-	-	-
ESF	-	-	-	-	0.390%	-	-	0.390%	-
MMF	0.175%	0.040%	0.150%	0.049%	0.022%	0.462%	-	0.900%	0.850%
EISF	-	-	-	-	-	-	-	-	-

15 NUMBER OF UNITS IN ISSUE

	2026				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Total units in issue at the beginning of the year	5,000	5,000	316,000	5,000	331,000
Add: issuance of units during the year	-	-	20,011	-	20,011
Total units in issue at the end of the year	5,000	5,000	336,011	5,000	351,011

	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Total units in issue at the beginning of the yea	5,000	5,000	302,870	5,000	317,870
Add: issuance of units during the year	-	-	13,130	-	13,130
Total units in issue at the end of the year	5,000	5,000	316,000	5,000	331,000

16 CONTRIBUTION TABLE

	2026							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Index Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	-	-	-	-	36,011	4,871,521	-	-
Associated Companies	5,000	633,012	5,000	654,290	300,000	40,583,610	5,000	639,949
	5,000	633,012	5,000	654,290	336,011	45,455,131	5,000	639,949

	2025							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Index Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	-	-	-	-	16,000	1,978,521	-	-
Associated Companies	5,000	587,554	5,000	607,731	300,000	37,097,270	5,000	592,084
	5,000	587,554	5,000	607,731	316,000	39,075,791	5,000	592,084

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Connected persons and related parties include Faysal Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Faysal Bank Limited being the holding company of the Management Company, other collective investment schemes / notified entities 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, 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 capital or voting power of the Management Company or the net assets of the Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17.2 Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

17.3 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

17.4 The details of transactions carried out by the Fund with connected persons and related parties during the year and balances with them as at year end are as follows:

Transactions during the year	2026				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Faysal Asset Management Company Limited - Pension Fund Manager					
Remuneration of the Pension Fund Manager	-	-	73,261	-	73,261
Sindh sales tax on remuneration of the Pension Fund Manager	-	-	10,989	-	10,989
Units issued : Nil - Equity Sub-Fund	-	-	-	-	-
Units issued : Nil - Debt Sub-Fund	-	-	-	-	-
Units issued : Nil - Money Market Sub-Fund	-	-	-	-	-
Units issued : Nil - Equity Index Sub-Fund	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee	-	-	62,740	-	62,740
Sindh sales tax on remuneration of the Trustee	-	-	9,411	-	9,411
Faysal Bank Limited					
Profit on savings account	47,844	46,559	3,409,830	47,865	3,552,098

	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Faysal Asset Management Company Limited - Pension Fund Manager					
Remuneration of the Pension Fund Manager	4,909	2,110	200,901	2,820	210,740
Sindh sales tax on remuneration of the Pension Fund Manager	736	317	30,135	423	31,611
Units issued : Nil - Equity Sub-Fund	-	-	-	-	-
Units issued : Nil - Debt Sub-Fund	-	-	-	-	-
Units issued : Nil - Money Market Sub-Fund	-	-	-	-	-
Units issued : Nil - Equity Index Sub-Fund	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee	-	-	54,920	-	54,920
Sindh sales tax on remuneration of the Trustee	-	-	8,238	-	8,238
Faysal Bank Limited					
Profit on savings account	45,464	60,931	3,289,664	45,515	3,441,574

Balances outstanding as at year end	2026				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Faysal Asset Management Company Limited - Pension Fund Manager					
Remuneration payable to the Pension Fund Manager	9,782	4,195	5,543	5,600	25,120
Sindh sales tax payable on remuneration of the Pension Fund Manager	1,467	629	831	840	3,767
Outstanding 5,000 units - Equity Sub-Fund	633,012	-	-	-	633,012
Outstanding 5,000 units - Debt Sub-Fund	-	654,290	-	-	654,290
Outstanding 300,000 units - Money Market Sub-Fund	-	-	40,583,610	-	40,583,610
Outstanding 5,000 units - Equity Index Sub-Fund	-	-	-	639,949	639,949
Central Depository Company of Pakistan Limited - Trustee					
Trustee remuneration payable	-	-	5,543	-	5,543
Sindh sales tax payable on remuneration of the Trustee	-	-	831	-	831
Faysal Bank Limited					
Balance with bank	648,608	644,353	33,479,247	648,851	35,421,059
Profit receivable on savings account	-	5,522	15,714	-	21,236

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	Rupees				
Faysal Asset Management Company Limited - Pension Fund Manager					
Remuneration payable to the Pension Fund Manager	9,782	4,195	318	5,600	19,895
Sindh sales tax payable on remuneration of the Pension Fund Manager	1,467	629	48	840	2,984
Outstanding 5,000 units - Equity Sub-Fund	587,554	-	-	-	587,554
Outstanding 5,000 units - Debt Sub-Fund	-	607,731	-	-	607,731
Outstanding 300,000 units - Money Market Sub-Fund	-	-	37,097,270	-	37,097,270
Outstanding 5,000 units - Equity Index Sub-Fund	-	-	-	592,084	592,084
Central Depository Company of Pakistan Limited - Trustee					
Trustee remuneration payable	-	-	4,773	-	4,773
Sindh sales tax payable on remuneration of the Trustee	-	-	716	-	716
Faysal Bank Limited					
Balance with bank	572,916	577,600	34,518,252	580,748	36,249,516
Profit receivable on savings account	24,779	43,189	1,563,041	26,371	1,657,380

17.5 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2026												
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Equity Index 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	At amortised cost	At fair value through profit or loss	Sub total	
	Rupees												
Financial assets													
Balances with banks	648,608	-	648,608	644,353	-	644,353	35,467,108	-	35,467,108	648,851	-	648,851	37,408,920
Investments	-	-	-	-	-	-	-	8,123,200	8,123,200	-	-	-	8,123,200
Deposit and profit receivable	4,545	-	4,545	22,995	-	22,995	791,889	-	791,889	6,133	-	6,133	825,562
	653,153	-	653,153	667,348	-	667,348	36,258,997	8,123,200	44,382,197	654,984	-	654,984	46,357,682
Financial liabilities													
Payable to Faysal Asset Management Limited - Pension Fund Manager	11,249	-	11,249	4,824	-	4,824	6,374	-	6,374	6,440	-	6,440	28,887
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	6,374	-	6,374	-	-	-	6,374
Accrued expenses and other liabilities	10,599	-	10,599	10,654	-	10,654	104,405	-	104,405	10,645	-	10,645	136,303
	21,848	-	21,848	15,478	-	15,478	117,153	-	117,153	17,085	-	17,085	171,564

	2025												
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Equity Index 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	At amortised cost	At fair value through profit or loss	Sub total	
	Rupees												
Financial assets													
Balances with banks	572,916	-	572,916	577,600	-	577,600	36,307,235	-	36,307,235	580,748	-	580,748	38,038,499
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit and profit receivable	24,779	-	24,779	43,189	-	43,189	1,949,241	-	1,949,241	26,371	-	26,371	2,043,580
	597,695	-	597,695	620,789	-	620,789	38,256,476	-	38,256,476	607,119	-	607,119	40,082,079
Financial liabilities													
Payable to Faysal Asset Management Limited - Pension Fund Manager	11,249	-	11,249	4,824	-	4,824	366	-	366	6,440	-	6,440	22,879
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	5,489	-	5,489	-	-	-	5,489
Accrued expenses and other liabilities	599	-	599	10,654	-	10,654	80,769	-	80,769	10,645	-	10,645	102,667
	11,848	-	11,848	15,478	-	15,478	86,624	-	86,624	17,085	-	17,085	131,035

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of participants' sub funds 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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 risks: yield/ profit rate risk, currency risk, and price risk.

19.1.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on 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

As at June 30, 2026, the Fund holds balances with banks which expose the Fund to cash flow yield 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, the Money Market Sub-Fund and the Equity Index Sub-Fund would have been higher / lower by Rs 6,417, Rs. 6,375, Rs. 432,349 and Rs. 6,420 (2025: 5,729, Rs. 5,776, Rs. 363,072 and Rs. 5,807) respectively.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund does not holds fixed rate instrument which expose it to fair value interest rate risk.

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, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield 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, 2026 can be determined as follows:

Equity Sub-fund

	2026				
	Effective yield rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		Rupees				
Financial assets						
Balances with banks	12.50%	648,608	-	-	-	648,608
Profit and other receivables		4,545	-	-	-	4,545
		653,153	-	-	-	653,153
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		11,249	-	-	-	11,249
Accrued expenses and other liabilities		10,599	-	-	-	10,599
		21,848	-	-	-	21,848
On-balance sheet gap (a)		631,305	-	-	-	631,305
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		631,305	-	-		
Cumulative interest rate sensitivity gap		631,305	631,305	631,305		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Debt Sub-Fund

	2026				
	Effective yield rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		Rupees				
Financial assets						
Balances with banks	12.50%	644,353	-	-	-	644,353
Profit and other receivables		22,995	-	-	-	22,995
		667,348	-	-	-	667,348
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		4,824	-	-	-	4,824
Accrued expenses and other liabilities		10,654	-	-	-	10,654
		15,478	-	-	-	15,478
On-balance sheet gap (a)		651,870	-	-	-	651,870
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		651,870	-	-		
Cumulative interest rate sensitivity gap		651,870	651,870	651,870		

Money Market Sub-Fund

	2026				
	Effective yield rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		Rupees				
Financial assets						
Balances with banks	12.50%	35,467,108	-	-	-	35,467,108
Investments		-	8,123,200	-	-	8,123,200
Profit and other receivables		791,889	-	-	920,608	1,712,497
		36,258,997	8,123,200	-	920,608	45,302,805
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		6,374	-	-	-	6,374
Payable to Central Depository Company of Pakistan Limited - Trustee		6,374	-	-	-	6,374
Accrued expenses and other liabilities		104,405	-	-	-	104,405
		117,153	-	-	-	117,153
On-balance sheet gap (a)		36,141,844	8,123,200	-	920,608	45,185,652
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		36,141,844	8,123,200	-		
Cumulative interest rate sensitivity gap		36,141,844	44,265,044	44,265,044		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Equity Index Sub-Fund

	2026				
	Effective yield rate (%)	Exposed to yield / profit rate risk			Not exposed to profit / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		Rupees				
Financial assets						
Balances with banks	12.50%	648,851	-	-	-	648,851
Profit and other receivables		6,133	-	-	-	6,133
		654,984	-	-	-	654,984
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		6,440	-	-	-	6,440
Accrued expenses and other liabilities		10,645	-	-	-	10,645
		17,085	-	-	-	17,085
On-balance sheet gap (a)		637,899	-	-	-	637,899
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		637,899	-	-		

Equity Sub-fund

	2025				
	Effective yield rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		Rupees				
Financial assets						
Balances with banks	11.75%	572,916	-	-	-	572,916
Profit and other receivables		24,779	-	-	-	24,779
		597,695	-	-	-	597,695
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		11,249	-	-	-	11,249
Accrued expenses and other liabilities		599	-	-	-	599
		11,848	-	-	-	11,848
On-balance sheet gap (a)		585,847	-	-	-	585,847
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		585,847	-	-		
Cumulative interest rate sensitivity gap		585,847	585,847	585,847		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Debt Sub-Fund

	2025				
		Exposed to yield / profit rate risk			
	Effective yield rate (%)	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total
		Rupees				
Financial assets						
Balances with banks	11.75%	577,600	-	-	-	577,600
Profit and other receivables		43,189	-	-	-	43,189
		620,789	-	-	-	620,789
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		4,824	-	-	-	4,824
Accrued expenses and other liabilities		10,654	-	-	-	10,654
		15,478	-	-	-	15,478
On-balance sheet gap (a)		605,311	-	-	-	605,311
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		605,311	-	-		
Cumulative interest rate sensitivity gap		605,311	605,311	605,311		

Money Market Sub-Fund

	2025				
		Exposed to yield / profit rate risk			
	Effective yield rate (%)	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total
		Rupees				
Financial assets						
Balances with banks	10.50%-11.75%	36,307,235	-	-	-	36,307,235
Investments		-	-	-	-	-
Profit and other receivables		1,949,241	-	-	920,608	2,869,849
		38,256,476	-	-	920,608	39,177,084
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		366	-	-	-	366
Payable to Central Depository Company of Pakistan Limited - Trustee		5,489	-	-	-	5,489
Accrued expenses and other liabilities		80,769	-	-	-	80,769
		86,624	-	-	-	86,624
On-balance sheet gap (a)		38,169,852	-	-	920,608	39,090,460
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		38,169,852	-	-		
Cumulative interest rate sensitivity gap		38,169,852	38,169,852	38,169,852		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Equity Index Sub-Fund

		2025				
		Exposed to yield / profit rate risk				
	Effective yield rate (%)	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total
		Rupees				
Financial assets						
Balances with banks	11.75%	580,748	-	-	-	580,748
Profit and other receivables		26,371	-	-	-	26,371
		607,119	-	-	-	607,119
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		6,440	-	-	-	6,440
Accrued expenses and other liabilities		10,645	-	-	-	10,645
		17,085	-	-	-	17,085
On-balance sheet gap (a)		590,034	-	-	-	590,034
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		590,034	-	-		

(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.

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 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 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 liabilities. The analysis into relevant maturity groupings is based on the remaining year 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Equity Sub-Fund

	2026						
	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	648,608	-	-	-	-	-	648,608
Profit and other receivables	4,545	-	-	-	-	-	4,545
	653,153	-	-	-	-	-	653,153
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	11,249	-	-	-	-	-	11,249
Accrued expenses and other liabilities	10,599	-	-	-	-	-	10,599
	21,848	-	-	-	-	-	21,848
Net financial assets	631,305	-	-	-	-	-	631,305

Debt Sub-Fund

	2026						
	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	644,353	-	-	-	-	-	644,353
Profit and other receivables	22,995	-	-	-	-	-	22,995
	667,348	-	-	-	-	-	667,348
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	4,824	-	-	-	-	-	4,824
Accrued expenses and other liabilities	10,654	-	-	-	-	-	10,654
	15,478	-	-	-	-	-	15,478
Net financial assets	651,870	-	-	-	-	-	651,870

Money Market Sub-Fund

	2026						
	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	35,467,108	-	-	-	-	-	35,467,108
Investments	-	-	8,123,200	-	-	-	8,123,200
Profit and other receivables	791,889	-	353,505	-	-	-	1,145,394
	36,258,997	-	8,476,705	-	-	-	44,735,702
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	6,374	-	-	-	-	-	6,374
Payable to Central Depository Company of Pakistan - Trustee	6,374	-	-	-	-	-	6,374
Accrued expenses and other liabilities	29,222	75,183	-	-	-	-	104,405
	41,970	75,183	-	-	-	-	117,153
Net financial assets / (liabilities)	36,217,027	(75,183)	8,476,705	-	-	-	44,618,549

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Equity Index Sub-Fund

	2026						
	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	648,851	-	-	-	-	-	648,851
Profit and other receivables	6,133	-	-	-	-	-	6,133
	654,984	-	-	-	-	-	654,984
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	6,440	-	-	-	-	-	6,440
Accrued expenses and other liabilities	10,645	-	-	-	-	-	10,645
	17,085	-	-	-	-	-	17,085
Net financial assets	637,899	-	-	-	-	-	637,899

Equity Sub-Fund

	2025						
	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	572,916	-	-	-	-	-	572,916
Profit and other receivables	24,779	-	-	-	-	-	24,779
	597,695	-	-	-	-	-	597,695
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	11,249	-	-	-	-	-	11,249
Accrued expenses and other liabilities	599	-	-	-	-	-	599
	11,848	-	-	-	-	-	11,848
Net financial assets	585,847	-	-	-	-	-	585,847

Debt Sub-Fund

	2025						
	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 Total
	Rupees						
Financial assets							
Balances with banks	577,600	-	-	-	-	-	577,600
Profit and other receivables	43,189	-	-	-	-	-	43,189
	620,789	-	-	-	-	-	620,789
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	4,824	-	-	-	-	-	4,824
Accrued expenses and other liabilities	10,654	-	-	-	-	-	10,654
	15,478	-	-	-	-	-	15,478
Net financial assets	605,311	-	-	-	-	-	605,311

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Money Market Sub-Fund

	2025						
	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	36,307,235	-	-	-	-	-	36,307,235
Investments	-	-	-	-	-	-	-
Profit and other receivables	1,949,241	-	-	-	-	-	1,949,241
	38,256,476	-	-	-	-	-	38,256,476
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	366	-	-	-	-	-	366
Payable to Central Depository Company of Pakistan - Trustee	5,489	-	-	-	-	-	5,489
Accrued expenses and other liabilities	46,462	34,307	-	-	-	-	80,769
	52,317	34,307	-	-	-	-	86,624
Net financial assets / (liabilities)	38,204,159	(34,307)	-	-	-	-	38,169,852

Equity Index Sub-Fund

	2025						
	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	580,748	-	-	-	-	-	580,748
Profit and other receivables	26,371	-	-	-	-	-	26,371
	607,119	-	-	-	-	-	607,119
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	6,440	-	-	-	-	-	6,440
Accrued expenses and other liabilities	10,645	-	-	-	-	-	10,645
	17,085	-	-	-	-	-	17,085
Net financial assets	590,034	-	-	-	-	-	590,034

19.3 Credit risk

19.3.1 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. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, dividend receivable, receivable against conversion of units and receivable against sale of investments.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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The table below analyses the Fund's maximum exposure to credit risk:

	2026							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Index 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	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees							
Balances with banks	648,608	648,608	644,353	644,353	35,467,108	35,467,108	648,851	648,851
Investments	-	-	-	-	8,123,200	-	-	-
Profit and other receivables	4,545	4,545	22,995	22,995	791,889	435,596	6,133	6,133
	653,153	653,153	667,348	667,348	44,382,197	35,902,704	654,984	654,984

	2025							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Index 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	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees							
Balances with banks	572,916	572,916	577,600	577,600	36,307,235	36,307,235	580,748	580,748
Investments	-	-	-	-	-	-	-	-
Profit and other receivables	24,779	24,779	43,189	43,189	1,949,241	1,949,241	26,371	26,371
	597,695	597,695	620,789	620,789	38,256,476	38,256,476	607,119	607,119

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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 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.

19.3.2 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 related profit receivable thereon, dividend receivable and receivable against conversion of units and sale of investments. The credit rating profile of balances with banks and profit receivable theron is as follows:

Name of bank	Rating Agency	Latest available published rating	2026			
			Financial assets exposed to credit risk			
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund
			%			
Faysal Bank Limited	PACRA	AA+	100.00%	100.00%	95.45%	100.00%
Bank of Khyber*	PACRA	A+	-	-	4.55%	-
			100%	100%	100%	100%

Name of bank	Rating Agency	Latest available published rating	2025			
			Financial assets exposed to credit risk			
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund
			%			
Faysal Bank Limited	PACRA	AA	100.00%	100.00%	95.28%	100.00%
Bank of Khyber*	PACRA	A+	-	-	4.72%	-
			100%	100%	100%	100%

*Nil due to rounding off

19.3.3 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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.

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, 2026, the Fund held the following financial instruments measured at fair value.

Money Market Sub-Fund

	2026				2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
At fair value through profit or loss								
GoP Ijarah sukuk	8,123,200	-	-	-	-	-	-	-

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Government of Pakistan - Ijarah sukuks	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.

There were no transfers between levels during the year.

21 PARTICIPANTS' SUB-FUNDS 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, 2026

22 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 35 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 27 Years
Mr. Salman Muslim, FCA	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Syed Eunas Viqa	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Syed Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Mustajab Alam	Fund Manager	MBA,Finance	Over 12 Years
Ms. Sarah Rehman	Head of Research	CFA	Over 9 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 11 Years

23 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 Islamic Savings Growth Fund, Faysal Islamic Asset Allocation Fund, Faysal Islamic Financial Planning Fund, Faysal Islamic Cash Fund, Faysal Islamic Special Income Fund, Faysal Islamic Financial Planning Fund-II, Faysal Halal Amdani Fund, Faysal Islamic Financial Growth Fund, Faysal Islamic KPK Government Employees Pension Fund and Faysal Islamic Mustakil Munafa Fund.

24 MEETINGS OF BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 08-Oct-25	142nd BOD 16-Oct-25	143rd BOD 04-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 07-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali**	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar**	Director	Yes	Absent	-	-	-	-	-	-

* Mr. Aneeq Malik, Syed Amin Ur Rahman and Syed Muhammad Fraz Zaidi were appointed on October 03,2025

** Syed Majid Ali and Mr. Ali Waqar had resigned on October 03,2025

25 GENERAL

25.1 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

25.2 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.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

	FIKPK MONEY MARKET June 30, 2026 (Rupees)	FIKPK MONEY MARKET June 30, 2025 (Rupees)	FIKPK MONEY MARKET June 30, 2024 (Rupees)
(i) PERFORMANCE TABLE			
Net assets	45,455,122	39,075,792	33,316,873
Net assets value per unit	135.2787	123.6576	148.8850
Offer price per unit	135.2787	123.6576	110.0040
Repurchase price per unit	135.2787	123.6576	110.0040
Highest offer price per unit	135.2787	170.5199	111.3536
Highest repurchase price per unit	135.2787	164.8331	110.004
Lowest offer price per unit	134.0677	110.0620	-
Lowest repurchase price per unit	134.0677	110.0620	-
Total return:	9.40%	12.41%	18.92%
- capital growth	9.40%	12.41%	18.92%
- income distribution	0.00%	0.00%	0.00%
Average annual return: (Launch date: Dec 20, 2023)			
- one year	9.40%	12.41%	18.92%
- two years	10.91%	15.67%	N/A
	13.58%	N/A	N/A
Distribution per unit:			
- Interim distribution (% per unit) *			
- Final distribution (% per unit)			
	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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

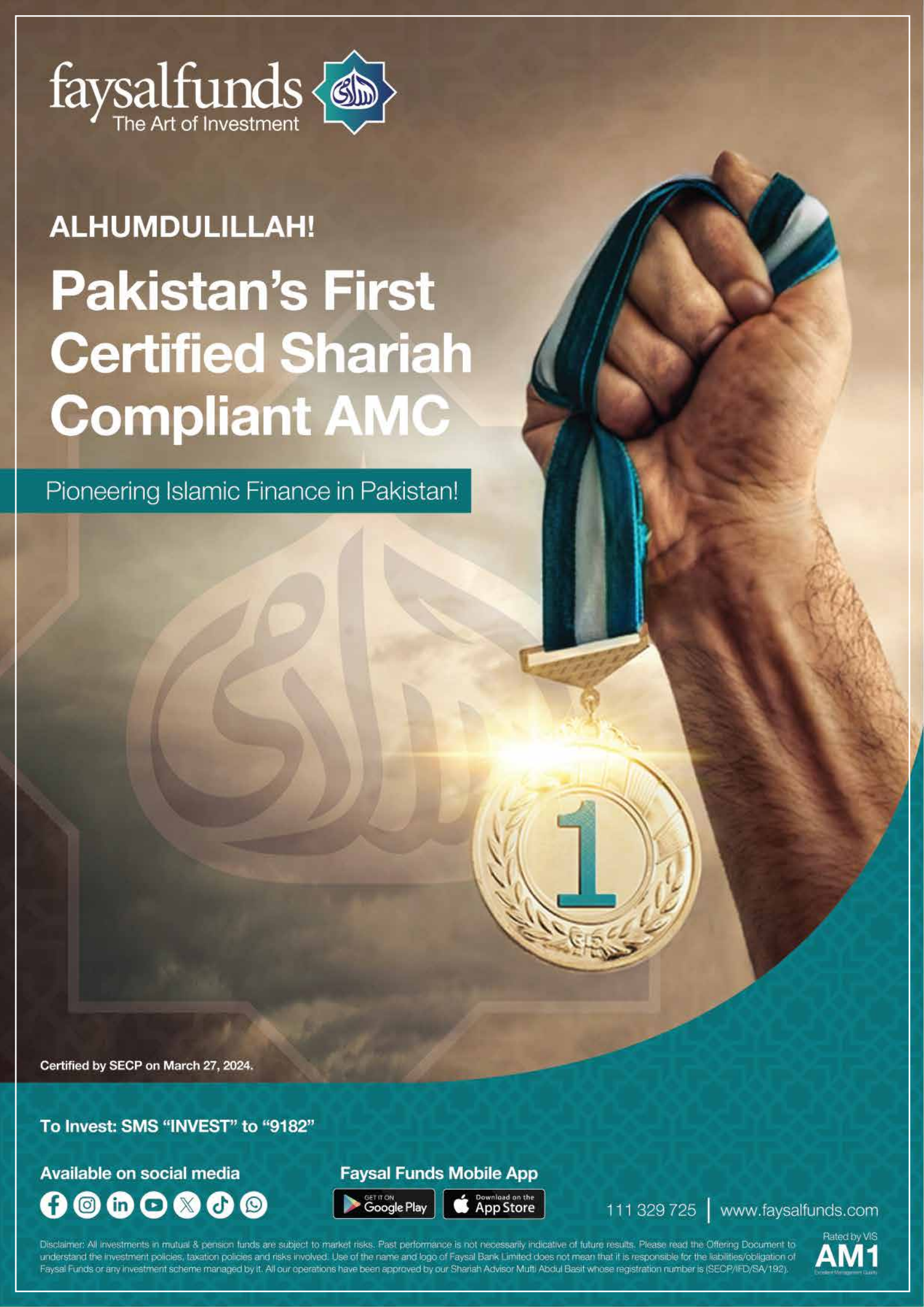
Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Excellent Management Quality

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Rating by VIS
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Excellent Management Quality

Faysal Islamic Pension Fund

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Pension Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Dubai Islamic Bank

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal Islamic Pension 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.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

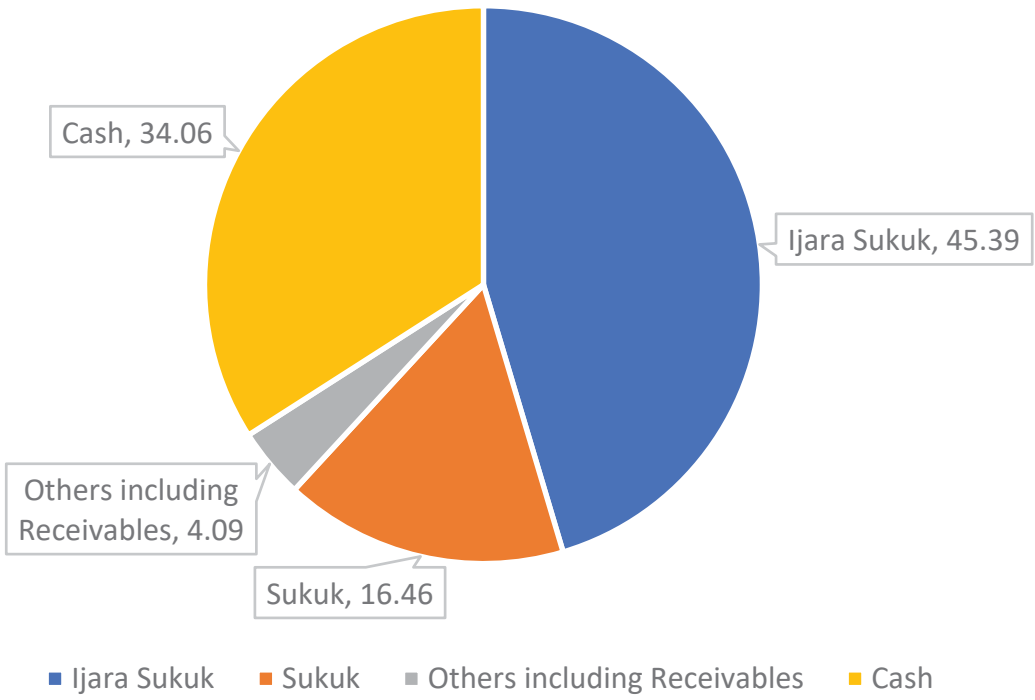
Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Voluntary Pension Scheme
Risk Profile	Low to High (As per Allocation Scheme)
Launch Date	October 5, 2021
Custodian/Trustee	CDC
Auditor	EY FORD RHODES
Management Fee Debt	Upto1.25% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.19%)
Management Fee Money market	Upto1% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.10%)
Management Fee Equity	Upto 2.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.50%)
Selling and Marketing Expense	0.00%
Front/Back end Load	Upto 3% of Average Annual N.A. (Actual Rate of FEL Charged is 0.59%)
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	182.6211
Net Assets (mn) Debt Sub fund	199.73
NAV per Unit (PKR) Equity Sub fund	372.0464
Net Assets (mn) Equity Sub fund	226.99
NAV per Unit (PKR) Money market Sub fund	188.0812
Net Assets (mn) Money market Sub fund	642.75
Total Expense Ratio Debt sub fund (Annualized)	2.13%
Total Expense Ratio Debt sub fund (Monthly)	2.54%
Total Expense Ratio Equity sub fund (Annualized)	3.66%
Total Expense Ratio Equity sub fund (Monthly)	3.79%
Total Expense Ratio Money Market sub fund (Annualized)	1.61%
Total Expense Ratio Money Market sub fund (Monthly)	1.68%

Fund Returns (% p.a) Debt sub fund		
	FY25	FY26
FY26 to Date	15.55%	8.10%
Month on Month	13.56%	9.28%
1 Year Trailing	15.55%	8.10%
Since Inception	14.48%	12.56%

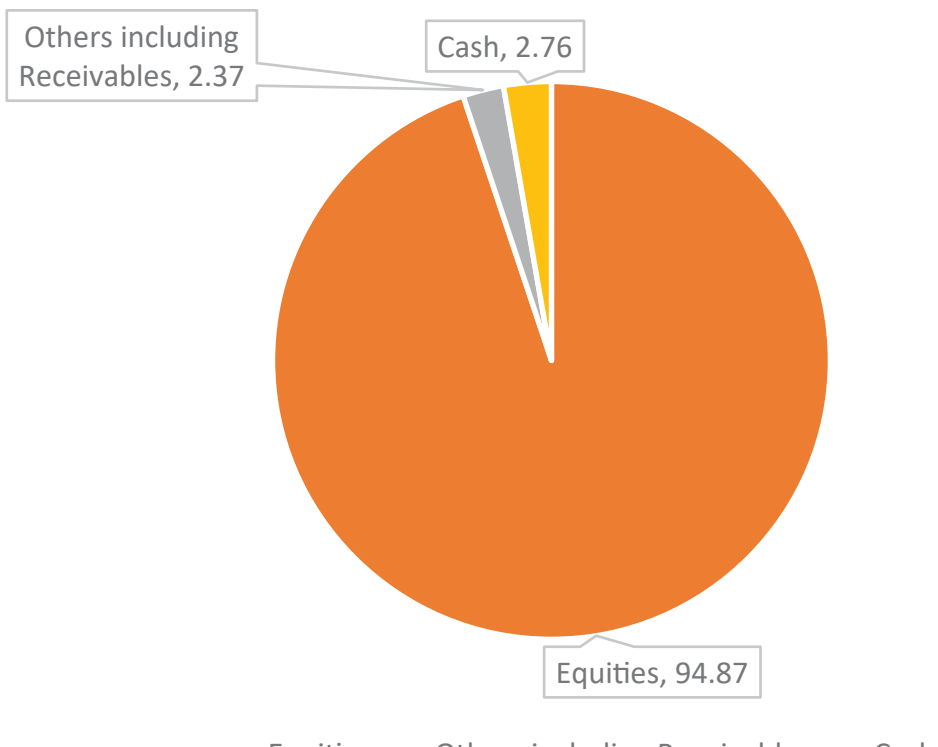
Fund Returns (% p.a) Equity sub fund		
	FY25	FY26
FY26 to Date	59.92%	34.12%
Month on Month	4.04%	3.85%
1 year Trailing	59.92%	34.12%
Since Inception	177.41%	272.05%

Fund Returns (% p.a) Money market sub fund		
	FY25	FY26
FY26 to Date	15.91%	9.00%
Month on Month	11.65%	11.29%
1 year Trailing	15.91%	9.00%
Since Inception	15.10%	13.31%

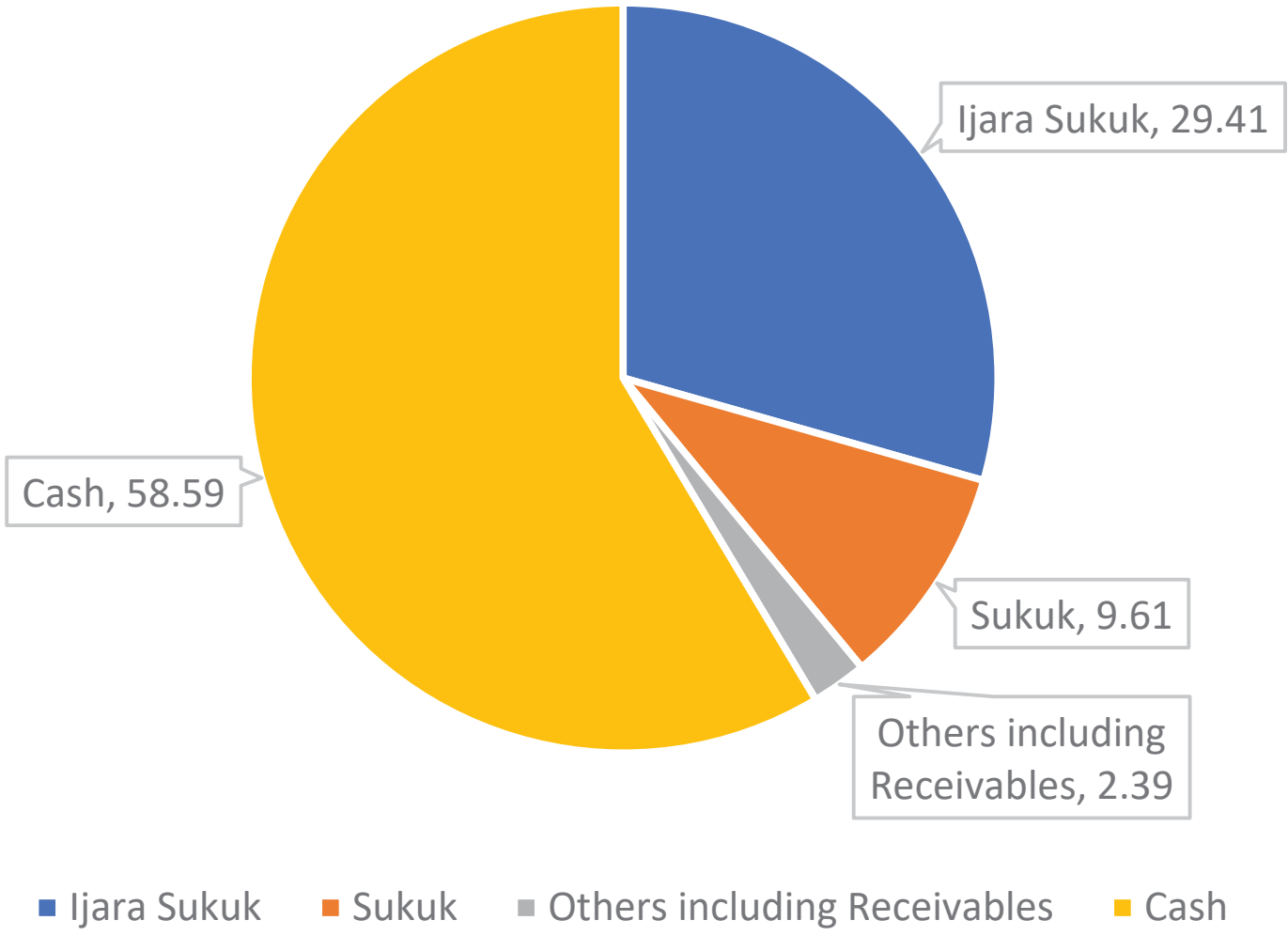
Debt Sub Fund Asset Allocation



Equity Sub Fund Asset Allocation



Money Market Sub Fund Asset Allocation



FUND PERFORMANCE

In FY26TD, Faysal Islamic Pension Fund Debt Sub Fund posted an annualized return of 8.10% against its benchmark return of 9.84%. Faysal Islamic Pension Fund Debt Sub Fund allocations stood in Cash (34.06%), Ijarah Sukuk (45.39%), Sukuk (16.46%) and Others (4.09%). Faysal Islamic Pension Fund Money Market Sub Fund posted an annualized return of 9.00% against a benchmark return of 9.37%. Faysal Islamic Pension Fund Money Market Sub Fund allocations stood in Cash (58.59%), Ijarah Sukuk (29.41%), Sukuk (9.61%) and Others (2.39%). Faysal Islamic Pension Fund Equity Sub Fund posted an absolute return of 34.12% against a benchmark return of 37.67%. Faysal Islamic Pension Fund Equity Sub Fund remained invested in Cash (2.76%), Equities (94.87%) and Others (2.37%).

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Pension Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Pension Fund (FIPF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIPF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIPF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Pension Fund (FIPF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 PARTICIPANTS

FAYSAL ISLAMIC 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 Islamic Pension Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 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 03, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Pension Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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INDEPENDENT AUDITORS' REPORT

To the participants of Faysal Islamic Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) the financial statements prepared for the year ended June 30, 2026 have been properly prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;

b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;

c) a true and fair view is given of the disposition of the pension fund at the end of the period and of the transactions of the pension fund of the period then ended; and

d) the cost and expenses debited to the Fund are as specified in the constitutive documents of the Fund.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR2026100762jISh4aAG

Faysal Islamic Pension Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		---------- Rupees ----------			
Assets					
Balances with banks	4	7,623,182	69,900,144	381,736,618	459,259,944
Investments	5	216,824,208	124,180,780	251,692,485	592,697,473
Advances, deposits and other receivable	6	2,987,140	6,707,488	11,505,302	21,199,930
Preliminary expenses and floatation costs	7	-	-	-	-
Receivable against sale of investment		1,118,101	-	-	1,118,101
Total Assets		228,552,631	200,788,412	644,934,405	1,074,275,448
Liabilities					
Payable to Faysal Asset Management Limited - Pension Fund Manager	8	300,977	252,161	606,401	1,159,539
Payable to Central Depository Company of Pakistan Limited - Trustee	9	28,306	29,072	86,887	144,265
Payable to the Securities and Exchange Commission of Pakistan	10	51,043	79,892	205,960	336,895
Payable against redemption of units		-	-	553,728	553,728
Accrued expenses and other liabilities	11	1,178,717	700,044	726,432	2,605,193
Total liabilities		1,559,043	1,061,169	2,179,408	4,799,620
Net assets		226,993,588	199,727,243	642,754,997	1,069,475,828
Participants' sub-funds (as per statement attached)		226,993,588	199,727,243	642,754,997	1,069,475,828
Contingencies and commitments	12				
		---------- Number of units ----------			
Number of units in issue	15	610,122	1,093,670	3,417,433	
		---------- Rupees ----------			
Net asset value per unit		372.0464	182.6211	188.0812	

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

Faysal Islamic Pension Fund

Statement of Assets and Liabilities

For The Year Ended June 30, 2025

	Note	June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		---------- Rupees ----------			
Assets					
Balances with banks	4	2,059,164	67,354,889	222,470,215	291,884,268
Investments	5	99,846,805	87,568,483	288,899,665	476,314,953
Advances, deposits and other receivable	6	2,183,406	6,177,827	10,025,650	18,386,883
Preliminary expenses and floatation costs	7	14,911	15,664	15,099	45,674
Receivable against sale of investment		-	-	-	-
Total assets		104,104,286	161,116,863	521,410,629	786,631,778
Liabilities					
Payable to Faysal Asset Management Limited - Pension Fund Manager	8	165,530	190,710	707,576	1,063,816
Payable to Central Depository Company of Pakistan Limited - Trustee	9	14,398	21,323	67,531	103,252
Payable to the Securities and Exchange Commission of Pakistan	10	34,703	39,182	125,837	199,722
Payable against redemption of units		-	865,013	3,116,698	3,981,711
Accrued expenses and other liabilities	11	759,410	663,158	679,238	2,101,806
Total liabilities		974,041	1,779,386	4,696,880	7,450,307
Net assets		103,130,245	159,337,477	516,713,749	779,181,471
Participants' sub-funds (as per statement attached)		103,130,245	159,337,477	516,713,749	779,181,471
Contingencies and commitments	12				
		---------- Number of units ----------			
Number of units in issue	15	371,766	943,173	2,994,661	
		---------- Rupees ----------			
Net asset value per unit		277.4062	168.9378	172.5450	

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

Faysal Islamic Pension Fund

Income Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		---------- Rupees ----------			
Income					
Profit on balances with banks		381,898	9,956,274	24,044,688	34,382,860
Profit on GoP Ijarah sukuk certificates		-	10,777,178	17,814,087	28,591,265
Profit on corporate sukuk certificates		-	-	13,074,885	13,074,885
Dividend income		4,170,589	-	-	4,170,589
Realised gain / (loss) on sale of investments - net		18,129,899	-	(48,918)	18,080,981
Unrealised appreciation / (diminution) on re-measurement of 'investments classified as 'financial assets at fair value through profit or loss' - net	5.4	21,002,909	(928,384)	(1,858,121)	18,216,404
Total income		43,685,295	19,805,068	53,026,621	116,516,984
Operating expenses					
Remuneration of Faysal Asset Management Limited - Pension Fund Manager	8.1	1,914,127	2,376,774	5,148,984	9,439,885
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	287,119	356,516	772,348	1,415,983
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	191,413	299,593	772,348	1,263,354
Sindh sales tax on remuneration of the Trustee	9.2	28,712	44,939	115,852	189,503
Annual fee to the Securities and Exchange Commission of Pakistan	10	51,043	79,892	205,960	336,895
Auditors' remuneration	17	395,950	395,950	395,950	1,187,850
Transaction charges		1,322,406	531,157	735,845	2,589,408
Legal and professional charges		38,888	38,888	38,888	116,664
Printing charges		-	-	-	-
Donation Expense		306,761	-	-	306,761
Amortisation of preliminary expenses and floatation costs	7	14,911	15,664	15,099	45,674
Bank and settlement charges		11,532	5,108	5,543	22,183
Reimbursement of expenses from the Pension Fund Manager	6	-	-	-	-
Shariah advisory fee		102,230	102,230	102,230	306,690
Total operating expenses		4,665,092	4,246,711	8,309,047	17,220,850
Net income for the year before taxation		39,020,203	15,558,357	44,717,574	99,296,134
Taxation	13	-	-	-	-
Net income for the year after taxation		39,020,203	15,558,357	44,717,574	99,296,134
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

Faysal Islamic Pension Fund

Income Statement

For The Year Ended June 30, 2025

	Note	For the year ended June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		---------- Rupees ----------			
Income					
Profit on balances with banks		512,498	3,974,603	6,375,836	10,862,937
Profit on GoP Ijarah sukuk certificates		-	8,980,451	23,942,737	32,923,188
Profit on corporate sukuk certificates		-	-	15,095,462	15,095,462
Dividend income		5,701,064	-	-	5,701,064
Realised gain on sale of investments - net		16,543,890	381,191	573,199	17,498,280
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	17,875,086	1,850,587	2,933,384	22,659,057
Total income		40,632,538	15,186,832	48,920,618	104,739,988
Operating expenses					
Remuneration of Faysal Asset Management Limited - Pension Fund Manager	8.1	1,017,466	467,299	1,731,578	3,216,343
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	144,401	70,095	259,737	474,233
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	130,135	155,539	471,149	756,823
Sindh sales tax on remuneration of the Trustee	9.2	27,869	23,157	70,685	121,711
Annual fee to the Securities and Exchange Commission of Pakistan	10	34,703	39,182	125,837	199,722
Auditors' remuneration	17	300,639	300,639	300,639	901,917
Transaction charges		764,565	609,025	568,062	1,941,652
Legal and professional charges		87,095	87,095	87,095	261,285
Printing charges		9,084	7,965	7,354	24,403
Amortisation of preliminary expenses and floatation costs	7	21,170	21,170	21,170	63,510
Bank and settlement charges		7,877	2,025	1,031	10,933
Reimbursement of expenses from the Pension Fund Manager		-	(345,000)	(8,000)	(353,000)
Shariah advisory fee		50,000	50,000	50,000	150,000
Total operating expenses		2,595,004	1,488,191	3,686,337	7,769,532
Net income for the year before taxation		38,037,534	13,698,641	45,234,281	96,970,456
Taxation	13	-	-	-	-
Net income for the year after taxation		38,037,534	13,698,641	45,234,281	96,970,456
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

Faysal Islamic Pension Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	---------- Rupees ----------			
Net income for the year after taxation	**39,020,203**	**15,558,357**	**44,717,574**	**99,296,134**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**39,020,203**	**15,558,357**	**44,717,574**	**99,296,134**

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

Faysal Islamic Pension Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2025

	For the year ended June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	---------- Rupees ----------			
Net income for the year after taxation	38,037,534	13,698,641	45,234,281	96,970,456
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	38,037,534	13,698,641	45,234,281	96,970,456

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

Faysal Islamic Pension Fund

Statement of Movement in Participants' Sub-funds

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	---------- Rupees ----------			
Net assets at the beginning of the year	103,130,245	159,337,477	516,713,749	779,181,471
Amount received on issuance of units	173,049,264	99,390,189	496,104,434	768,543,887
Amount paid on redemption of units	(88,206,124)	(74,558,780)	(414,780,760)	(577,545,664)
Gain on sale of investments - net	18,129,899	-	(48,918)	18,080,981
Unrealised appreciation/ (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	21,002,909	(928,384)	(1,858,121)	18,216,404
Other income - net	(112,605)	16,486,741	46,624,613	62,998,749
	39,020,203	15,558,357	44,717,574	99,296,134
Net assets at the end of the year	226,993,588	199,727,243	642,754,997	1,069,475,828

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

Faysal Islamic Pension Fund

Statement of Movement in Participants' Sub-funds

For The Year Ended June 30, 2025

	For the year ended June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	---------- Rupees ----------			
Net assets at the beginning of the year	57,871,383	71,664,060	255,250,731	384,786,174
Amount received on issuance of units	52,941,722	101,681,024	379,000,123	533,622,869
Amount paid on redemption of units	(45,720,394)	(27,706,248)	(162,771,386)	(236,198,028)
Gain on sale of investments - net	16,543,890	381,191	573,199	17,498,280
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	17,875,086	1,850,587	2,933,384	22,659,057
Other income - net	3,618,558	11,466,863	41,727,698	56,813,119
	38,037,534	13,698,641	45,234,281	96,970,456
Net assets at the end of the year	103,130,245	159,337,477	516,713,749	779,181,471

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

Faysal Islamic Pension Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year before taxation		39,020,203	15,558,357	44,717,574	99,296,134
Adjustments for:					
Amortisation of preliminary expenses and floatation costs	7	14,911	15,664	15,099	45,674
Profit on balances with banks		(381,898)	(9,956,274)	(24,044,688)	(34,382,860)
Profit on corporate sukuk certificates		-	-	(13,074,885)	(13,074,885)
Profit on GoP Ijara sukuk certificates		-	(10,777,178)	(17,814,087)	(28,591,265)
Dividend income		(4,170,589)	-	-	(4,170,589)
Realised (gain) / loss on sale of investments - net		(18,129,899)	-	48,918	(18,080,981)
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	(21,002,909)	928,384	1,858,121	(18,216,404)
		(4,650,181)	(4,231,047)	(8,293,948)	(17,175,176)
(Increase) / decrease in assets					
Investments - net		(77,844,595)	(37,540,681)	35,300,141	(80,085,135)
Receivable against sale of investment		(1,118,101)	-	-	(1,118,101)
Deposits, prepayments and other receivables		(1,500,000)	(1,038,623)	-	(2,538,623)
		(80,462,696)	(38,579,304)	35,300,141	(83,741,859)
Increase / (decrease) in liabilities					
Payable to Faysal Asset Management Company Limited - Pension Fund Manager		135,447	61,451	(101,175)	95,723
Payable to Central Depository Company of Pakistan Limited - Trustee		13,908	7,749	19,356	41,013
Payable to the Securities and Exchange Commission of Pakistan		16,340	40,710	80,123	137,173
Accrued expenses and other liabilities		419,307	36,886	47,194	503,387
		585,002	146,796	45,498	777,296
Profit received on bank balances		455,811	10,656,240	25,283,183	36,395,234
Profit received on debt investments		-	10,586,174	28,170,825	38,756,999
Dividend received		4,792,942	-	-	4,792,942
Net cash generated / (used) from in operating activities		(79,279,122)	(21,421,141)	80,505,699	(20,194,564)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts from issuance of units		173,049,264	99,390,189	496,104,434	768,543,887
Net payments on redemption of units		(88,206,124)	(75,423,793)	(417,343,730)	(580,973,647)
Net cash generated from financing activities		84,843,140	23,966,396	78,760,704	187,570,240
Net Increase in cash and cash equivalents		5,564,018	2,545,255	159,266,403	167,375,676
Cash and cash equivalents at the beginning of the year		2,059,164	67,354,889	222,470,215	291,884,268
Cash and cash equivalents at the end of the year	4	7,623,182	69,900,144	381,736,618	459,259,944

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

Faysal Islamic Pension Fund

Cash Flow Statement

For The Year Ended June 30, 2025

	Note	For the year ended June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		---------- Rupees ----------			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year before taxation		38,037,534	13,698,641	45,234,281	96,970,456
Adjustments for:					
Amortisation of preliminary expenses and floatation costs	7	21,170	21,170	21,170	63,510
Profit on balances with banks		(512,498)	(3,974,603)	(6,375,836)	(10,862,937)
Profit on corporate sukuk certificates		-	-	(15,095,462)	(15,095,462)
Profit on GoP Ijara sukuk certificates		-	(8,980,451)	(23,942,737)	(32,923,188)
Dividend income		(5,701,064)	-	-	(5,701,064)
Realised gain on sale of investments - net		(16,543,890)	(381,191)	(573,199)	(17,498,280)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	(17,875,086)	(1,850,587)	(2,933,384)	(22,659,057)
		(2,573,834)	(1,467,021)	(3,665,167)	(7,706,022)
(Increase) / decrease in assets					
Investments - net		(9,276,302)	(44,645,705)	(102,541,082)	(156,463,089)
Receivable against sale of investment		-	-	-	-
Deposits, prepayments and other receivables		136,433	(342,736)	(6,567)	(212,870)
		(9,139,869)	(44,988,441)	(102,547,649)	(156,675,959)
Increase / (decrease) in liabilities					
Payable to Faysal Asset Management Company Limited - Pension Fund Manager		91,292	165,976	618,959	876,227
Payable to Central Depository Company of Pakistan Limited - Trustee		10,961	11,408	32,736	55,105
Payable to the Securities and Exchange Commission of Pakistan		16,958	16,089	63,647	96,694
Accrued expenses and other liabilities		161,391	45,421	(551,976)	(345,164)
		280,602	238,894	163,366	682,862
Profit received on bank balances		350,537	2,484,022	4,786,493	7,621,052
Profit received on debt investments		-	12,332,064	40,598,169	52,930,233
Dividend received		4,994,614	-	-	4,994,614
Net cash used in operating activities		(6,087,950)	(31,400,482)	(60,664,788)	(98,153,220)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts from issuance of units		53,059,722	104,599,081	379,554,891	537,213,694
Net payments on redemption of units		(45,745,385)	(27,542,223)	(162,626,486)	(235,914,094)
Net cash generated from financing activities		7,314,337	77,056,858	216,928,405	301,299,600
Net increase in cash and cash equivalents		1,226,387	45,656,376	156,263,617	203,146,380
Cash and cash equivalents at the beginning of the year		832,777	21,698,513	66,206,598	88,737,888
Cash and cash equivalents at the end of the year	4	2,059,164	67,354,889	222,470,215	291,884,268

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

Faysal Islamic Pension Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Pension Fund (the Fund) has been established as 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 08, 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/FIPF/56/2021 dated August 30, 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. 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, individualised, 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 VIS Credit Rating Company Limited has assigned the rating of "AM1" to the Management Company dated December 31, 2025. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

1.6 The Fund consists of three sub-funds namely, Faysal Islamic Pension Fund - Equity Sub-Fund (Equity Sub-Fund), Faysal Islamic Pension Fund - Debt Sub-Fund (Debt Sub-Fund) and Faysal Islamic 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 Islamic 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. 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 (90) days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five percent (5%) of net assets of the 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 the 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 fifteen percent (15%) of net assets of the Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty-five percent (35%) of net assets of Equity Sub-Fund or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of the 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 Islamic banks or Islamic windows of 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 ten percent (10%) of the net assets of the Equity Sub-Fund on monthly average basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Faysal Islamic Pension Fund - Debt Sub-Fund

The Debt Sub-Fund shall consist of Shariah compliant government securities, placement in the Islamic banks or Islamic windows of commercial banks, money market placements, deposits, certificates of deposit, certificates of musharaka, term deposit receipts, Islamic commercial papers, sukuk certificates or any other Islamic mode of placement, 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 Shariah compliant government securities not exceeding ninety (90) days' maturity or deposit with scheduled placement in the Islamic banks or Islamic windows of commercial banks (excluding term deposit receipts) having not less than "A+" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed fifteen percent (15%) 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 fifteen percent (15%) 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 musharaka, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of the 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.

Faysal Islamic 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 and 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 Islamic banks or Islamic windows of commercial banks having not less than "AA" rating. Exposure to any single entity, excluding securities issued by the Federal Government, shall not exceed fifteen percent (15%) 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 fifteen percent (15%) of net assets of the Money Market Sub-Fund or ten percent (10%) of size of the issue of that security. 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 musharaka, certificates of investment, money market placements and other clean placements of funds of more than twenty five percent (25%) of net assets of the 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 one year. Time to maturity of any asset in the portfolio of the Money Market Sub-Fund shall not exceed six (6) months, except Shariah compliant government securities (such as GoP Ijarah sukuks), where time to maturity may be up to five (5) years.

1.7 The Fund offers five (5) types of allocation schemes, as prescribed by the SECP under the 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, Lower Volatility and Customized. 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 (the Act);

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2026

- 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, 2005 (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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

	Effective date (annual periods beginning on or after)
Amendments	
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

The Fund expects that above standards, amendments and improvements to approved accounting standards will currently not have any material impact on the Fund's financial statements in the period of initial application.

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 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 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 POLICIES 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.2.2 Classification and subsequent measurement

3.2.3 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); or
- 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 recognized 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.

3.2.4 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.

3.2.5 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.

3.2.6 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.2.7 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.

3.2.8 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

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 value 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 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 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 period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates and government 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; and
- Profit on saving accounts with banks is recognised on an accrual basis.

3.7 Expenses

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.8 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.

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.

3.9 Earnings / (loss) 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 14.

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.

3.10 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.

3.11 Issue, allocation, reallocation and redemption of units

The prescribed application form, completed in all respects including payment (on realised basis), received by the Pension Fund Manager or distributor at its / their authorised 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 of the Fund 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 the 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 Manger or from one pension fund to another pension fund. Units shall be encashed at the net asset value of each Sub-Fund notified on the working day prior to the date of transfer.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

3.12 Net asset value per unit

The net asset value (NAV) per unit for each Sub-Fund, as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Sub-Fund by the number of units in issue of the respective Sub-Fund at the year end.

	Note	June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
4 BALANCES WITH BANKS		Rupees				Rupees			
Savings accounts	4.1	**7,623,182**	**69,900,144**	**381,736,618**	**459,259,944**	2,059,164	67,354,889	222,470,215	291,884,268

4.1 Deposits in savings accounts include Rs. 6.23 million, Rs. 69.03 million and Rs. 380.75 million (2025: Rs. 1.96 million, Rs. 67.29 million and Rs. 222.43 million) in the Equity Sub-Fund, the Debt Sub-Fund and the Money Market Sub-Fund respectively with Faysal Bank Limited, a related party, that carries profit at the rate of 5% - 12.5% (2025: 5% to 11.75%) per annum. Other savings accounts of the Fund carry profit at the rate of 10% (2025:9.5%) per annum.

	Note	June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
5 INVESTMENTS		Rupees				Rupees			
At fair value through profit or loss									
Listed equity securities	5.1	**216,824,208**	**-**	**-**	**216,824,208**	99,846,805	-	-	99,846,805
GoP Ijarah sukuk certificates	5.2	**-**	**91,130,780**	**189,692,485**	**280,823,265**	-	87,568,483	228,899,665	316,468,148
Corporate sukuk certificates	5.3	**-**	**33,050,000**	**62,000,000**	**95,050,000**	-	-	60,000,000	60,000,000
		216,824,208	**124,180,780**	**251,692,485**	**592,697,473**	99,846,805	87,568,483	288,899,665	476,314,953

5.1 Listed equity securities - Equity Sub-Fund

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution)/ appreciation as at June 30, 2026	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			%		
AUTOMOBILE ASSEMBLER											
Sazgar Engineering Works Limited	2,400	1,017	-	2,400	1,017	2,236,833	2,098,569	(138,264)	0.97	0.92	0.00
Ghandhara Automobiles Limited		4,400	-	4,400	-	-	-	-	-	-	0.00
Ghandhara Industries Limited		1,800	-	-	1,800	1,719,000	1,743,426	24,426	0.80	0.77	0.00
						3,955,833	3,841,995	(113,838)	1.77	1.69	-
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited **(Note 5.1.1)**	-	500	-	500	-	-	-	-	-	-	0.00
Service long march tiles Limited	-	13,279	-	-	13,279	264,916	337,021	72,105	0.16	0.15	0.00
						264,916	337,021	72,105	0.16	0.15	-
COMMERCIAL BANKS											
Faysal Bank Limited	26,000	18,061	-	25,900	18,161	1,641,179	1,802,298	161,119	0.83	0.79	0.00
Meezan Bank Limited **(Note 5.1.2)**	13,890	27,500		10,000	31,390	13,864,633	16,211,679	2,347,046	7.48	7.14	0.00
						15,505,812	18,013,977	2,508,165	8.31	7.93	-
CABLES & ELECTRICAL GOODS											
Pak Elektron Limited	-	44,000	-	-	44,000	1,885,906	1,999,800	113,894	0.92	0.88	0.00
						1,885,906	1,999,800	113,894	0.92	0.88	-
CEMENT						-	-				
Fauji Cement Company Limited **(Note 5.1.2)**	105,200	151,600	-	141,800	115,000	5,723,215	6,618,250	895,035	3.05	2.92	0.00
Maple Leaf Cement Factory Limited	44,050	109,272	-	71,300	82,022	7,461,261	8,768,972	1,307,711	4.04	3.86	0.00
Pioneer Cement Limited	16,100	-	-	16,100	-	-	-	-	-	-	0.01
Lucky Cement Limited **(Note 5.1.1)**	23,300	44,400	-	30,000	37,700	15,745,366	17,653,952	1,908,586	8.14	7.78	0.00
Attock Cement Pakistan Limited	3,350	-	-	3,350	-	-	-	-	-	-	0.00
Cherat Cement Company Limited	-	7,100	-	-	7,100	1,873,104	2,456,103	582,999	1.13	1.08	0.00
D.G. Khan Cement Company Limited	17,800	28,000	-	19,200	26,600	5,124,979	5,938,982	814,003	2.74	2.62	0.00
		-				35,927,925	41,436,259	5,508,334	19.10	18.26	0.01
CHEMICAL		-				-	-				
Ghani Chemical Industries Limited	-	34,000	-	34,000	-	-	-	-	-	-	0.00
Ittehad Chemicals Limited	-	12,000		6,000	6,000	571,320	908,820	337,500	0.42	0.40	0.00
Sitara Chemical Industries Limited	2,600	-	-	2,600	-	-	-	-	-	-	0.00
Lucky Core Industries Limited	-	5,000	-	5,000	-	-	-	-	-	-	0.00
		-				571,320	908,820	337,500	0.42	0.40	0.00
FERTILIZER											
Fauji Fertilizer Company Limited	-	49,200	-	13,700	35,500	19,147,533	20,358,540	1,211,007	9.39	8.97	0.00
Fatima Fertilizer Company Limited	-	30,000	-	-	30,000	4,195,815	4,959,000	763,185	2.29	2.18	0.00
Engro Fertilizers Limited **(Note 5.1.2)**	20,122	19,623	-	24,300	15,445	3,340,049	3,072,783	(267,266)	1.42	1.35	0.00
		-		-		26,683,397	28,390,323	1,706,926	13.10	12.50	0.00
FOODS AND PERSONAL CARE PRODUCTS		-		-							
Barkat Frisian Agro Limited **(Note 5.1.1)**	16,071	-	-	16,071	-	-	-	-	-	-	0.00
Unity Foods Limited	-	32,000	-	32,000	-	-	-	-	-	-	0.00
National Foods Limited **(Note 5.1.1)**	5,649	-	-	2,600	3,049	997,724	1,181,274	183,550	0.54	0.52	0.00
						997,724	1,181,274	183,550	0.54	0.52	0

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Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution)/ appreciation as at June 30, 2026	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 ----------			---------- % ----------		
ENGINEERING											
International Industries Limited	-	6,000	-	1,300	4,700	904,750	793,689	(111,061)	0.37	0.35	0.00
Mughal Iron And Steel Industries Ltd		13,000		13,000	-	-	-	-	-	-	
						904,750	793,689	(111,061)	0.37	0.35	0.00
OIL AND GAS EXPLORATION COMPANIES											
Oil and Gas Development Company Limited *	37,950	62,530	-	21,600	78,880	22,245,853	26,414,546	4,168,693	12.18	11.64	0.00
Pakistan Petroleum Limited * **(Note 5.1.2)**	53,090	73,350	-	34,300	92,140	19,245,997	22,355,007	3,109,010	10.31	9.85	0.00
Mari Petroleum Company Limited * **(Note 5.1.2)**	3,500	13,400	-	3,000	13,900	9,239,962	9,372,631	132,669	4.32	4.13	0.00
						50,731,812	58,142,184	7,410,372	26.81	25.62	0.00
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	11,900	13,900	-	9,000	16,800	6,744,669	5,751,480	(993,189)	2.65	2.53	0.00
Sui Northern Gas Pipelines Limited	24,900	12,900	-	11,100	26,700	3,038,914	3,228,831	189,917	1.49	1.42	0.00
Attock Petroleum Limited	1,502	-	-	1,502	-	-	-	-	-	-	0.00
						9,783,583	8,980,311	(803,272)	4.14	3.95	0.00
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited *	38,020	80,600	-	42,700	75,920	15,970,776	17,723,524	1,752,748	8.17	7.81	0.00
K-Electric Limited **(Note 5.1.1)**	200,000	-	-	200,000	-	-	-	-	-	-	0.00
						15,970,776	17,723,524	1,752,748	8.17	7.81	0.00
GLASS AND CERAMICS											
Tariq Glass Industries Limited *	5,100	5,800	-	5,100	5,800	1,148,399	1,120,444	(27,955)	0.52	0.49	0.00
						1,148,399	1,120,444	(27,955)	0.52	0.49	0.00
PHARMACEUTICALS											
AGP Limited *	5,700	6,300	-	12,000	-	-	-	-	-	-	0.00
Glaxosmithkline Pakistan Limited	6,900	1,200	-	2,700	5,400	2,183,364	1,999,350	(184,014)	0.92	0.88	0.00
Abott Laboratories (Pakistan) Limited	-	-	-	-	-	-	-	-	-	-	0.00
Haleon Pakistan Limited *	2,075	-	-	2,075	-	-	-	-	-	-	0.00
Ferozsons Laboratories Limited	-	-	-	-	-	-	-	-	-	-	0.00
Highnoon Laboratories Limited *	2,450	-	-	2,450	-	-	-	-	-	-	0.00
Citi Pharma Limited	-	-	-	-	-	-	-	-	-	-	0.00
Hoechst Pakistan Limited	325	-	-	325	-	-	-	-	-	-	0.00
						2,183,364	1,999,350	(184,014)	0.92	0.88	0.00
TEXTILE COMPOSITE						-	-				
Interloop Limited	-	414	-	414	-	-	-	-	-	-	0.00
Nishat Mills Limited *	16,600	22,500	-	15,000	24,100	3,370,989	3,804,426	433,437	1.75	1.68	0.00
						3,370,989	3,804,426	433,437	1.75	1.68	0.00
TECHNOLOGY AND COMMUNICATION						-	-				
Air Link Communication Limited	-	7,000	-	7,000	-	-	-	-	-	-	0
Pakistan Telecommunication Company Ltd.	-	103,000	-	44,000	59,000	3,774,131	3,865,680	91,549	1.78	1.70	0
Systems Limited * **(Note 5.1.1)**	34,050	74,500	-	88,550	20,000	2,851,745	2,941,800	90,055	1.36	1.30	0.00
						6,625,876	6,807,480	181,604	3.14	3.00	0.00
MISCELLANEOUS											
Shifa International Hospitals Ltd.	5,350	1,900	-	3,326	3,924	1,971,415	1,983,543	12,128	0.91	0.87	0.01
						1,971,415	1,983,543	12,128	0.91	0.87	0.01
INV. BANK/INV. COMPANIES/SECURITIES CO.											
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)	26,112	51,800	-	19,100	58,812	14,735,416	16,921,388	2,185,972	7.80	7.45	0.00
						14,735,416	16,921,388	2,185,972	7.80	7.45	0.00
LEATHER & TANNERIES											
Service Global Footwear Limited	-	20,000	-	-	20,000	2,602,086	2,438,400	(163,686)	1.12	1.07	0.00
		-	-	-	-	2,602,086	2,438,400	(163,686)	1.12	1.07	0.00
REFINERY		-	-	-	-						
Attock Refinery Limited	2,550	3,200	-	5,750	-	-	-	-	-	-	0.00
						-	-	-	-	-	0.00
Total as at June 30, 2026						195,821,299	216,824,208	21,002,909	100.0	95.50	
Total as at June 30, 2025						81,971,719	99,846,805	17,875,086	100.00	96.83	

* Nil figures due to rounding off

5.1.1 All shares have a face value of Rs. 10 each except the shares of Thal Limited and National Foods limited having face value of Rs.5 each, K-Electric Limited having face value of Rs.3.5 each, Lucky Cement Limited and Systems Limited having face value of Rs.2 each and Barkat Frisian Agro Limited having face value of Rs.1 each, respectively.

5.1.2 The below investments include shares having a market value (in aggregate) amounting to Rs. 8.99 million (June 30, 2025: Rs. 9.15 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	June 30, 2026		June 30, 2025	
	Number of Shares	Market value	Number of Shares	Market value
		(Rupees)		
Attock Refinery Limited	-	-	1,000	679,420
Engro Fertilizers Limited	**10,000**	**1,990,000**	10,000	1,855,900
Fauji Cement Company Limited	**67,400**	**3,878,870**	100,000	4,467,000
Mari Energies Limited	**500**	**337,145**	500	313,445
Meezan Bank Limited	**4,000**	**2,064,000**	4,000	1,328,200
Pakistan Petroleum Limited	**3,000**	**727,860**	3,000	510,510
	84,900	**8,997,875**	118,500	9,154,475

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For The Year Ended June 30, 2026

5.2 GoP Ijarah sukuk certificates

5.2.1 Debt Sub-Fund

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	Face Value				Balance as at June 2026			Market value as a percentage of	
					As at July 1,2025	Purchased during the year	Sold / Matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	net assets	total investments
					Rupees							%	
GoP Ijarah sukuk certificates -VRR	Semi-annually / At maturity	January 24,2024	January 24,2029	Weighted average 6-months T-Bills	15,000,000	-	-	15,000,000	15,301,269	15,231,000	(70,269)	7.63	12.27
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	January 24,2024	January 24,2029	Weighted average 6-months T-Bills	3,500,000	-	-	3,500,000	3,570,296	3,553,900	(16,396)	1.78	2.86
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	January 24,2024	January 24,2029	Weighted average 6-months T-Bills	2,000,000	-	-	2,000,000	2,040,169	2,030,800	(9,369)	1.02	1.64
GoP Ijarah sukuk certificates - VRR XXIV	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6-months T-Bills	6,000,000	-	6,000,000	-	-	-	-	-	-
GoP Ijarah sukuk certificates -	Semi-annually / At maturity	September 18,2024	September 18,2027	13.89%	15,000,000	-	-	15,000,000	15,495,056	15,372,000	(123,056)	7.70	12.38
GoP Ijarah sukuk certificates -	Semi-annually / At maturity	June 28,2024	June 28,2027	15.80%	6,500,000	-	-	6,500,000	6,787,085	6,748,950	(38,135)	3.38	5.43
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21,2024	October 21,2027	Weighted average 6-months T-Bills	23,000,000	-	-	23,000,000	23,108,146	22,816,000	(292,146)	11.42	18.37
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21,2024	October 21,2027	Weighted average 6-months T-Bills	10,000	-	-	10,000	10,047	9,920	(127)	0.00	0.01
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21,2024	October 21,2027	Weighted average 6-months T-Bills	5,000	-	-	5,000	5,000	4,960	(40)	0.00	0.00
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21,2024	October 21,2029	Weighted average 6-months T-Bills	14,000,000	-	-	14,000,000	14,198,901	13,846,000	(352,901)	6.93	11.15
Gop Ijarah Sukuk - 03 Years - Vrr (24-01-24)	Semi-annually / At maturity	January 24,2024	January 24,2027	Weighted average 6-months T-Bills	-	11,500,000	-	11,500,000	11,543,195	11,517,250	(25,945)	5.77	9.27
Total as at June 30, 2026									92,059,164	91,130,780	(928,384)	45.63	73.38
Total as at June 30, 2025									85,717,896	87,568,483	1,850,587	54.96	100.00

5.2.1.1 The nominal value of GoP ijarah sukuks listed on PSX is Rs 5,000 each.

5.2.2 Money Market Sub-Fund

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	Face Value				Balance as at June 2026			Market value as a percentage of	
					As at July 1,2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	net assets	total investments
					Rupees							%	
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	December 09, 2020	December 09, 2025	Weighted average 6-months T-Bills	6,500,000	-	6,500,000	-	-	-	-	0.00	0.00
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	December 04, 2023	December 4, 2026	Weighted average 6-months T-Bills	30,800,000	-	30,800,000	-	-	-	-	0.00	0.00
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	January 24,2024	January 24,2029	Weighted average 6-months T-Bills	2,005,000	10,000,000	-	12,005,000	12,228,649	12,189,877	(38,772)	1.90	4.84
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6-months T-Bills	6,000,000	-	6,000,000	-	-	-	-	0.00	0.00
GoP Ijarah sukuk certificates - FRR	Semi-annually / At maturity	September 18, 2024	September 18, 2027	Weighted average 6-months T-Bills	20,000,000	-	-	20,000,000	20,658,591	20,496,000	(162,591)	3.19	8.14
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21, 2024	October 21, 2027	Weighted average 6-months T-Bills	25,000,000	-	-	25,000,000	25,117,550	24,800,000	(317,550)	3.86	9.85
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	January 24,2024	January 24,2027	Weighted average 6-months T-Bills	17,000,000	-	-	17,000,000	17,085,514	17,025,500	(60,014)	2.65	6.76
GoP Ijarah sukuk certificates - FRR	Semi-annually / At maturity	October 21, 2024	October 21, 2029	Weighted average 6-months T-Bills	9,000,000	-	-	9,000,000	9,410,551	9,197,100	(213,451)	1.43	3.65
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	October 21, 2024	October 21, 2029	Weighted average 6-months T-Bills	36,000,000	-	-	36,000,000	36,511,461	35,604,000	(907,461)	5.54	14.15
GoP Ijarah sukuk certificates - VRR	Semi-annually / At maturity	January 24,2024	January 24,2027	Weighted average 6-months T-Bills	5,000	-	-	5,000	5,022	5,008	(14)	0.00	0.00
GoP Ijarah sukuk certificates - 01 year	Semi-annually / At maturity	October 21, 2024	October 21, 2025	Weighted average 6-months T-Bills	50,000,000	-	50,000,000	-	-	-	-	0.00	0.00
Gop Ijarah Sukuk - 05 Years - Vrr (18-09-24)	Semi-annually / At maturity	September 18, 2024	September 18, 2029	Weighted average 6-months T-Bills	-	25,000,000	-	25,000,000	25,344,889	25,000,000	(344,889)	3.89	9.93
GOP DISCOUNTED HYBRID SUKUK - 01 YEAR - (14-05-26)	Semi-annually / At maturity	May 14, 2026	May 13, 2027	Weighted average 6-months T-Bills	-	50,000,000	-	50,000,000	45,188,379	45,375,000	186,621	7.06	18.03
Total as at June 30, 2026									191,550,606	189,692,485	(1,858,121)	29.52	75.35
Total as at June 30, 2025									225,966,281	228,899,665	2,933,384	44.31	79.24

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5.3 Corporate sukuk certificates

5.3.1 Debt Sub-Fund

Name of the security	Maturity date	Profit Rate	Face Value				Balance as at June 2026			Market value as a percentage of	
			As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30,2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	net assets	total investments
			Rupees							%	
POWER GENERATION AND DISTRIBUTION											
Lucky Electric Power Company Limited - Sukuk -23 (Face value of 1,000,000 per certificate)	September 17,2026	Weighted average 6-months T-Bills	-	30,000,000	-	30,000,000	30,000,000	30,000,000	-	15.02	15.02
KE Retail sukuk(Rated,Unsec. & Retail shirkat-UI-Aqd) (Face value of 10,000 per certificate)	September 3,2026	Weighted average 6-months T-Bills	-	3,050,000	-	3,050,000	3,050,000	3,050,000	-	0.47	0.47
Total as at June 30, 2026							33,050,000	33,050,000	-	15.49	15.49
Total as at June 30, 2025							-	-	-	-	-

5.3.2 Money Market Sub-Fund

Name of the security	Maturity date	Profit Rate	Face Value				Balance as at June 2026			Market value as a percentage of	
			As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30,2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	net assets	total investments
			Rupees							%	
FERTILIZER											
Engro Fertilizers Limited - Sukuk Certificates (6TH Issue) (Face value of 1,000,000 per certificate)	November 1, 2025	Kibor + 0.25%	30,000,000	-	30,000,000	-	-	-	-	0.00	0.00
Engro Fertilizers Limited - Sukuk Certificates (7TH Issue) (Face value of 1,000,000 per certificate)	March 18, 2026	Kibor + 0.2%	-	30,000,000	30,000,000	-	-	-	-	0.00	0.00
POWER GENERATION AND DISTRIBUTION											
K-Electric Limited - Short Term Sukuk-32 (STS-32) (Face value of 1,000,000 per certificate)	December 27, 2025	Kibor + 0.25%	30,000,000	-	30,000,000	-	-	-	-	0.00	0.00
Lucky Electric Power Company Limited - Sukuk -23 (Face value of 1,000,000 per certificate)	July 09, 2026	11.93%	-	38,000,000	-	38,000,000	38,000,000	38,000,000	-	5.91	15.10
TECHNOLOGY AND COMMUNICATION						-					
Pakistan Telecommunicateion Company Ltd-Sukuk Cert-17 Issue (Face value of 1,000,000 per certificate)	September 17, 2026	11.42%	-	24,000,000	-	24,000,000	24,000,000	24,000,000	-	3.73	9.54
Consumer Electronics											
Digital World Pakistan (Private) Ltd. - Short Term Sukuk - 1 (Face value of 1,000,000 per certificate)	June 29, 2026	Weighted average 6-months T-Bills	-	30,000,000	30,000,000	-	-	-	-	0.00	0.00
TEXTILE COMPOSITE											
Mahmood Textile Mills Limited - Sukuk Certificate (Face value of 1,000,000 per certificate)	April 13, 2025	Weighted average 6-months T-Bills	-	50,000,000	50,000,000	-	-	-	-	0.00	0.00
Total as at June 30, 2026							62,000,000	62,000,000	-	9.64	24.64
Total as at June 30, 2025							60,000,000	60,000,000	-	11.62	20.76

5.3.3 Investments - Breach of prescribed limit in the offering document

As per schedule XIX of Non-Banking Finance Companies And Notified Entities Regulations, 2008 exposure of a CIS to any single entity shall not exceed an amount equal to fifteen per cent of total net assets of the CIS. As at June 30, 2026, the Fund held investment in corporate Sukuks - Lucky Electric Power Sukuk Co. Ltd Issue-23 that stood at 15.16% of the net assets of the Fund.

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

	Note	June 30, 2026				June 30, 2025			
		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	**216,824,208**	**91,130,780**	**251,692,485**	**559,647,473**	99,846,805	87,568,483	288,899,665	476,314,953
Less: carrying value of investments	5.1, 5.2 & 5.3	**195,821,299**	**92,059,164**	**253,550,606**	**541,431,069**	81,971,719	85,717,896	285,966,281	453,655,896
		21,002,909	**(928,384)**	**(1,858,121)**	**18,216,404**	17,875,086	1,850,587	2,933,384	22,659,057

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

Profit receivable on bank balances	6.1	**250,594**	**1,813,913**	**4,288,664**	**6,353,171**	324,507	2,513,879	5,527,159	8,365,545
Advance tax	6.2	**-**	**112,488**	**26,121**	**138,609**	-	112,488	26,121	138,609
Security deposit with Central depository Company of Pakistan Limited		**100,000**	**100,000**	**100,000**	**300,000**	100,000	100,000	100,000	300,000
Reimbursement from the Pension Fund Manager	6.3	**-**	**345,000**	**8,000**	**353,000**	-	345,000	8,000	353,000
Security deposit with NCCPL		**2,500,000**	**-**	**-**	**2,500,000**	1,000,000	-	-	1,000,000
Dividend receivable		**136,546**	**-**	**-**	**136,546**	758,899	-	-	758,899
Income receivable on GoP Ijara sukuk certificates		**-**	**3,297,464**	**4,354,500**	**7,651,964**	-	3,106,460	3,747,109	6,853,569
Income receivable from sukuk certificates		**-**	**1,038,623**	**2,728,017**	**3,766,640**	-	-	617,261	617,261
		2,987,140	**6,707,488**	**11,505,302**	**21,199,930**	2,183,406	6,177,827	10,025,650	18,386,883

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

6.1 These include profit receivable amounting to Rs. 0.25 million, Rs. 1.715 million, Rs. 4.24 million (2025: Rs. 0.248 million, Rs 2.399 million, Rs. 5.471 million) for the Equity Sub-Fund, the Debt Sub-Fund and the Money Market Sub-Fund respectively on bank balances held with Faysal Bank Limited, a related party.

6.2 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 sections 150 and 151, but withholding tax on profits from savings accounts, sukuk certificates, and dividends paid to the Fund has been deducted by withholding agents, based on FBR's interpretation (letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015), requiring withholding agents to withhold tax at applicable rates unless a valid exemption certificate under section 159(1) is provided, with tax withheld amounting to Rs. 138,609 (June 30, 2025: Rs. 138,609).

The Mutual Funds Association of Pakistan (MUFAP), representing various mutual funds (including those managed by the Management Company), filed a petition in the Sindh High Court (SHC) challenging the FBR's interpretation, but the SHC ruled in favor of the FBR. Subsequently, a petition was filed in the Supreme Court of Pakistan (SCP) by the Funds and other CISs, with the SCP granting leave to appeal the SHC's decision. Pending the resolution, the withheld tax on profit from savings accounts, corporate sukuk certificates, and commercial papers has been recorded as advance tax under "Advances, deposits and other receivables" as of June 30, 2026, as management believes the amount is likely to be refunded.

6.3 The Total Expense Ratio (TER) of the Debt and Money Market Fund shall be within the maximum limit of 2.5% and 2% as prescribed under the NBFC Regulations for a collective investment scheme. Hence, the Fund has recorded reimbursement from the Management Company to ensure compliance with the maximum limit of 2.5% and 2% for TER of the Fund.

		June 30, 2026				June 30, 2025			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
7 PRELIMINARY EXPENSES AND FLOATATION COSTS		Rupees				Rupees			
Preliminary expenses and floatation costs incurred		**14,911**	**15,664**	**15,099**	**45,674**	36,081	36,834	36,269	109,184
Less: Amortisation during the year	7.1	**14,911**	**15,664**	**15,099**	**45,674**	21,170	21,170	21,170	63,510
		-	**-**	**-**	**-**	14,911	15,664	15,099	45,674

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.

		June 30, 2026				June 30, 2025			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER		Rupees				Rupees			
Remuneration payable to the Pension Fund Manager	8.1	**242,432**	**200,536**	**503,688**	**946,656**	125,204	147,100	548,078	820,382
Sindh sales tax payable on remuneration of the Pension Fund Manager	8.2	**37,000**	**30,080**	**75,553**	**142,633**	18,781	22,065	82,212	123,058
Front end payable		**-**	**-**	**5,615**	**5,615**	-	-	55,741	55,741
Preliminary expenses and floatation costs payable		**21,545**	**21,545**	**21,545**	**64,635**	21,545	21,545	21,545	64,635
		300,977	**252,161**	**606,401**	**1,159,539**	165,530	190,710	707,576	1,063,816

8.1 During the year ended June 30, 2026, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1.5% to be calculated on a per annum basis of the average daily net assets, applicable to an Aggressive Fixed Income Scheme. This revision is effecitve from July 01, 2025.

	For the year June 30, 2026				For the year June 30, 2025		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	%				%		
From July 1, 2025 to June 30, 2026	**1.50**	**1.19**	**1.00**	From July 1, 2024 to June 30, 2025	1.00 - 1.50	0.05 - 1.19	0.05 - 1.4

The remuneration is payable to the Pension Fund Manager monthly in arrears.

8.2 During the year, an aggregate amount of Rs. 1.416 million (2025: Rs. 0.474 million) was charged on account of sales tax on the management fee levied through the Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%).

		June 30, 2026				June 30, 2025			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		Rupees				Rupees			
Trustee remuneration payable	9.1	**24,668**	**25,280**	**75,554**	**125,502**	12,520	18,542	58,723	89,785
Sindh sales tax payable on remuneration of the Trustee	9.2	**3,638**	**3,792**	**11,333**	**18,763**	1,878	2,781	8,808	13,467
		28,306	**29,072**	**86,887**	**144,265**	14,398	21,323	67,531	103,252

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 period 15% (2025: 15%) was charged on account of sales tax on remuneration of the Trustee 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, 2026

		Note	June 30, 2026				June 30, 2025			
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
			---------- Rupees ----------							
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN									
	Annual Fee payable	10.1	51,043	79,892	205,960	336,895	34,703	39,182	125,837	199,722

10.1 In accordance with the VPS Rules, each Sub-Fund is required to pay annual fee to the SECP at the rate of 0.04% (2025: 0.04%) of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
11	ACCRUED EXPENSES AND OTHER LIABILITIES	---------- Rupees ----------				---------- Rupees ----------			
	Auditors' remuneration payable	284,878	284,878	284,879	854,635	295,960	295,960	295,961	887,881
	Brokerage fee payable	23,792	-	5,581	29,373	19,509	-	2,501	22,010
	Legal and professional charges payable	253,857	309,686	299,865	863,408	253,962	309,791	299,970	863,723
	Shariah advisory fee payable	139,904	100,746	102,230	342,880	87,674	49,999	49,999	187,672
	Withholding tax payable	45,139	-	-	45,139	31,851	-	262	32,113
	Transaction charges payable	124,386	4,734	33,877	162,997	70,454	7,408	30,545	108,407
	Donation Payable	306,761	-	-	306,761	-	-	-	-
		1,178,717	700,044	726,432	2,605,193	759,410	663,158	679,238	2,101,806

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and as at June 30, 2025.

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.

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

14 EARNINGS PER UNIT

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

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
15	NUMBER OF UNITS IN ISSUE	----------Number of units in issue----------				----------Number of units in issue----------			
	Total units in issue at the beginning of the year	371,766	943,173	2,994,661	4,309,600	333,610	490,183	1,714,415	2,538,208
	Add: Issuance of units during the year	504,624	564,449	2,742,258	3,811,331	214,045	630,217	2,910,701	3,754,963
	Less: Units redeemed during the year	266,268	413,952	2,319,485	2,999,705	175,889	177,227	1,630,455	1,983,571
	Total units in issue at the end of the year	610,122	1,093,670	3,417,434	5,121,226	371,766	943,173	2,994,661	4,309,600

16 CONTRIBUTION TABLE

	June 30, 2026						June 30, 2025					
	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	318,652	110,514,686	564,449	99,390,189	2,741,139	495,898,692	-	-	-	-	-	-
Individuals	182,527	61,213,445	-	-	-		164,211	42,467,930	593,256	77,609,578	2,830,895	366,425,465
Associated company	3,445	1,321,133	-	-	1,119	205,741	49,834	10,473,792	36,961	5,541,256	79,806	12,574,658
	504,624	173,049,264	564,449	99,390,189	2,742,258	496,104,433	214,045	52,941,722	630,217	83,150,834	2,910,701	379,000,123

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
17	AUDITORS' REMUNERATION	---------- Rupees ----------				---------- Rupees ----------			
	Audit fee	202,951	202,951	202,951	608,853	137,269	137,269	137,269	411,807
	Review and other certifications	92,966	92,966	92,966	278,898	100,000	100,000	100,000	300,000
	Shariah Audit Fee	50,000	50,000	50,000	150,000	-	-	-	-
	Out of pocket expenses	20,703	20,703	20,703	62,109	41,100	41,100	41,100	123,300
		366,620	366,620	366,620	1,099,860	278,369	278,369	278,369	835,107
	Sales tax	29,330	29,330	29,330	87,990	22,270	22,270	22,270	66,810
		395,950	395,950	395,950	1,187,850	300,639	300,639	300,639	901,917

18 TOTAL EXPENSE RATIO

The total expense ratio of the fund as at June 30, 2026 based on the current year results is as follows:

Fund Name	Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
Equity Sub-Fund	1.190%	0.040%	0.150%	0.201%	0.269%	0.269%	0.007%	2.130%	1.930%
Debt Sub-Fund	1.500%	0.040%	0.150%	0.247%	1.045%	0.421%	0.252%	3.660%	3.410%
Money Market Sub-Fund	1.000%	0.040%	0.150%	0.173%	0.144%	0.104%	0.003%	1.610%	1.440%

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Faysal Asset Management Limited being the Pension Fund Manager, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Pension Fund Manager and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at year end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Transactions with connected persons / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons / related parties.

Remuneration to the Pension Fund Manager of the Fund is determined in accordance with the provisions of the VPS Rules.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

The details of transactions carried out by the Fund with connected persons and related parties during the year and balances with them as at year end are as follows:

19.1 Transactions during the year

	For the year ended June 30, 2026				For the period ended June 30, 2025			
	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 Company Limited - Pension Fund Manager								
Remuneration of the Pension Fund Manager	**1,914,127**	**2,376,774**	**5,148,984**	**9,439,885**	1,017,466	467,299	1,731,578	3,216,343
Sindh sales tax on remuneration of the Pension Fund Manager	**287,119**	**356,516**	**772,348**	**1,415,983**	144,401	70,095	259,737	474,233
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	**191,413**	**299,593**	**772,348**	**1,263,354**	130,135	155,539	471,149	756,823
Sindh sales tax on remuneration of the Trustee	**28,712**	**44,939**	**115,852**	**189,503**	27,869	23,157	70,685	121,711
Settlement charges	**27,465**	**7,365**	**8,856**	**43,686**	23,417	9,755	12,142	45,314
Faysal Bank Limited								
Profit on savings account	**379,434**	**9,954,812**	**24,042,579**	**34,376,825**	372,197	3,942,282	6,341,306	10,655,785
Bank charges	**11,532**	**5,108**	**5,543**	**22,183**	7,877	2,025	25	9,927
Faysal Asset Management Company								
Units issued: 44,544 units	**15,000,000**	**-**	**-**	**15,000,000**	52,401,090	-	-	52,401,090
Units redeemed: 209,894 units	**68,008,287**	**-**	**-**	**68,008,287**	87,401,090	-	-	87,401,090
Units issued: NIL units	-	-	-	-	-	45,645,810	-	45,645,810
Units redeemed: 138,488 units	**-**	**25,000,000**	**-**	**25,000,000**	-	45,645,810	-	45,645,810
Units issued: NIL units	-	-	-	-	-	-	95,105,493	95,105,493
Units redeemed: 134,754 units	**-**	**-**	**25,000,000**	**25,000,000**	-	-	95,105,493	95,105,493
Directors, their close family members and Key Management Personnel of the Management Company								
Units issued: 130,555 units (2025: Nil units)	**-**	**-**	**23,475,000**	**23,475,000**	-	-	-	-
Units redeemed: NIL units (2025: Nil units)	**-**	**-**	**-**	**-**	-	-	-	-
10% and Above								
Units Issued: 112,673 units (June 30, 2025: 37,234 units)	**35,177,386**	**-**	**-**	**35,177,386**	10,000,000	-	-	10,000,000
Units Redeemed: 102,660 units (2025: 188,940 units)	**35,600,818**	**-**	**-**	**35,600,818**	-	31,095,896	-	31,095,896
Units Issued: 163,461 units (June 30, 2025: NIL units)	**-**	**27,614,721**	**-**	**27,614,721**	-	-	-	-
Units Issued: 113,171 units (June 30, 2025: NIL units)	**-**	**-**	**20,400,000**	**20,400,000**	-	-	-	-

* Faysal Asset Management Limited also holds over 10% units as at 30 June 2026 (2025: Faysal Asset Management Limited)

19.2 Balances outstanding as at year end

	June 30, 2026				June 30, 2025			
	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 Company Limited - Pension Fund Manager								
Remuneration payable to the Pension Fund Manager	**242,432**	**200,536**	**503,688**	**946,656**	125,204	147,100	548,078	820,382
Sindh sales tax payable on remuneration of the Pension Fund Manager	**37,000**	**30,080**	**75,553**	**142,633**	18,781	22,065	82,212	123,058
Preliminary expenses and floatation costs payable	**21,545**	**21,545**	**21,545**	**64,635**	21,545	21,545	21,545	64,635
Front end payable	**-**	**-**	**5,615**	**5,615**	-	-	55,741	55,741
Outstanding NIL units (2025: 165,350 units)	-	-	-	-	83,221,860	-	-	83,221,860
Outstanding 161,512 units (2025: 300,000 units)	**-**	**29,495,499**	**-**	**29,495,499**	-	50,681,340	-	50,681,340
Outstanding 165,246 units (2025: 300,000 units)	**-**	**-**	**31,079,666**	**31,079,666**	-	-	51,763,500	51,763,500
Central Depository Company of Pakistan Limited - Trustee								
Trustee remuneration payable	**24,668**	**25,280**	**75,554**	**125,502**	12,520	18,542	58,723	89,785
Sindh sales tax payable on remuneration of the Trustee	**3,638**	**3,792**	**11,333**	**18,763**	1,878	2,781	8,808	13,467
Security deposit	**100,000**	**100,000**	**100,000**	**300,000**	100,000	100,000	100,000	300,000
Faysal Bank Limited								
Balance with bank	**6,232,845**	**69,034,619**	**380,759,152**	**456,026,616**	1,961,390	67,289,718	222,432,003	291,683,111
Profit receivable on savings account	**250,594**	**1,715,165**	**4,241,775**	**6,207,534**	247,688	2,399,062	5,470,613	8,117,363
Directors, their close family members and Key Management Personnel of the Management Company								
Units outstanding: 407,936 units (2025: Nil unit)	**-**	**-**	**76,725,092**	**76,725,092**	-	-	-	-
10% and Above								
Outstanding Units: 125,458 units (June 30, 2025:37,234 units)	**46,676,197**	**-**	**-**	**46,676,197**	10,326,824	-	-	10,326,824
Outstanding Units: 163,461 units (June 30, 2025: 188,490 units	**-**	**29,851,428**	**-**	**29,851,428**	-	31,914,876	-	31,914,876
Outstanding Units: 359,534units (June 30, 2025: NIL units)	**-**	**-**	**67,621,586**	**67,621,586**				

* Faysal Asset Management Limited also holds over 10% units as at 30 June 2026 (2025: Faysal Asset Management Limited)

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

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20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026									
	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	7,623,182	-	7,623,182	69,900,144	-	69,900,144	381,736,618	-	381,736,618	459,259,944
Investments	-	216,824,208	216,824,208	-	124,180,780	124,180,780	-	251,692,485	251,692,485	592,697,473
Advances, deposits and other receivable	2,987,140	-	2,987,140	6,595,000	-	6,595,000	11,479,181	-	11,479,181	21,061,321
Receivable against sale of investment	1,118,101	-	1,118,101	-	-	-	-	-	-	1,118,101
	11,728,423	216,824,208	228,552,631	76,495,144	124,180,780	200,675,924	393,215,799	251,692,485	644,908,284	1,074,136,839
Financial liabilities										
Payable to Faysal Asset Management Limited - Pension Fund Manager	263,977	-	263,977	222,081	-	222,081	530,848	-	530,848	1,016,906
Payable to Central Depository Company of Pakistan Limited - Trustee	24,668	-	24,668	25,280	-	25,280	75,554	-	75,554	125,502
Payable against redemption of units	-	-	-	-	-	-	553,728	-	553,728	553,728
Accrued expenses and other liabilities	1,133,578	-	1,133,578	700,044	-	700,044	726,432	-	726,432	2,560,054
	1,422,223	-	1,422,223	947,405	-	947,405	1,886,562	-	1,886,562	4,256,190

Particulars	June 30, 2025									
	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	2,059,164	-	2,059,164	67,354,889	-	67,354,889	222,470,215	-	222,470,215	291,884,268
Investments	-	99,846,805	99,846,805	-	87,568,483	87,568,483	-	288,899,665	288,899,665	476,314,953
Advances, deposits and other receivable	2,183,406	-	2,183,406	6,065,339	-	6,065,339	9,999,529	-	9,999,529	18,248,274
	4,242,570	99,846,805	104,089,375	73,420,228	87,568,483	160,988,711	232,469,744	288,899,665	521,369,409	786,447,495
Financial liabilities										
Payable to Faysal Asset Management Limited - Pension Fund Manager	146,749	-	146,749	168,645	-	168,645	625,364	-	625,364	940,758
Payable to Central Depository Company of Pakistan Limited - Trustee	24,668	-	24,668	25,280	-	25,280	58,723	-	58,723	108,671
Payable against redemption of units	-	-	-	865,013	-	865,013	3,116,698	-	3,116,698	3,981,711
Accrued expenses and other liabilities	727,559	-	727,559	663,158	-	663,158	678,976	-	678,976	2,069,693
	898,976	-	898,976	1,722,096	-	1,722,096	4,479,761	-	4,479,761	7,100,833

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of participants' 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.

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.

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 and regulations laid down by the SECP.

Market risk comprises of three types of risk: currency risk, yield / profit rate 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 interest rates. As of June 30, 2026, the Fund is exposed to such risk on balances with banks and investments in GoP ijarah sukuk certificates and short term sukuks. 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 GoP ijarah sukuk certificates, balances with banks and short term sukuks which expose the Fund to cash flow 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 Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs. 0.06 million, Rs. 1.93 million and Rs. 6.30 million (2025: Rs. 0.01 million, Rs. 1.54 million and Rs. 5.03 million) respectively.

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, 2026 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.

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The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

Faysal Islamic Pension Fund - Equity Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5% -12.5%	7,623,182	-	-	-	7,623,182
Investments		-	-	-	216,824,208	216,824,208
Advances, deposits and other receivable		-	-	-	2,987,140	2,987,140
Receivable against sale of investment		-	-	-	1,118,101	1,118,101
		7,623,182	-	-	220,929,449	228,552,631
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	263,977	263,977
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	24,668	24,668
Accrued expenses and other liabilities		-	-	-	1,133,578	1,133,578
		-	-	-	1,422,223	1,422,223
On-balance sheet gap		7,623,182	-	-	219,507,226	227,130,408
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		7,623,182	-	-		
Cumulative interest rate sensitivity gap		7,623,182	7,623,182	7,623,182		

		June 30, 2025				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5%-11.75%	2,059,164	-	-	-	2,059,164
Investments		-	-	-	99,846,805	99,846,805
Advances, deposits and other receivable		-	-	-	2,183,406	2,183,406
		-	-	-	-	-
		2,059,164	-	-	102,030,211	104,089,375
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	146,749	146,749
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	24,668	24,668
Accrued expenses and other liabilities		-	-	-	727,559	727,559
		-	-	-	907,487	898,976
On-balance sheet gap		2,059,164	-	-	101,122,724	103,190,399
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap			-	-		
Total interest rate sensitivity gap		2,059,164	-	-		
Cumulative interest rate sensitivity gap		2,059,164	2,059,164	2,059,164		

Faysal Islamic Pension Fund - Debt Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5% -12.5%	69,900,144	-	-	-	69,900,144
Investments	11.93% - 15.8%	-	-	124,180,780	-	124,180,780
Advances, deposits and other receivable		-	-	-	6,595,000	6,595,000
		69,900,144	-	124,180,780	6,595,000	200,675,924
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	222,081	222,081
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	25,280	25,280
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	700,044	700,044
		-	-	-	947,405	947,405
On-balance sheet gap		69,900,144	-	124,180,780	5,647,595	199,728,519
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		69,900,144	-	124,180,780		
Cumulative interest rate sensitivity gap		69,900,144	69,900,144	194,080,924		

		June 30, 2025				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5%-11.75%	67,354,889	-	-	-	67,354,889
Investments	11.55%-15.8%	-	6,060,000	81,508,483	-	87,568,483
Advances, deposits and other receivable		-	-	-	6,065,339	6,065,339
		67,354,889	6,060,000	81,508,483	6,065,339	160,988,711
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	168,645	168,645
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	25,280	25,280
Payable against redemption of units		-	-	-	865,013	865,013
Accrued expenses and other liabilities		-	-	-	663,158	663,158
		-	-	-	1,722,096	1,722,096
On-balance sheet gap		67,354,889	6,060,000	81,508,483	4,343,243	159,266,615
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		67,354,889	6,060,000	81,508,483		
Cumulative interest rate sensitivity gap		67,354,889	73,414,889	154,923,372		

Faysal Islamic Pension Fund - Money Market Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5% -12.5%	381,736,618	-	-	-	381,736,618
Investments	10.21% - 13.89%	-	62,405,508	189,286,977	-	251,692,485
Advances, deposits and other receivable		-	-	-	11,479,181	11,479,181
		381,736,618	62,405,508	189,286,977	11,479,181	644,908,284
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	530,848	530,848
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	75,554	75,554
Payable against redemption of units		-	-	-	553,728	553,728
Accrued expenses and other liabilities		-	-	-	726,432	726,432
		-	-	-	1,886,562	1,886,562
On-balance sheet gap		381,736,618	62,405,508	189,286,977	9,592,619	643,021,722
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		381,736,618	62,405,508	189,286,977		
Cumulative interest rate sensitivity gap		381,736,618	444,142,126	633,429,103		

		June 30, 2025				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	5%-11.75%	222,470,215	-	-	-	222,470,215
Investments	10.8%-13.89%	-	115,090,800	173,808,865	-	288,899,665
Advances, deposits and other receivable		-	-	-	9,999,529	9,999,529
		222,470,215	115,090,800	173,808,865	9,999,529	521,369,409
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	625,364	625,364
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	58,723	58,723
Payable against redemption of units		-	-	-	3,116,698	3,116,698
Accrued expenses and other liabilities		-	-	-	678,976	678,976
		-	-	-	4,570,781	4,479,761
On-balance sheet gap		222,470,215	115,090,800	173,808,865	5,428,748	516,889,648
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		222,470,215	115,090,800	173,808,865		
Cumulative interest rate sensitivity gap		222,470,215	337,561,015	511,369,880		

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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.

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 VPS Rules, 2005.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2026, with all other variables held constant, the total comprehensive income / loss of the Equity Sub-Fund for the year would increase / decrease by Rs 2.17 million (2025: 1 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 KMI All Share Index having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

21.2 Liquidity risk

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

The Fund is exposed to 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 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 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 ended June 30, 2026.

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 Islamic Pension Fund - Equity Sub-Fund

	June 30, 2026							June 30, 2025						
	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	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							Rupees						
Financial assets														
Balances with banks	7,623,182	-	-	-	-	-	7,623,182	2,059,164	-	-	-	-	-	2,059,164
Investments	-	-	-	-	-	216,824,208	216,824,208	-	-	-	-	-	99,846,805	99,846,805
Receivable against sale of investment	1,118,101	-	-	-	-	-	1,118,101	-	-	-	-	-	-	-
Advances, deposits and other receivable	387,140	-	-	-	-	2,600,000	2,987,140	1,083,406	-	-	-	-	1,100,000	2,183,406
	9,128,423	-	-	-	-	219,424,208	228,552,631	3,142,570	-	-	-	-	100,946,805	104,089,375
Financial liabilities														
Payable to Faysal Asset Management Limited - Pension Fund Manager	263,977	-	-	-	-	-	263,977	146,749	-	-	-	-	-	146,749
Payable to Central Depository Company of Pakistan - Trustee	24,668	-	-	-	-	-	24,668	24,668	-	-	-	-	-	24,668
Accrued expenses and other liabilities	708,796	284,878	139,904	-	-	-	1,133,578	343,925	295,960	87,674	-	-	-	727,559
	997,441	284,878	139,904	-	-	-	1,422,223	523,853	295,960	87,674	-	-	-	898,976
Net financial assets / (liability)	8,130,982	(284,878)	(139,904)	-	-	219,424,208	227,130,408	2,618,717	(295,960)	(87,674)	-	-	100,946,805	103,190,399

Faysal Islamic Pension Fund - Debt Sub-Fund

	June 30, 2026							June 30, 2025						
	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	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							Rupees						
Financial assets														
Balances with banks	69,900,144	-	-	-	-	-	69,900,144	67,354,889	-	-	-	-	-	67,354,889
Investments	-	-	-	124,180,780	-	-	124,180,780	-	-	6,060,000	81,508,483	-	-	87,568,483
Advances, deposits and other receivable	6,495,000	-	-	-	-	100,000	6,595,000	5,965,339	-	-	-	-	100,000	6,065,339
	76,395,144	-	-	124,180,780	-	100,000	200,675,924	73,320,228	-	6,060,000	81,508,483	-	100,000	160,988,711
Financial liabilities														
Payable to Faysal Asset Management Limited - Pension Fund Manager	222,081	-	-	-	-	-	222,081	168,645	-	-	-	-	-	168,645
Payable to Central Depository Company of Pakistan - Trustee	25,280	-	-	-	-	-	25,280	25,280	-	-	-	-	-	25,280
Payable against redemption of units	-	-	-	-	-	-	-	865,013	-	-	-	-	-	865,013
Accrued expenses and other liabilities	314,420	284,878	100,746	-	-	-	700,044	317,199	295,960	49,999	-	-	-	663,158
	561,781	284,878	100,746	-	-	-	947,405	1,394,245	295,960	49,999	-	-	-	1,722,096
Net financial assets / (liability)	75,833,363	(284,878)	(100,746)	124,180,780	-	100,000	199,728,519	71,925,983	(295,960)	6,010,001	81,508,483	-	100,000	159,266,615

Faysal Islamic Pension Fund - Money Market Sub-Fund

	June 30, 2026							June 30, 2025						
	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	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							Rupees						
Financial assets														
Balances with banks	381,736,618	-	-	-	-	-	381,736,618	222,470,215	-	-	-	-	-	222,470,215
Investments	38,000,000	24,000,000	62,405,508	127,286,977	-	-	251,692,485	-	24,847,500	115,090,800	148,961,365	-	-	288,899,665
Advances, deposits and other receivable	11,379,181	-	-	-	-	100,000	11,479,181	9,899,529	-	-	-	-	100,000	9,999,529
	431,115,799	24,000,000	62,405,508	127,286,977	-	100,000	644,908,284	232,369,744	24,847,500	115,090,800	148,961,365	-	100,000	521,369,409
Financial liabilities														
Payable to Faysal Asset Management Limited - Pension Fund Manager	530,848	-	-	-	-	-	530,848	625,364	-	-	-	-	-	625,364
Payable to Central Depository Company of Pakistan - Trustee	75,554	-	-	-	-	-	75,554	58,723	-	-	-	-	-	58,723
Payable against redemption of units	553,728	-	-	-	-	-	553,728	3,116,698	-	-	-	-	-	3,116,698
Accrued expenses and other liabilities	339,323	284,879	102,230	-	-	-	726,432	333,016	295,961	49,999	-	-	-	678,976
	1,499,453	284,879	102,230	-	-	-	1,886,562	4,224,821	295,961	49,999	-	-	-	4,479,761
Net financial assets / (liability)	429,616,346	23,715,121	62,303,278	127,286,977	-	100,000	643,021,722	228,144,923	24,551,539	115,040,801	148,961,365	-	100,000	516,889,648

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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:

	June 30, 2026 Equity Sub-Fund		June 30, 2026 Debt Sub-Fund		June 30, 2026 Money Market Sub-Fund		June 30, 2025 Equity Sub-Fund		June 30, 2025 Debt Sub-Fund		June 30, 2025 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	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	7,623,182	7,623,182	69,900,144	69,900,144	381,736,618	381,736,618	2,059,164	2,059,164	67,354,889	67,354,889	222,470,215	222,470,215
Investments	216,824,208	-	124,180,780	33,050,000	251,692,485	62,000,000	99,846,805	-	87,568,483	-	288,899,665	60,000,000
Receivable against sale of investment	1,118,101	1,118,101	-	-	-	-	-	-	-	-	-	-
Advances, deposits and other receivable	2,987,140	2,987,140	6,707,488	6,595,000	11,505,302	11,479,181	2,183,406	2,183,406	6,177,827	6,065,339	10,025,650	9,999,529
	228,552,631	11,728,423	200,788,412	109,545,144	644,934,405	455,215,799	104,089,375	4,242,570	160,988,711	73,420,228	521,369,409	292,469,744

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets other than investment in government securities and profit receivable on government securities, and equity investments 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 guidlines approved by the investment committee.

21.3.2 Credit quality of financial assets

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

Rating	Rating agency	June 30, 2026 % of financial assets exposed to credit risk			June 30, 2025 % of 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
		%			%		
Bank balances and profit accrued thereon							
AA+		**4.15%**	**64.54%**	**84.57%**	0.00%	0.00%	0.00%
AA		**0.83%**	**0.15%**	**0.02%**	19.80%	41.84%	42.67%
Corporate sukuk certificates and profit accrued thereon							
AA			**2.93%**				
A1+		-	**28.98%**	**14.33%**	-	-	1.15%

Deposit with CDC and NCCPL is highly rated and risk of default is considered minimal.

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.

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, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

	June 30, 2026				June 30, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees				Rupees			
Equity Sub-Fund								
Tradable Financial Asset At fair value through profit or loss								
Listed equity securities	**216,824,208**	-	-	**216,824,208**	99,846,805	-	-	99,846,805
Debt Sub-Fund								
Tradable Financial Asset At fair value through profit or loss								
GoP Ijarah sukuk certificates*	**91,130,780**	-	-	**91,130,780**	6,060,000	81,508,483	-	87,568,483
Money Market Sub-Fund								
Tradable Financial Asset At fair value through profit or loss								
GoP Ijarah sukuk certificates*	**189,692,485**	-	-	**189,692,485**	43,571,760	185,327,905	-	228,899,665

* GOP Ijara sukuk certificates stated in Level 1 are traded and quoted on PSX.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2026

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.

Valuation techniques used in determination of fair value of unquoted GoP Ijarah sukuk certificates is explained in Note 22.1.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

22.1 Valuation techniques used in determination of fair values within level 2

Fair values of investment in GoP Ijarah sukuk certificates are measured on the basis of PKISRV, which are average yield-to-maturity calculated on government securities traded in the secondary market, essentially representing the market value of at the end of each trading day.

23 PARTICIPANTS' SUB FUND RISK MANAGEMENT

The Participants' 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.

24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Equity Sub - Fund

Name of Broker	2026	2025
	Percentage of commission paid	
BMA Capital Management Limited	**0.00%**	7.00%
Akik Capital (Private) Limited	**0.00%**	8.00%
DJM Securities (Private) Limited	**8.61%**	15.00%
JS Global Capital Limited	**17.69%**	6.00%
Summit Capital (Private) Limited	**0.00%**	3.00%
Darson Securities (Private) Limited	**0.00%**	6.00%
Arif Habib Limited	**0.00%**	5.00%
Next Capital Limited	**0.00%**	32.00%
Insight Securities (Private) Limited	**10.58%**	8.00%
Ismail Iqbal Securities (Pvt) Ltd	**0.00%**	4.00%
Spectrum Securities Limited	**6.93%**	0.00%
Alfalah Securities (Private) Limited	**0.00%**	2.00%
Taurus Securities Limited	**12.04%**	2.00%
EFG Hermes Pakistan Limited	**10.34%**	2.00%
Topline Securities Limited	**14.05%**	0.00%
Sherman Securities (Private) Limited	**4.57%**	0.00%
Chase Securities Pakistan (Private) Limited	**3.71%**	0.00%
Multiline Securities Limited	**11.48%**	0.00%
	100.00%	100.00%

Debt Sub - Fund

Name of Broker	2026	2025
	Percentage of commission paid	
JS Global Capital Limited	**64.46%**	75.84%
Arif Habib Limited	**17.77%**	19.62%
Next Capital Limited	**0.00%**	4.55%
Currency Markets Associates (Pvt) Limited	**17.77%**	-
	100%	100%

Money Market Sub - Fund

Name of Broker	2026	2025
	Percentage of commission paid	
Arif Habib Limited	**13.51%**	11.79%
Bright Capital (Pvt.) Limited	**0.00%**	33.94%
JS Global Capital Limited	**36.10%**	54.28%
Icon Management (Private) Limited	**41.61%**	0%
Currency Markets Associates (Pvt) Limited	**8.78%**	0%
	100%	100%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Nadir Rahman	Chief Executive Officer	Bs Economics	34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	26 Years
Mr. Salman Muslim	Chief Financial Officer & Company Secretary	FCA	19 Years
Mr. Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	17 Years
Ms. Sarah Rehman	Head of Research	MBA,CFA	9 Years
Mr. Syed Noman Ahmed	Head of Equity	MBA	15 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	10 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Noman Ahmed	Head of Equity	MBA	Faysal Islamic Dedicated Equity Fund, Faysal Islamic Stock Fund, Faysal Islamic Stock Fund-II, Faysal Islamic Asset Allocation Fund - II

28 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

29 GENERAL

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

29.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

	FIPF MONEY MARKET					FIPF EQUITY					FIPF DEBT SUB FUND				
	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
(i) PERFORMANCE TABLE															
Net assets	642,754,997	516,713,749	255,250,731	97,334,347	37,520,000	226,993,588	103,130,246	57,871,383	29,542,545	30,140,000	199,727,243	159,337,477	71,664,060	48,381,454	35,420,000
Net assets value per unit	188.0812	172.5450	148.8850	121.8400	105.1200	372.0464	277.4062	173.4701	91.4800	96.4600	182.6211	168.9378	146.1985	121.0400	105.0000
Offer price per unit	194.5700	178.4978	153.9323	125.9749	-	384.8820	286.9767	179.3508	94.5765	0.0000	188.9215	174.7662	151.1547	125.1400	104.9418
Repurchase price per unit	188.0812	172.5450	148.8850	121.8443	-	372.0464	277.4062	173.4701	91.4754	0.0000	182.6211	168.9378	146.1985	121.0368	104.9418
Highest offer price per unit	194.5700	179.4017	153.9323	125.9749	104.8581	386.7914	287.0227	180.6797	102.4406	105.8774	188.9215	174.7661	172.332	125.1400	104.9418
Highest repurchase price per unit	188.0812	173.4187	148.8850	121.8443	104.8581	373.8921	277.4507	174.7554	102.4406	105.8774	182.6211	168.9378	178.1741	121.0368	104.9418
Lowest offer price per unit	193.0354	154.0875	-	-	-	357.9134	171.6975	-	0	0	187.7337	151.3170	-	0	0
Lowest repurchase price per unit	186.5978	148.9487	-	-	-	345.9772	165.9714	-	0	0	181.4729	146.2706	-	0	0
Total return:	9.00%	15.91%	22.13%	15.89%	6.75%	34.12%	50.92%	89.64%	-5.17%	-3.65%	8.10%	15.27%	20.73%	15.55%	6.71%
- capital growth	9.00%	15.91%	22.13%	15.89%	6.75%	34.12%	50.92%	89.64%	-5.17%	-3.65%	8.10%	15.27%	20.73%	15.55%	6.71%
- income distribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average annual return: (Launch date: October 05, 2021)															
- one year	9.00%	15.91%	22.13%	15.89%	6.75%	34.12%	50.92%	89.64%	-5.17%	-3.65%	8.10%	15.27%	20.73%	15.55%	6.71%
- two years	12.46%	19.02%	14.92%	11.32%	N/A	42.52%	70.28%	42.24%	-4.41%	N/A	11.69%	18.00%	18.14%	11.13%	N/A
- three years	15.68%	15.17%	14.92%	N/A	N/A	58.23%	45.13%	26.94%	N/A	N/A	14.70%	17.18%	14.33%	N/A	N/A
Four Years	13.94%	15.17%	N/A	N/A	N/A	42.38%	32.94%	N/A	N/A.	N/A	14.91%	14.57%	N/A	N/A	N/A
Five Years	13.94%	N/A	N/A		N/A	33.17%	N/A	N/A	N/A	N/A	13.27%	14.57%	N/A	N/A	N/A
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%	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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Excellent Management Quality

Faysal Islamic Punjab Pension Fund

Financial Statements
For The Period Ended June 30, 2026



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Faysal Islamic Punjab Pension Fund

For The Period Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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

The objective of the Fund is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Voluntary Pension Scheme
Risk Profile	Low to High (As per Allocation Scheme)
Launch Date	December 16, 2025
Custodian/Trustee	CDC
Auditor	E.Y Ford Rhodes
Management Fee Debt	Upto 0.75% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Management Fee Money market	Upto 0.75% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.30%)
Management Fee Index Equity	Upto 1.00% of Average Annual N.A. (Actual Rate of Management Fee Charged is 0.00%)
Management Fee Equity	Upto 1.75% 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 0% 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	AM1 (VIS) September 10, 2024
NAV per Unit (PKR) Debt Sub fund	104.79
Net Assets (mn) Debt Sub fund	0.52
NAV per Unit (PKR) Equity Sub fund	105.71
Net Assets (mn) Equity Sub fund	0.53
NAV per Unit (PKR) Money market Sub fund	104.72
Net Assets (mn) Money market Sub fund	0.52
NAV per Unit (PKR) Index equity Sub fund	104.80
Net Assets (mn) Index equity Sub fund	0.52
Total Expense Ratio Debt sub fund (Annualized)	0.00%
Total Expense Ratio Debt sub fund (Monthly)	0.00%
Total Expense Ratio Equity sub fund (Annualized)	0.00%
Total Expense Ratio Equity sub fund (Monthly)	0.00%
Total Expense Ratio Money Market sub fund (Annualized)	0.00%
Total Expense Ratio Money Market sub fund (Monthly)	0.69%
Total Expense Ratio Index Equity sub fund (Annualized)	0.00%
Total Expense Ratio Index Equity sub fund (Monthly)	0.00%

* weighted average of 6M KIBOR & percentage invested in equities

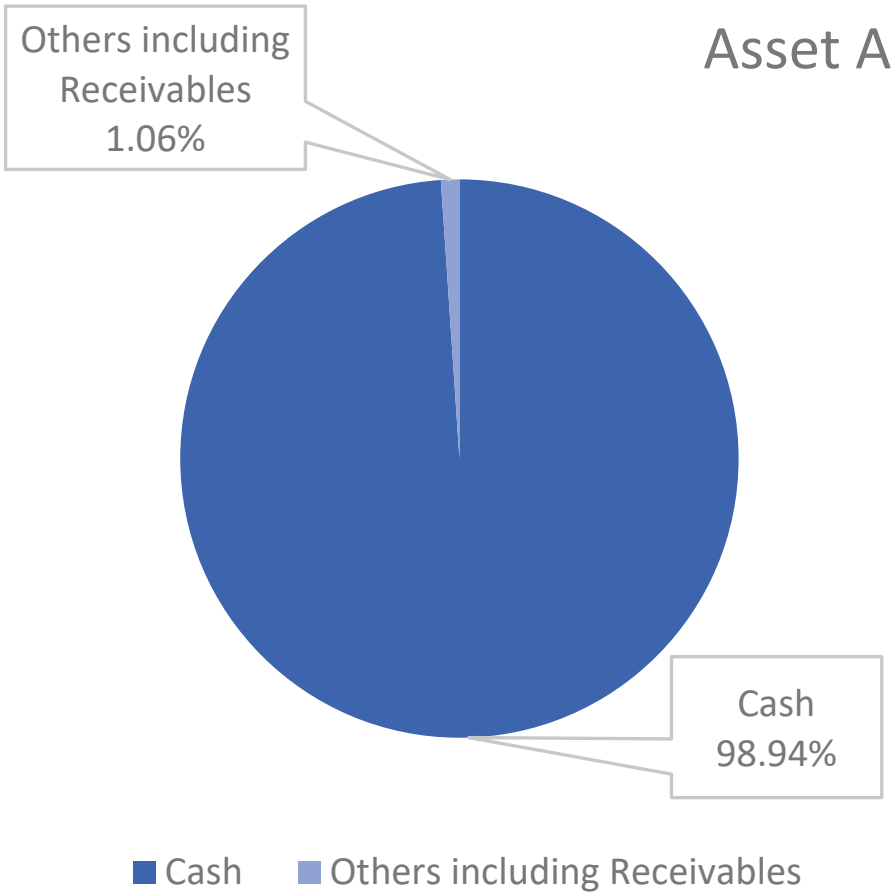
Fund Returns (% p.a) Debt sub fund		
	FY26	
FY26 to Date	8.91%	
Month on Month	48.91%	
1 Year Trailing	N/A	
Since Inception	8.91%	

Fund Returns (% p.a) Equity sub fund		
	FY26	
FY26 to Date	5.71%	
Month on Month	3.99%	
1 year Trailing	N/A	
Since Inception	5.71%	

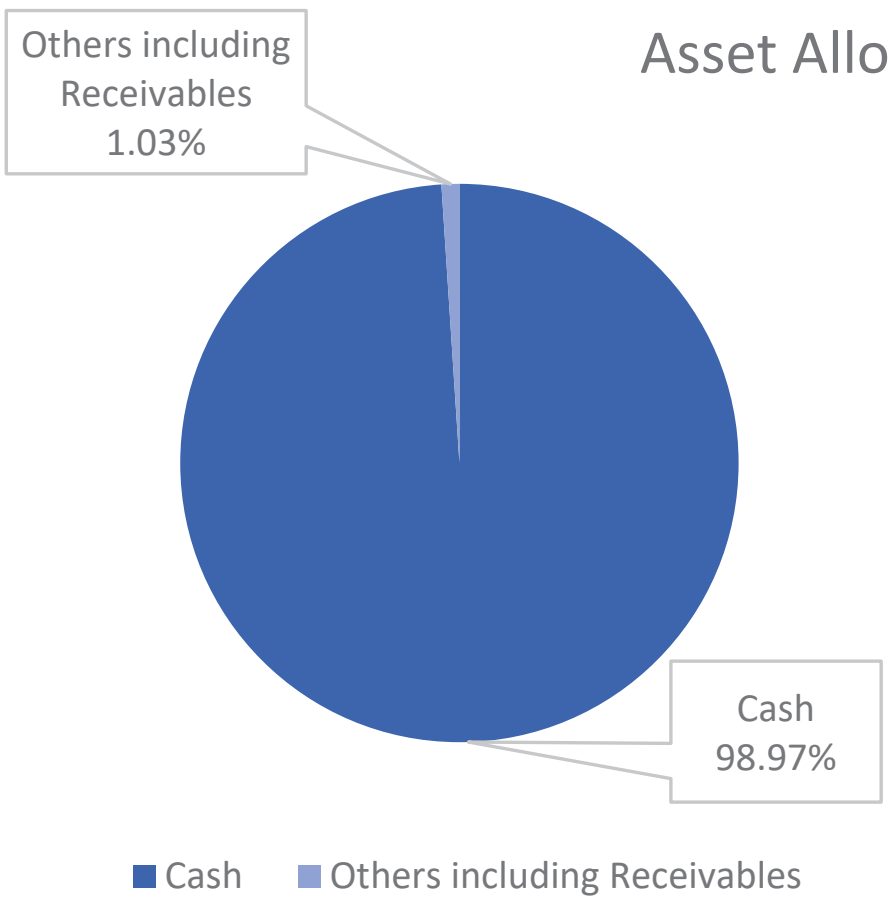
Fund Returns (% p.a) Money market sub fund		
	FY26	
FY26 to Date	0.04%	
Month on Month	11.58%	
1 year Trailing	N/A	
Since Inception	0.04%	

Fund Returns (% p.a) Index Equity sub fund		
	FY26	
FY26 to Date	4.80%	
Month on Month	4.03%	
1 year Trailing	N/A	
Since Inception	4.80%	

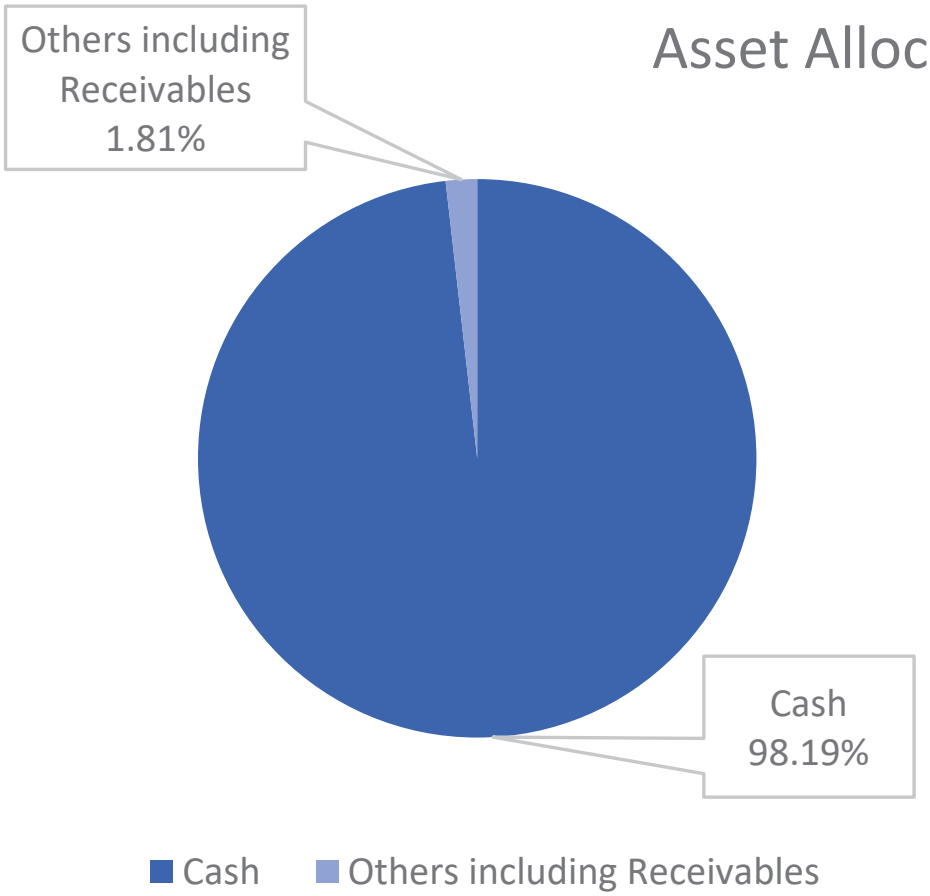
Asset Allocation - DSF



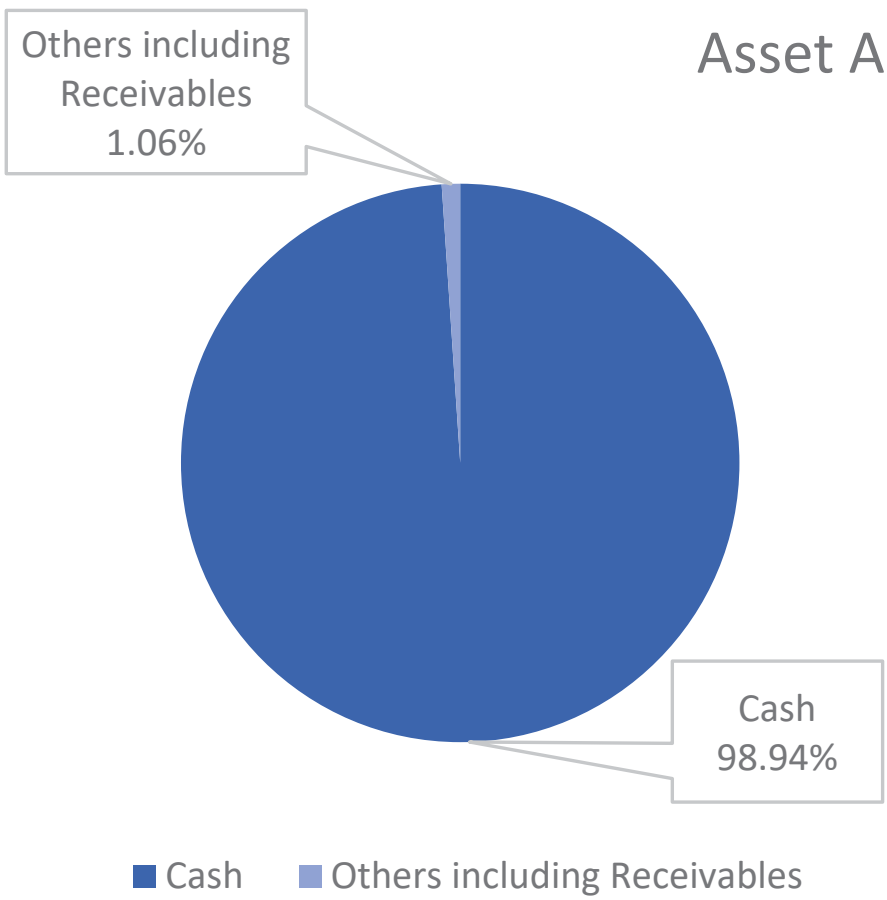
Asset Allocation - Equity



Asset Allocation - MMSF



Asset Allocation - IESF



FUND PERFORMANCE

In FY26TD, Faysal Islamic Punjab Pension Fund Debt Sub Fund posted an annualized return of 8.91%. Faysal Islamic Punjab Pension Fund Debt Sub Fund allocations stood in Cash (98.94%) and Others (1.06%). Faysal Islamic Punjab Pension Fund Money Market Sub Fund posted an annualized return of 0.04%. Faysal Islamic Punjab Pension Fund Money Market Sub Fund allocations stood in Cash (98.19%) and Others (1.81%). Faysal Islamic Punjab Pension Fund Equity Sub Fund posted an absolute return of 5.71%, with allocations in Cash (98.97%) and Others (1.03%). Faysal Islamic Punjab Pension Fund Index Equity Sub Fund posted an absolute return of 4.80%, with allocations in Cash (98.94%) and Others (1.06%).

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Punjab Pension Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Punjab Pension Fund (FIPPF)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FIPPF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FIPPF** by FAML Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Punjab Pension Fund (FIPPF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Punjab Pension Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following:

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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INDEPENDENT AUDITORS' REPORT

To the participants of Faysal Islamic Punjab Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Punjab Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, and the income statement, statement of comprehensive income, statement of movement in participants' sub-funds and cash flow statement for the Period then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, and of its financial performance and its cash flows for the Period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) the financial statements prepared for the period June 30, 2026 have been properly prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;

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b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;

c) a true and fair view is given of the disposition of the pension fund at the end of the period and of the transactions of the pension fund of the period then ended; and

d) the cost and expenses debited to the Fund are as specified in the constitutive documents of the Fund.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR2026100769wX5P7e0V

Statement of Assets and Liabilities

As at June 30, 2026

	Note	June 30, 2026				
		Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Assets						
Balances with banks	4	518,371	523,078	514,449	518,462	2,074,360
Advances, deposits and other receivables	5	5,562	5,450	9,487	5,562	26,061
Total assets		523,933	528,528	523,936	524,024	2,100,421
Liabilities						
Payable to Faysal Asset Management Limited - Management Company	6	-	-	147	-	147
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	74	-	74
Payable to the Securities and Exchange Commission of Pakistan	8	-	-	110	-	110
Total liabilities		-	-	331	-	331
Net assets		523,933	528,528	523,605	524,024	2,100,090
Participants' sub-funds (as per statement attached)		523,933	528,528	523,605	524,024	2,100,090
Contingencies and commitments	9					
		Number of units				
Number of units in issue	11	5,000	5,000	5,000	5,000	
		Rupees				
Net asset value per unit		104.7867	105.7057	104.7211	104.8048	

The annexed notes from 1 to 24 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 Period Ended June 30, 2026

	Note	For the period from December 16, 2025 to June 30, 2026				
		Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Income						
Profit on balances with banks		31,041	31,116	30,565	31,132	123,854
Total income		31,041	31,116	30,565	31,132	123,854
Expenses						
Remuneration of Faysal Asset Management Limited - Management Company	6.1	-	-	826	-	826
Sindh Sales Tax on remuneration of the Management Company	6.2	-	-	124	-	124
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	-	-	413	-	413
Sindh Sales Tax on Remuneration of Trustee	7.2	-	-	62	-	62
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	-	-	110	-	110
Bank charges		7,108	2,588	5,425	7,108	22,229
Total expenses		7,108	2,588	6,960	7,108	23,764
Net income for the period before taxation		23,933	28,528	23,605	24,024	100,090
Taxation		-	-	-	-	-
Net income for the period after taxation		23,933	28,528	23,605	24,024	100,090
Earnings per unit	10					

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Islamic Punjab Pension Fund

Statement of Comprehensive Income

For The Period Ended June 30, 2026

	For the period from December 16, 2025 to June 30, 2026				
	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	---------- Rupees ----------				
Net income for the period after taxation	23,933	28,528	23,605	24,024	100,090
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	23,933	28,528	23,605	24,024	100,090

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer | **Chief Executive Officer** | **Director**

Faysal Islamic Punjab Pension Fund

Statement of Movement in Participants' Sub-funds

For The Period Ended June 30, 2026

	Note	For the period from December 16, 2025 to June 30, 2026				
		Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
Net assets at the beginning of the period		-	-	-	-	-
Amount received on issuance of units	12	500,000	500,000	500,000	500,000	2,000,000
Other income for the period - net		23,933	28,528	23,605	24,024	100,090
Net assets at the end of the period		523,933	528,528	523,605	524,024	2,100,090

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer	Chief Executive Officer	Director

Faysal Islamic Punjab Pension Fund

Cash Flow Statement

For The Period Ended June 30, 2026

	Note	For the period from December 16, 2025 to June 30, 2026				
		Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
		Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before taxation		23,933	28,528	23,605	24,024	100,090
Increase in assets						
Advances, deposits and other receivables		(5,562)	(5,450)	(9,487)	(5,562)	(26,061)
		(5,562)	(5,450)	(9,487)	(5,562)	(26,061)
Increase in liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	147	-	147
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	74	-	74
Payable to the Securities and Exchange Commission of Pakistan		-	-	110	-	110
		-	-	331	-	331
Net cash generated from operating activities		18,371	23,078	14,449	18,462	74,360
CASH FLOWS FROM FINANCING ACTIVITIES						
Net receipts from issuance of units		500,000	500,000	500,000	500,000	2,000,000
Net cash generated from financing activities		500,000	500,000	500,000	500,000	2,000,000
Net increase in cash and cash equivalents		518,371	523,078	514,449	518,462	2,074,360
Cash and cash equivalents at beginning of the period		-	-	-	-	-
Cash and cash equivalents at end of the period	4	518,371	523,078	514,449	518,462	2,074,360

The annexed notes from 1 to 24 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 Period Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Punjab Pension Fund (the Fund) has been established as a trust under the Sindh Trust Act, 2020 constituted under a Trust Deed entered into on September 17, 2025 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 November 04, 2025 under the Voluntary Pension System Rules, 2005 (the VPS Rules). The Offering Document was approved by the SECP through its letter No. CS/SECP/PD/FIPPF/2025/184/470-471 dated November 06, 2025.

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. 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 employees with an individualised, 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 As per the offering document approved by SECP, the accounting period, in case of the first such period, shall commence from the date on which the full amount of Seed Capital is received. The seed capital amount was received on November 10, 2025, accordingly, these financial statements have been prepared from December 16, 2025 to June

These are the first financial statements of the Fund for the period from December 16, 2025 to June 30, 2026. Therefore, comparative figures, have not been presented in these financial Statements

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

1.6 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.7 The Fund consists of four sub-funds namely, Faysal Islamic Punjab Employees Pension Fund - Equity Active Sub-Fund (Equity Sub-Fund), Faysal Islamic Punjab Employees Pension Fund - Debt Sub-Fund (Debt Sub-Fund), Faysal Islamic Punjab Employees Pension Fund - Equity Index Sub-Fund (Equity Index Sub-Fund) and Faysal Islamic Punjab Employees 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:

Equity Active Sub-Fund

Assets of Equity Active Sub-fund shall be invested in shariah compliant equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange and Equity Active sub-fund shall be eligible to invest in units of shariah compliant Real Estate Investment Trusts and shariah compliant Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with. At least ninety percent (90%) of Net Assets of Equity Active Sub-fund shall remain invested in shariah compliant listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Pension fund manager may make investment maximum up to 5% of net assets of Equity Active Sub-Fund in units of shariah compliant Private Equity and Venture Capital Funds registered under Private Funds Regulations 2015. Pension fund manager may make investment maximum up to 10% of net asset; of Equity Active 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 (15%) of Net Assets of Equity Active Sub-Fund or paid-up capital of that single company, whichever is lower. Pension fund manager may invest up to thirty five percent (35%) or the index weight, whichever is higher, subject to maximum of forty (40%) of net assets of an Equity Active Sub-Fund in equity securities of companies belonging to a single sector as classified by Pakistan Stock Exchange. Pension Fund Manager may invest any surplus (un-invested) funds in shariah compliant government securities having less than one-year time to maturity or keep as deposits with scheduled Islamic commercial banks which are rated not less than "A"; and Pension Fund Manager shall ensure that the investment in equity securities of the following companies shall not exceed 10% of the net assets of the equity active sub fund on monthly average basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Debt Sub-Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity active sub fund. The Investment limits of the Debt Sub Fund are determined by the Commission. However, in line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of debt sub fund in a separate bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund. The current Investment policy/limits for debt sub-fund as are: the Debt Sub-fund shall consist of shariah compliant government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, Islamic commercial paper, Sukuk or any other Islamic mode of placement, reverse repo, deposits/placements with shariah compliant Microfinance Banks and any other approved shariah compliant 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 bank and DFI with which funds are placed should not be lower than A+. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA. At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks(excluding TDRs) or government securities not exceeding 90 days' maturity. Exposure to any single entity shall not exceed 15% of net assets of debt sub fund; Exposure in debt security of an entity shall not exceed 15% of net assets for debt sub fund or 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 Debt Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM,COI and money market placements) of more than 25% of net assets of debt sub-fund with all shariah compliant microfinance banks, non-bank finance companies and Modarabas; The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government and Rating of shariah compliant microfinance banks with which funds are placed shall not be lower than A+.

Money Market Sub-Fund

The Investment Objective of the Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. Investment avenues – shariah compliant government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other mode of placement,TDRs, Islamic commercial papers, reverse repo. Rating of any security in the portfolio shall not be lower than AA. Rating of any bank and DFI with which funds are placed should not be lower than AA. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AAA. At least 10%, of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days' maturity. Exposure to any single entity shall not exceed 15% of net assets for money market sub fund. Exposure in security of entity shall not exceed 15% of net assets for money market sub fund or 10% of size of the issue of that security. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all shariah compliant microfinance banks, non-bank finance companies and Modarabas. The weighted average time to maturity of assets of a Money Market Sub-fund shall be up to one (1) year, and Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five (5) years.

Equity Index Sub-Fund

In line with the permission granted by the Commission, the Pension Fund Manager shall place the seed capital amount of equity index sub fund in a separate shariah complaint bank account instead of compliance with the following requirements for first three years from the date of launch of the Pension Fund. The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages.The Equity Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un-invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Shariah Compliant Government Securities not exceeding 90 days maturity.Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset and exposure to any security shall not exceed weight of security in the index or its subset.

1.8 The Fund offers four (4) types of allocation schemes, as prescribed by the SECP under the 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

1.9 Under the Punjab Defined Contribution Pension Fund Rules, 2025, contributions received in respect of a participant are mandatorily allocated to the Money Market Sub-Fund(s) for the first three years from the commencement of contributions. Consequently, the remaining three sub-funds remained inactive during the period.

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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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, 2005 (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 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 the published accounting and reporting standards that are effective in the current period

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current period:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	January 01, 2029

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

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, valuation and impairment 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 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, 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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);
- 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.

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 losses (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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

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.

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 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 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 on sukuk certificates and government 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; and
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

3.7 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.

In accordance with Regulation 60 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, auditors' remuneration is an expense that may be charged to the Fund. However for the period ended June 30,2026, the Management Company elected to bear the auditors' remuneration on behalf of the Fund.

3.8 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.

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 Period Ended June 30, 2026

3.9 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 period.

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.

3.10 Issue, allocation, reallocation and redemption of units

The prescribed application form, completed in all respects including payment (on realised basis), received by the Pension Fund Manager or distributor at its / their authorised 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 of the Fund 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 the 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 Manger or from one pension fund to another pension fund. Units shall be encashed at the net asset value of each Sub-Fund notified on the working day prior to the date of transfer.

3.11 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 period end.

		June 30, 2026				
		Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
4	**BALANCES WITH BANKS**	---------- Rupees ----------				
	Savings accounts	518,371	523,078	514,449	518,462	2,074,360

4.1 Balances are held with Faysal Bank Limited, a related party,these carry mark-up ranging between 3.5% to 12.5% per annum.

			June 30, 2026				
			Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
5	**ADVANCES, DEPOSITS AND OTHER RECEIVABLES**						
	Profit receivable on bank balances	5.1	5,513	5,401	9,438	5,513	25,865
	Advance Tax	5.2	49	49	49	49	196
			5,562	5,450	9,487	5,562	26,061

5.1 These represents profit receivable on bank balances held with Faysal Bank Limited, a related party.

5.2 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 sections 150 and 151, but withholding tax on profits from savings accounts, sukuk certificates, and dividends paid to the Fund has been deducted by withholding agents, based on FBR's interpretation (letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015), requiring withholding agents to withhold tax at applicable rates unless a valid exemption certificate under section 159(1) is provided, with tax withheld amounting to Rs. 196

The Mutual Funds Association of Pakistan (MUFAP), representing various mutual funds (including those managed by the Management Company), filed a petition in the Sindh High Court (SHC) challenging the FBR's interpretation, but the SHC ruled in favor of the FBR. Subsequently, a petition was filed in the Supreme Court of Pakistan (SCP) by the Funds and other CISs, with the SCP granting leave to appeal the SHC's decision. Pending the resolution, the withheld tax on profit from savings accounts, corporate sukuk certificates, and commercial papers has been recorded as advance tax under "Advances, deposits and other receivables" as of June 30, 2026, as management believes the amount is likely to be refunded.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

			June 30, 2026				
6	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
			---------- Rupees ----------				
	Remuneration payable to the Pension Fund Manager	6.1	-	-	128	-	128
	Sindh Sales Tax on remuneration of the Pension Fund Manager	6.2	-	-	19	-	19
			-	-	147	-	147

6.1 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.

6.2 During the period, an aggregate amount of Rs.124 was charged on account of sales tax on the management fee levied through the Sindh sales tax on Services Act, 2011 at the rate of 15%.

			June 30, 2026				
7	PAYABLE TO CENTRAL DEPOSITORY COMPANY - TRUSTEE	Note	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
			---------- Rupees ----------				
	Remuneration payable to the Trustee	7.1	-	-	64	-	64
	Sindh Sales Tax payable on remuneration of the Trustee	7.2	-	-	10	-	10
			-	-	74	-	74

7.1 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 up to 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 up to 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

7.2 During the period 15% was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

			June 30, 2026				
8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
			---------- Rupees ----------				
	Annual fee payable	8.1	-	-	110	-	110

8.1 In accordance with the VPS Rules, each Sub-Fund is required to pay annual fee to the SECP at the rate of 0.04% (2024: 0.04%) of average annual net assets of the Fund, applicable to all Voluntary Pension Schemes.

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

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026.

10 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

11 NUMBER OF UNITS IN ISSUE

	June 30, 2026				
	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	---------- Rupees ----------				
Add: Issuance of units during the period	5,000	5,000	5,000	5,000	20,000
Total units in issue at the end of the period	5,000	5,000	5,000	5,000	20,000

12 CONTRIBUTION TABLE

	June 30, 2025							
	Debt Sub-Fund		Equity Active Sub-Fund		Money Market Sub-Fund		Equity Index Sub-Fund	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Associated Companies	5,000	500,000	5,000	500,000	5,000	500,000	5,000	500,000
	5,000	500,000	5,000	500,000	5,000	500,000	5,000	500,000

13 AUDITOR'S REMUNERATION

In accordance with Regulation 60 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, auditor's remuneration is an expense that may be charged to the Fund. Accordingly for the period ended June 30, 2026 the Management Company decided to bear the auditors' remuneration amounting to Rs.572,400 on behalf of the fund therefore no expense has been charged to the fund during the period.

14 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the fund for the period from December 16, 2025 to June 30, 2026 is as follows:

Fund Name	Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
Equity Active Sub Fund	0.000%	0.000%	0.000%	0.000%	0.960%	0.000%	0.000%	0.960%	0.960%
Equity Index Sub Fund	0.000%	0.000%	0.000%	0.000%	2.630%	0.000%	0.000%	2.630%	2.630%
Debt Sub Fund	0.000%	0.000%	0.000%	0.000%	2.630%	0.000%	0.000%	2.630%	2.630%
Money Market Sub Fund	0.300%	0.040%	0.150%	0.070%	1.970%	0.000%	0.000%	2.530%	2.460%

15 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and 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 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, their close family members and officers of the Pension Fund Manager and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at period end.

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.

Remuneration to the Pension Fund Manager of the Fund is determined in accordance with the provisions of the VPS Rules.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the VPS Rules and the Trust Deed.

The details of transactions carried out by the Fund with connected persons and related parties and balances with them at period end are as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

15.1 **Transactions during the period**

	For the period from December 16, 2025 to June 30, 2026				
	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	---------- Rupees ----------				
Faysal Asset Management Company Limited - Management Company					
Remuneration of the Management Company	-	-	826	-	826
Sindh Sales Tax on remuneration of the Management Compar	-	-	124	-	124
Units issued: 5000 units - Debt Sub-Fund	500,000	-	-	-	500,000
Units Issued: 5000 units - Equity Sub-Fund	-	500,000	-	-	500,000
Units Issued: 5,000 units - Money Market Sub-Fund	-	-	500,000	-	500,000
Units Issued: 5,000 units - Equity Index Sub-Fund	-	-	-	500,000	500,000
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee	-	-	413	-	413
Sindh Sales Tax on remuneration of the Trustee	-	-	62	-	62
Faysal Bank Limited - Group Company					
Profit on balances with banks	31,041	31,116	30,565	31,132	123,854
Bank charges	7,108	2,588	5,425	7,108	22,229

Balances outstanding as at period end	June 30, 2026				
	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Total
	---------- Rupees ----------				
Faysal Asset Management Company* Limited - Management Company					
Remuneration payable to the Company Fund Manager	-	-	128	-	128
Sindh Sales Tax payable on remuneration of the Company Fund Manager	-	-	19	-	19
Units outstanding: 5000 units - Debt Sub-Fund	523,933	-	-	-	523,933
Units outstanding: 5000 units - Equity Sub-Fund	-	528,528	-	-	528,528
Units outstanding: 5000 units - Money Market Sub-Fund	-	-	523,606	-	523,606
Units outstanding: 5000 units - Equity Index Sub-Fund	-	-	-	524,024	524,024
Central Depository Company of Pakistan Limited - Trustee					
Trustee remuneration payable	-	-	64	-	64
Sindh Sales Tax payable on remuneration of the Trustee	-	-	10	-	10
Faysal Bank Limited - Group Company					
Profit receivable on savings account	5,513	5,401	9,438	5,513	25,865
Balance with bank	518,371	523,078	514,449	518,462	2,074,360

*These units holders also hold more than 10% units at period end.

16 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026												
	Debt Sub-Fund			Equity Active Sub-Fund			Money Market Sub-Fund			Equity Index 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	At amortised cost	At fair value through profit or loss	Sub total	
	---------- Rupees ----------												
Financial assets													
Balances with banks	518,371	-	518,371	523,078	-	523,078	514,449	-	514,449	518,462	-	518,462	2,074,360
Advances, deposits and other receivables	5,513		5,513	5,401	-	5,401	9,438	-	9,438	5,513	-	5,513	25,865
	523,884	-	523,884	528,479	-	528,479	523,887	-	523,887	523,975	-	523,975	2,100,225
Financial liabilities													
Payable to Faysal Asset Management Limited -Management Company	-	-	-	-	-	-	128	-	128	-	-	-	128
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	64	-	64	-	-	-	64
	-	-	-	-	-	-	192	-	192	-	-	-	192

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of participants' 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.

17.1 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 and regulations laid down by the SECP.

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

(i) 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 interest rates. As of June 30, 2026, the Fund is exposed to such risk on 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 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 period and net assets of the Debt Sub-Fund, Equity Active Sub-Fund, Money Market Sub-Fund and Equity Index Sub Fund would have been higher / lower by Rs.5,184, Rs.5.231, Rs. 5,144 and Rs.5,185 respectively.

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, 2026 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, 2026 can be determined as follows:

Faysal Islamic Punjab Pension Fund - Debt Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk				
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees				
Financial assets						
Balances with banks	3%-12.5%	518,371	-	-	-	518,371
Advances, deposits and other receivables		-	-	-	5,513	5,513
		518,371	-	-	5,513	523,884
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		518,371	-	-		
Cumulative interest rate sensitivity gap		518,371	518,371	518,371		

*This sub funds has no financial liability at period end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Faysal Islamic Punjab Pension Fund - Equity Active Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year		
		---------- Rupees ----------				
Financial assets						
Balances with banks	3%-12.5%	523,078	-	-	-	523,078
Advances, deposits and other receivables		-	-	-	5,401	5,401
		523,078	-	-	5,401	528,479
On-balance sheet gap		523,078	-	-	5,401	528,479
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		523,078	-	-		
Cumulative interest rate sensitivity gap		523,078	523,078	523,078		

*This sub funds has no financial liability at period end.

Faysal Islamic Punjab Pension Fund - Money Market Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year		
		---------- Rupees ----------				
Financial assets						
Balances with banks	3%-12.5%	514,449	-	-	-	514,449
Advances, deposits and other receivables		-	-	-	9,438	9,438
		514,449	-	-	9,438	523,887
Financial liabilities						
Payable to Faysal Asset Management Limited - Pension Fund Manager		-	-	-	128	128
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	64	64
		-	-	-	192	192
On-balance sheet gap		514,449	-	-	9,246	523,695
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		514,449	-	-		
Cumulative interest rate sensitivity gap		514,449	514,449	514,449		

Faysal Islamic Punjab Pension Fund - Equity Index Sub-Fund

		June 30, 2026				
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective profit / yield	Upto three months	More than three months and up to one year	More than one year		
		---------- Rupees ----------				
Financial assets						
Balances with banks	3%-12.5%	518,462	-	-	-	518,462
Advances, deposits and other receivables		-	-	-	5,513	5,513
		518,462	-	-	5,513	523,975
On-balance sheet gap		518,462	-	-	5,513	523,975
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		518,462	-	-		
Cumulative interest rate sensitivity gap		518,462	518,462	518,462		

*This sub funds has no financial liability at period end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

(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 not exposed to equity price risk since no investments are held by the Fund as at 30 June 2026.

17.2 Liquidity risk

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

The Fund is exposed to 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 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 of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period ended June 30, 2026.

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 Islamic Punjab Pension Fund - Debt Sub-Fund

	June 30, 2026						
	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	518,371	-	-	-	-	-	518,371
Advances, deposits and other receivables	5,513	-	-	-	-	-	5,513
	523,884	-	-	-	-	-	523,884
Net financial assets / (liability)	523,884	-	-	-	-	-	523,884

*This sub funds has no financial liability at period end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

Faysal Islamic Punjab Pension Fund - Equity Active Sub-Fund

	June 30, 2026						
	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	523,078	-	-	-	-	-	523,078
Advances, deposits and other receivables	5,401	-	-	-	-	-	5,401
	528,479	-	-	-	-	-	528,479
Net financial assets / (liability)	528,479	-	-	-	-	-	528,479

*This sub funds has no financial liability at period end.

Faysal Islamic Punjab Pension Fund - Money Market Sub-Fund

	June 30, 2026						
	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	514,449	-	-	-	-	-	514,449
Advances, deposits and other receivables	9,438	-	-	-	-	-	9,438
	523,887	-	-	-	-	-	523,887
Financial liabilities							
Payable to Faysal Asset Management Limited - Pension Fund Manager	128	-	-	-	-	-	128
Payable to Central Depository Company of Pakistan Limited - Trustee	64	-	-	-	-	-	64
	192	-	-	-	-	-	192
Net financial assets / (liability)	523,887	-	-	-	-	-	523,695

Faysal Islamic Punjab Pension Fund - Equity Index Sub-Fund

	June 30, 2026						
	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	518,462	-	-	-	-	-	518,462
Balances with banks	5,513	-	-	-	-	-	5,513
	523,975	-	-	-	-	-	523,975
Net financial assets / (liability)	523,975	-	-	-	-	-	523,975

*This sub funds has no financial liability at period end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

17.3 Credit risk

17.3.1 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:

	June 30, 2026		June 30, 2026		June 30, 2026		June 30, 2026	
	Debt Sub-Fund		Equity Active Sub-Fund		Money Market Sub-Fund		Equity Index 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	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees							
Balances with banks	518,371	518,371	523,078	523,078	514,449	514,449	518,462	518,462
Advances, deposits and other receivables	5,513	5,513	5,401	5,401	9,438	9,438	5,513	5,513
	523,884	523,884	528,479	528,479	523,887	523,887	523,975	523,975

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets other than investment in government securities and profit receivable on government securities, and equity investments 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.

17.3.2 Credit quality of financial assets

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

	June 30, 2026			
	% of financial assets exposed to credit risk			
Rating	Debt Sub-Fund	Equity Active Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund
	%			
Bank balances and profit accrued thereon				
AA	100.00%	100.00%	100.00%	100.00%

18 FAIR VALUE MEASUREMENT

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

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

18.1 Fair value hierarchy

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

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

As at June 30, 2026, there were no tradable financial assets measured at fair value.

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 value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

19 PARTICIPANTS' SUB FUND RISK MANAGEMENT

The Participants' 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.

20 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. Nafees Imtiaz Malik	Chief Innovation & Product Officer	MBA	Over 12 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Mr. Syed Noman Ahmed	Head of Equity	MBA	Over 15 years
Ms. Sarah Rehman, CFA	Head of Research	MBA, CFA	Over 9 years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years

21 NAME AND QUALIFICATION OF THE FUND MANAGER

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

22 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:

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended June 30, 2026

23 GENERAL

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

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 by the Board of Directors of the Pension Fund Manager.

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

FIPPF MONEY MARKET
June 30, 2026
(Rupees)

(i) PERFORMANCE TABLE

Net assets	523,605
Net assets value per unit	104.7211
Offer price per unit	104.7211
Repurchase price per unit	104.7211
Highest offer price per unit	104.7211
Highest repurchase price per unit	104.7211
Lowest offer price per unit	103.7642
Lowest repurchase price per unit	103.7642
Total return:	0.04%
- capital growth	0.04%
- income distribution	0.00%
Average annual return:	
(Launch date: Dec 16, 2025)	
- one year	0.04%
Distribution per unit:	
- Interim distribution (% per unit) *	
- Final distribution (% per unit)	
	0.00%

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

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Islamic Special Income Fund

Financial Statements
For The Year Ended June 30, 2026



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Disclaimer: All investments in mutual & pension funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies, taxation policies and risks involved. Use of the name and logo of Faysal Bank Limited does not mean that it is responsible for the liabilities/obligation of Faysal Funds or any investment scheme managed by it. All our operations have been approved by our Shariah Advisor Mufti Abdul Basit whose registration number is (SECP/IFD/SA/192).

Faysal Islamic Special Income Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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 Islamic Special Income Fund seeks to provide maximum possible preservation of capital and a responsible Shariah compliant return to its units holder.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Debt Market Review

Overall yields decreased by ~70bps in the month of June. During the month, three fixed-rate Sukuk auctions were held with a cumulative target of PKR150bn. FRR Rate for the 3Y/5Y tenure was ~12.1/12.1% respectively. 2 bids were accepted, cumulatively amounting to PKR192bn. Two Variable-rate auctions were also held targeting PKR200bn, total accepted amount was ~PKR421bn.

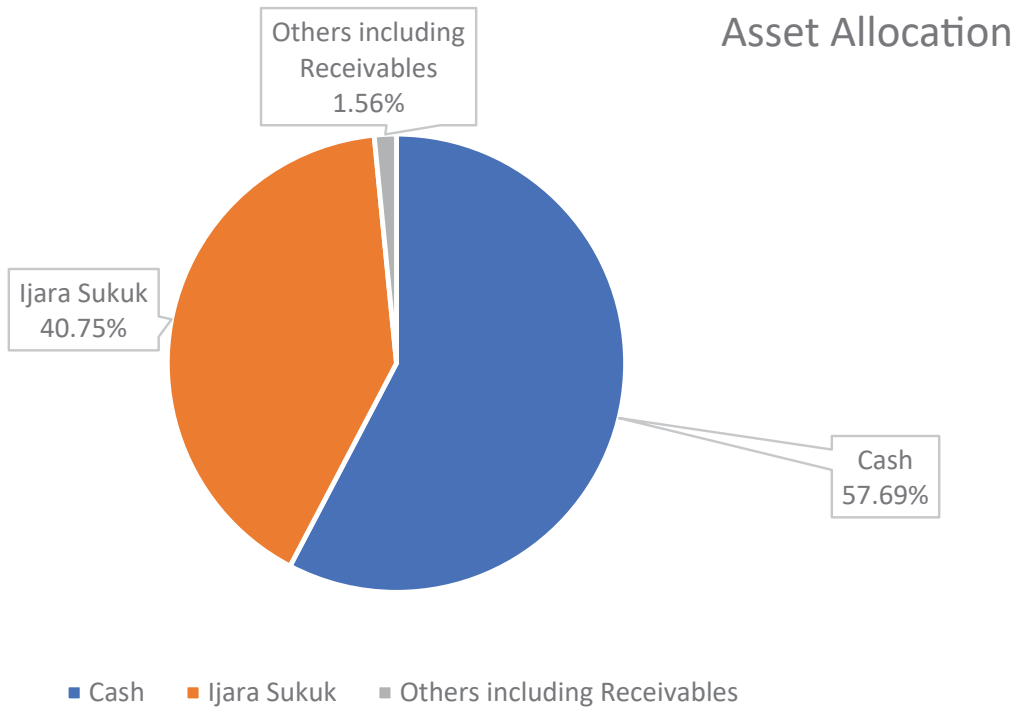
The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

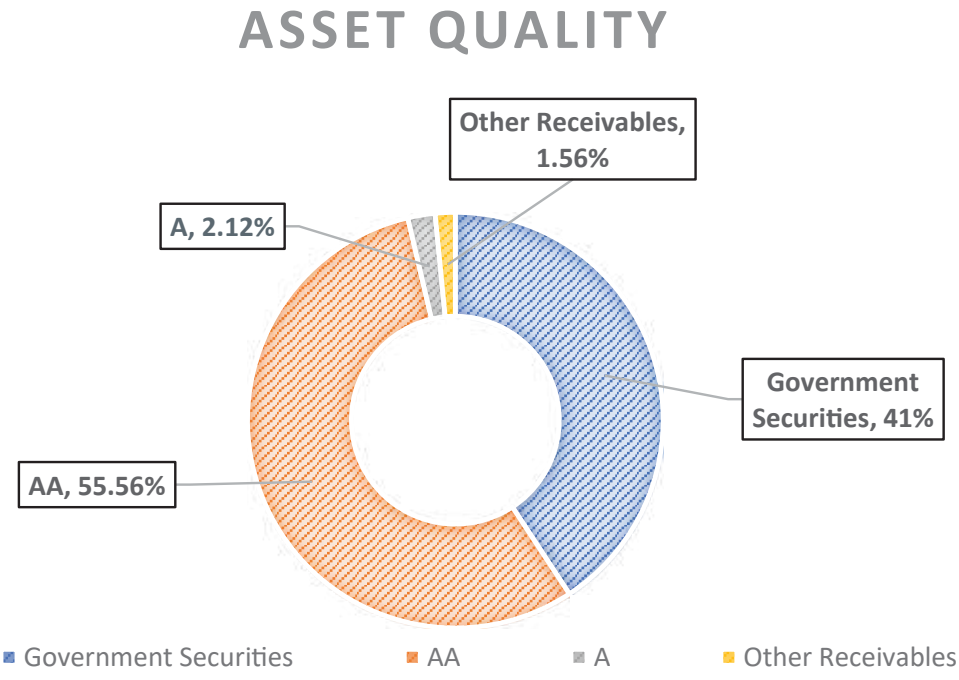
Going forward, interest rates are expected to remain broadly stable over the near term before gradually declining as inflation expectations become firmly anchored. Monetary easing will likely be gradual rather than aggressive.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Income Fund
Risk Profile	Medium
Launch Date	June 20, 2022
Custodian/Trustee	CDC
Stability Rating	AA(f) (PACRA) August 29 ,2024
Auditor	A.F. Ferguson & Co.
Management Fee	Upto 1.5% of Average Annual N.A. (Actual Rate of Management Fee Charged is 1.5%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 2%(Actual Charged is 0.0%) of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	Monday to Friday 9:00 am to 4:00 pm
AMC Rating	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	10.13
Net Assets (mn)	199.66
Total Expense Ratio (Annualized)	1.79%
Total Expense Ratio (Monthly)	2.67%

* Weighted average of 6M KIBOR & percentage invested in equities

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	14.03%	9.00%
Benchmark (YTD)	10.37%	9.47%





FUND PERFORMANCE

Faysal Islamic Special Income Plan-I (FISIP-I) posted an annualized FY26TD return of 9.00% relative to its existing benchmark of 9.47%. Funds were allocated in Cash (57.69%), Ijarah Sukuk (40.75%) and Others (1.56%). In the future, your fund will take exposure to other investment avenues, keeping in view the country's economic position.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Special Income Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of Faysal **Islamic Special Income Fund (FISIF).** I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FISIF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FISIF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Special Income Fund (FISIF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC SPECIAL INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Special Income Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 03, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi 75350
Pakistan

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INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Faysal Asset Management Limited (Management Company of Faysal Islamic Special Income Fund)

1. **Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Faysal Islamic Special Income Fund (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. **Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

a) legal and regulatory framework administered by the SECP;

b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;

c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;

d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP;

e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above; and

f) Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

3. **Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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Yousuf Adil
Chartered Accountants

4. **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM-1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. **Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. **Conclusion**

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali.**

Chartered Accountants

Date: September 21, 2026
Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Faysal Islamic Special Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Islamic Special Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the 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, 2026, 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 (NAV)** (Refer notes 5 & 6 to the financial statements) Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 120.242 million and investments of the Fund amounted to Rs. 83.235 million. The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced the confirmed balances to 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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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Faysal Asset Management Limited) 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 the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company (Faysal Asset Management Limited) 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, the Management Company 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 the Management Company.

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- Conclude on the appropriateness of Management Company'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:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2026
UDIN: AR202610068s0VPLSFgv

Faysal Islamic Special Income Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		---------- (Rupees) ----------					
Assets							
Balances with banks	5	118,918,932	1,322,899	120,241,831	73,693,734	4,125,659	77,819,393
Investments	6	83,235,000	-	83,235,000	91,462,500	-	91,462,500
Receivable from Faysal Asset Management Limited - Management Company	7	871,000	-	871,000	871,000	-	871,000
Advance, deposits, prepayments and other receivables	8	1,187,282	-	1,187,282	1,767,331	6,341,828	8,109,159
Preliminary expenses and floatation costs	9	25,028	-	25,028	25,028	-	25,028
Total assets		204,237,242	1,322,899	205,560,141	167,819,593	10,467,487	178,287,080
Liabilities							
Payable against redemption and conversion of units		1,224,210	-	1,224,210	-	5,412,914	5,412,914
Payable to Faysal Asset Management Limited - Management Company	10	309,871	-	309,871	42,941	2,717,521	2,760,462
Payable to Central Depository Company of Pakistan Limited - Trustee	11	14,493	-	14,493	11,504	56,326	67,830
Payable to the Securities and Exchange Commission of Pakistan	12	12,604	-	12,604	10,004	48,979	58,983
Accrued expenses and other liabilities	13	3,016,006	1,322,899	4,338,905	2,558,542	2,231,747	4,790,289
Total liabilities		4,577,184	1,322,899	5,900,083	2,622,991	10,467,487	13,090,478
Net assets		199,660,058	-	199,660,058	165,196,602	-	165,196,602
Unit holders' fund (as per statement attached)		199,660,058	-	199,660,058	165,196,602	-	165,196,602
Contingencies and commitments	14						
		---------- (Number of units) ----------					
Number of units in issue		19,707,110	-		16,361,676	-	
		---------- (Rupees) ----------					
Net asset value per unit		10.1314	-		10.09	-	

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

Faysal Islamic Special Income Fund

Income Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026	For the year ended June 30, 2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			
Income					
Profit on balances with banks		19,198,996	7,260,086	435,857,341	443,117,427
Profit on certificate of murabaha		66,408	852,137	-	852,137
Profit on GoP Ijarah sukuks		6,798,617	10,672,009	12,930,087	23,602,096
Other Income		-	400	-	400
Amortization of discount on GOP Ijarah Sukuk		211,129	-	-	-
Realised gain on sale of investments - net		-	493,773	4,293,160	4,786,933
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.1	(667,379)	1,197,781	-	1,197,780
Total income		25,607,771	20,476,186	453,080,588	473,556,773
Expenses					
Remuneration of Faysal Asset Management Limited - Management Company	10	1,751,607	214,340	22,501,335	22,715,675
Sindh Sales Tax on remuneration of the Management Company	10	262,741	32,060	3,375,206	3,407,266
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	187,926	107,649	2,889,106	2,996,755
Sindh Sales Tax on remuneration of the Trustee	11	28,189	16,430	433,381	449,811
Annual fee to the Securities and Exchange Commission of Pakistan	12	187,926	107,311	2,889,190	2,996,501
Auditors' remuneration	15	1,202,085	508,517	464,564	973,081
Legal and professional charges		116,664	69,973	60,707	130,680
Amortisation of preliminary expenses and floatation cost	9.1	-	3,367	-	3,367
Bank charges		53,931	941,792	30,728	972,520
Transaction charges		362,575	404,849	168,097	572,946
Shariah advisory fee		306,692	76,849	73,151	150,000
Fund rating fee		30,894	95,067	91,610	186,677
Printing charges		-	2,554	13,185	15,739
Reimbursement of expenses from the Management Company	7.1	-	(871,000)	-	(871,000)
Total expenses		4,491,230	1,709,758	32,990,260	34,700,018
Net income for the year before taxation		21,116,541	18,766,427	420,090,328	438,856,755
Taxation	17	-	-	-	-
Net income for the year after taxation		21,116,541	18,766,427	420,090,328	438,856,755
Allocation of net income for the year					
Net income for the year after taxation		21,116,541	18,766,427	420,090,328	438,856,755
Income already paid on units redeemed		(17,292,677)	(14,805,573)	(420,090,328)	(434,895,900)
		3,823,864	3,960,854	-	3,960,855
Accounting income available for distribution					
- Relating to capital gains		-	1,691,553	4,293,160	5,984,713
- Excluding capital gains		3,823,864	2,269,301	(4,293,160)	(2,023,859)
		3,823,864	3,960,854	-	3,960,854

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**

Faysal Islamic Special Income Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	For the year ended June 30, 2026	For the year ended June 30, 2025		Total
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	
	(Rupees)			
Net income for the year after taxation	21,116,541	18,766,427	420,090,328	438,856,755
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	21,116,541	18,766,427	420,090,328	438,856,755

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

Faysal Islamic Special Income Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Faysal Islamic Special Income Plan-I (FISIP-I)		
	Capital value	Undistributed income	Total
	(Rupees)		
Net assets at the beginning of the year	163,662,593	1,534,008	165,196,601
Issuance of 60,940,945 units in FISIP-I (2025: 32,945,100 units in FISIP-I)			
- Capital value (at net asset value per unit at the beginning of the year)	615,296,345	-	615,296,345
- Element of income	24,861,940	-	24,861,940
Total proceeds on issuance of units	640,158,285	-	640,158,285
Redemption of 57,595,511 units in FISIP-I (2025: 29,336,233 units in FISIP-I)			
- Capital value (at net asset value per unit at the beginning of the year)	(581,518,836)		(581,518,836)
- Element of loss	(12,093,306)	(17,292,677)	(29,385,983)
Total payments on redemption of units	(593,612,142)	(17,292,677)	(610,904,819)
Total comprehensive income for the year	-	21,116,541	21,116,541
Cash distribution for the year ended June 30, 2026 @ Rs '0.8711 per unit declared on June 25, 2026 (2025: Rs 1.4 per unit declared June 27, 2025)	(12,751,079)	(3,155,471)	(15,906,550)
Total cash distributions during the year ended June 30, 2026	(12,751,079)	(3,155,471)	(15,906,550)
Net (loss) / income for the year less distribution	(12,751,079)	17,961,070	5,209,991
Net assets at the end of the year	197,457,657	2,202,401	199,660,058

Undistributed income brought forward	
- Realised income	336,228
- Unrealised income	1,197,780
	1,534,008
Accounting income available for distribution	
- Relating to capital gains	-
- Excluding capital gains	3,823,864
	3,823,864
Distribution made during the year	(3,155,471)
Undistributed income carried forward	2,202,401
Undistributed income carried forward	
- Realised income	2,869,780
- Unrealised income	(667,379)
	2,202,401
	(Rupees)
Net asset value per unit at the beginning of the year	10.09
Net asset value per unit at the end of the year	10.1314

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**

Faysal Islamic Special Income Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2025

	For the year ended June 30, 2025								
	Faysal Islamic Special Income Plan-I (FISIP-I)			Faysal Islamic Special Income Plan-III (FISIP-III)			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)			(Rupees)		
Net assets at the beginning of the year / period	127,224,114	1,441,808	128,665,922	1,247,281,772	2,603,699	1,249,885,471	1,374,505,886	4,045,507	1,378,551,393
Issuance of 32,945,100 and 211,915,553 units in FISIP-I and FISIP-III (2025: 34,425,601 and 12,494,757 units in FISIP-I and FISIP-III)									
- Capital value (at net asset value per unit at the beginning of the year)	332,416,059	-	332,416,059	21,234,467,063	-	21,234,467,063	21,566,883,123	-	21,566,883,123
- Element of income	29,148,462	-	29,148,462	2,334,966,940	-	2,334,966,940	2,364,115,402	-	2,364,115,402
Total proceeds on issuance of units	361,564,521	-	361,564,521	23,569,434,003	-	23,569,434,003	23,930,998,525	-	23,930,998,524
Redemption of 29,336,233 and 224,388,370 units in FISIP-I and FISIP-III (2025: 35,496,489 and 21,939 units in FISIP-I and FISIP-III)									
- Capital value (at net asset value per unit at the beginning of the year)	(296,002,591)	-	(296,002,591)	(22,904,442,862)	-	(22,904,442,862)	(23,200,445,453)	-	(23,200,445,453)
- Element of loss	(12,631,229)	(14,805,573)	(27,436,801)	(1,914,876,612)	(420,090,328)	(2,334,966,940)	(1,927,507,841)	(434,895,900)	(2,362,403,741)
Total payments on redemption of units	(308,633,820)	(14,805,573)	(323,439,392)	(24,819,319,474)	(420,090,328)	(25,239,409,802)	(25,127,953,294)	(434,895,900)	(25,562,849,194)
Total comprehensive income for the year / period	-	18,766,427	18,766,427	-	420,090,328	420,090,328	-	438,856,755	438,856,755
Faysal Islamic Special Income Plan-I Distribution for the year ended June 30, 2025 @ Rs '1.40 per unit declared on June 27, 2025 (2024: Rs 1.97 per unit declared June 28, 2024)	(16,492,222)	(3,868,654)	(20,360,876)	-	-	-	(16,492,222)	(3,868,654)	(20,360,876)
Total cash distributions during the year /period ended June 30, 2025	(16,492,222)	(3,868,654)	(20,360,876)	-	-	-	(16,492,222)	(3,868,654)	(20,360,876)
Net (loss) / income for the year / period less distribution	(16,492,222)	14,897,773	(1,594,449)	-	420,090,328	420,090,328	(16,492,222)	434,988,101	418,495,879
Net assets at the end of the year / period	163,662,593	1,534,008	165,196,602	(2,603,699)	2,603,699	-	161,058,895	4,137,708	165,196,602
Undistributed income brought forward									
- Realised income		1,441,808			2,603,699			4,045,507	
- Unrealised income		-			-			-	
		1,441,808			2,603,699			4,045,507	
Accounting income available for distribution									
- Relating to capital gains		1,691,553			-			5,984,713	
- Excluding capital gains		2,269,301			-			(2,023,859)	
		3,960,854			-			3,960,854	
Distribution made during the year / period		(3,868,654)			-			(3,868,654)	
Undistributed income carried forward		1,534,008			2,603,699			4,137,707	
Undistributed income carried forward									
- Realised income		336,228			2,603,699			2,939,927	
- Unrealised income		1,197,780			-			1,197,780	
		1,534,008			2,603,699			4,137,707	
Net asset value per unit at the beginning of the year / period		10.09			-				
Net asset value per unit at the end of the year / period		10.09			-				

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

Faysal Islamic Special Income Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026		Total	For the year ended June 30, 2025		Total
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	
		(Rupees)			(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation		21,116,541	-	21,116,541	18,766,427	420,090,328	438,856,755
Adjustments for:							
Amortisation of preliminary expenses and floatation cost	8	-		-	3,367	-	3,367
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		667,379		667,379	(1,197,781)	-	(1,197,781)
Profit on savings accounts with banks		(19,198,996)	-	(19,198,996)	(7,260,086)	(435,857,341)	(443,117,427)
		2,584,924	-	2,584,924	10,311,927	(15,767,013)	(5,455,086)
Decrease / (Increase) in assets							
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	1,498,390	-	1,498,390
Investments - net		7,560,121	-	7,560,121	(80,264,719)	-	(80,264,719)
Advance, deposits, prepayments and other receivables		45,176	6,341,828	6,387,004	(619,587)	2,490	(617,097)
		7,605,297	6,341,828	13,947,125	(79,385,916)	2,490	(79,383,426)
(Decrease) / Increase in liabilities							
Payable to Faysal Asset Management Limited - Management Company		266,930	(2,717,521)	(2,450,591)	4,362	2,504,041	2,508,403
Payable to Central Depository Company of Pakistan Limited - Trustee		2,989	(56,326)	(53,337)	3,219	(4,883)	(1,664)
Payable to the Securities and Exchange Commission of Pakistan		2,600	(48,979)	(46,379)	2,272	(5,032)	(2,760)
Accrued expenses and other liabilities		457,464	(908,848)	(451,384)	(92,540)	1,994,173	1,901,633
		729,983	(3,731,674)	(3,001,691)	(82,687)	4,488,299	4,405,612
Profit received on saving accounts with banks		19,733,869		19,733,869	11,441,074	463,414,992	474,856,066
Net cash generated from / (used in) from operating activities		30,654,073	2,610,154	33,264,227	(57,715,602)	452,138,768	394,423,166
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance of units - net of refund of of capital		640,158,285		640,158,285	361,564,521	23,569,434,003	23,930,998,524
Payment against redemption of units - net		(609,680,609)	(5,412,914)	(615,093,523)	(323,465,959)	(25,233,996,888)	(25,557,462,847)
Dividend paid during the year / period		(15,906,550)		(15,906,550)	(20,360,876)	-	(20,360,876)
Net cash (used in) / generated from financing activities		14,571,126	(5,412,914)	9,158,212	17,737,686	(1,664,562,885)	(1,646,825,199)
Net increase / (decrease) in cash and cash equivalents during the year / period		45,225,199	(2,802,760)	42,422,439	(39,977,916)	(1,212,424,117)	(1,252,402,033)
Cash and cash equivalents at the beginning of the year / period		73,693,734	4,125,659	77,819,393	113,671,650	1,216,549,776	1,330,221,426
Cash and cash equivalents at the end of the year / period	5	118,918,933	1,322,899	120,241,832	73,693,734	4,125,659	77,819,393

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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Special Income Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on May 19, 2020 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed has been re-registered under the Sindh Trusts Act, 2020 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, ST-02, main Sharah-e-Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund is categorised as a 'Shariah Compliant Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from June 20, 2022 and are transferable and redeemable by surrendering them to the Fund.

1.3 The Management Company has been assigned a quality rating of "AM1" by VIS Credit Rating Company Limited (VIS) dated December 31, 2025 (June 30, 2025: "AM1" by VIS dated September 10, 2024). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. PACRA has assigned a long term rating of AA(f) for FISIF-I dated May 22, 2026.

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 Fund shall offer multiple allocation plans, however two allocation plans i.e. Faysal Islamic Special Income Plan-I (FISIP-I) and Faysal Islamic Special Income Plan-III (FISIP-III) was offered by the Fund. The second plan i.e. Faysal Islamic Special Income Plan-III is being offered from February 1, 2024. The objective of the Fund is to provide competitive regular return with capital preservation on investments as per respective allocation plans by investing in authorised investable avenues in line with the risk tolerance of the investor. The objective of the Fund and the authorised avenues are more fully explained in the Fund's offering document.

1.6 All the unit holders of Faysal Islamic Special Income Plan-III have redeemed the units on June 17, 2025 reducing the net assets of the plan as nil.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Where provisions of, directives and notifications 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, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

3.2 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, 2025. 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.

3.3 Standards, interpretations and amendments to published accounting 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, 2026. 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 2025) 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

3.4 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 Company'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 4.2 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

3.6 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 Pakistan Rupee, which is the Fund's functional and presentation currency.

4 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.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

These comprise balances with banks in savings 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, 2026

4.2 Financial assets

4.2.1 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.

4.2.2 Classification and subsequent measurement

4.2.2.1 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)”; and
- 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.

4.2.3 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.

4.2.4 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.

4.2.5 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 one days from the transaction date as per the stock exchange regulations.

4.2.6 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.

4.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.3 Financial liabilities

4.3.1 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.

4.3.2 Derecognition

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.

4.4 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

4.5 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.

4.6 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.

4.7 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 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

4.8 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.

4.9 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 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.

4.10 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 period in which they arise;
- Income on corporate sukuks, government securities, certificate of Musharaka and money market placements are 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; and
- Profit on balances with banks is recognised on time proportionate basis using the effective yield method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.11 Expenses

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

4.12 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.

4.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of 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.

5 BALANCES WITH BANKS

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Balances with banks							
Current accounts		-	-	-	12,431,126	448,987	12,880,113
Saving accounts	5.1	118,918,932	1,322,899	120,241,831	61,262,608	3,676,672	64,939,280
		118,918,932	1,322,899	120,241,831	73,693,734	4,125,659	77,819,393

5.1 These savings accounts carry profit rates ranging from 9.5% to 12.5% (2025: 9% to 19%) per annum. Deposits in savings accounts include FISIP-I: Rs. 118.8 million, FISIP-III: Rs. 1.323 million (2025: FISIP-I: 61.262, FISIP-III: Rs. 3.677 million) maintained with Faysal Bank Limited, a related party, and carry profit at the rate of FISIP-I: 12.5%, and FISIP-III: 12.5%

5.2 Cash and cash equivalents

	2026			2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
	(Rupees)			(Rupees)		
Balances with banks	118,918,932	1,322,899	120,241,831	73,693,734	4,125,659	77,819,393

6 INVESTMENTS

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)					
At fair value through profit or loss							
GOP Ijarah Sukuk certificates	6.1	83,235,000	-	83,235,000	91,462,500	-	91,462,500
Certificate of murabaha	6.2	-	-	-	-	-	-
		83,235,000	-	83,235,000	10,000,000	-	91,462,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

6.1 GOP Ijarah Sukuk certificates

Faysal Islamic Special Income Plan-I

Name of investee company	Issue date	Maturity date	Profit rate	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation as at June 30, 2026	Market value as a percentage of	
				As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026				Net assets of the Fund	total investments of the Fund
				---------- Rupees ----------							---------- % ----------	
GoP Ijarah Sukuk - PSX Listed*	June 28, 2024	June 28, 2027	Weighted Average 6 months T-Bills	25,000,000	-	-	25,000,000	25,120,750	25,080,000	(40,750)	12.56%	30.13%
GoP Ijarah Sukuk - PSX Listed*	October 21, 2024	October 21, 2029	Weighted Average 6 months T-Bills	25,000,000	-	-	25,000,000	26,140,420	25,547,500	(592,920)	12.80%	30.69%
GoP Ijarah Sukuk - PSX Listed*	October 21, 2024	October 21, 2027	Weighted Average 6 months T-Bills	10,000,000	-	-	10,000,000	10,047,019	9,920,000	(127,019)	4.97%	11.92%
GoP Ijarah Sukuk - zero coupon*	August 14, 2025	August 15, 2025	-	30,000,000	-	30,000,000	-	-	-	-	-	-
GoP Ijarah Sukuk - zero coupon*	14-May-26	May 13, 2027	-	-	25,000,000	-	25,000,000	22,594,190	22,687,500	93,310	11.36%	27.26%
Total as at June 30, 2026								83,902,379	83,235,000	(667,379)		
Total as at June 30, 2025								90,264,719	91,462,500	1,197,781		

*The nominal value of these sukuk certificates is Rs 5,000 each.

6.2 Certificate of Murabaha

Faysal Islamic Special Income Plan-I

Name of the security	Maturity Date	Profit Rate	As at July 1, 2025	Term deposit receipts during the year	Matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
			---------- (Rupees) ----------							---------- % ----------	
Zarai Taraqiati Bank Limited (AAA, VIS)	February 23, 2026	10.10%	-	40,000,000	40,000,000	-	-	-	-	-	-
Total as at June 30, 2026							-	-	-		
Total as at June 30, 2025							-	-	-		

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

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		---------- (Rupees) ----------			---------- (Rupees) ----------		
Market value of investments		83,235,000	-	83,235,000	91,462,500	-	91,462,500
Less: carrying value of investments	6.1	83,902,379	-	83,902,379	90,264,719	-	90,264,719
		(667,379)	-	(667,379)	1,197,781	-	1,197,781

7 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	2026			2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
Note	---------- (Rupees) ----------			---------- (Rupees) ----------		
Reimbursement from the Management Company	7.1 871,000	-	871,000	871,000	-	2,369,390

7.1 Previously, the Fund was required to comply with the Total Expense Ratio (TER) , the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The Total Expense Ratio (TER) of the Fund was required to be within the maximum limit of 2.5% as prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme. However, the TER of FISIP-I exceeded the above limit as at June 30, 2025. As a result, the Fund had recorded reimbursement from the Management Company to comply with the TER limit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Security deposit with Central Depository Company of Pakistan Limited		100,000	-	100,000	100,000	100,000	200,000
Profit receivable on GOP Ijarah sukuks		848,388	-	848,388	862,670	-	862,670
Profit receivable on savings account with bank	8.1	-	-	-	534,873	6,241,828	6,776,701
Prepaid listing fee		-	-	-	30,894	-	30,894
Advance tax	8.2	238,894	-	238,894	238,894	-	238,894
		1,187,282	-	1,187,282	1,767,331	6,341,828	8,109,159

8.1 This represent profit receivable on balances with bank held with Faysal Bank Limited, a related party.

8.2 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, during prior years, withholding tax on interest on debt securities and profit on savings accounts with banks 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 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 withholdee. The tax withheld on interest on debt securities and profit on savings accounts with banks amounts to FISIP-I: Rs. 0.239 million (2025: FISIP-I: 0.239 million). Pending resolution of the matter, the amount of withholding tax deducted on interest on debt securities and profit on savings accounts with bank has been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

For this purpose, 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.

9 PRELIMINARY EXPENSES AND FLOATATION COSTS

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Balance at the beginning of the year		25,028	-	25,028	28,395	-	28,395
Less: amortisation during the year	9.1	-	-	-	(3,367)	-	(3,367)
Balance at the end of the year		25,028	-	25,028	25,028	-	25,028

9.1 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 NBFC Regulations.

10 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Remuneration payable to Management Company	10.1	252,062	-	252,062	20,009	6,530	26,539
Sales tax on remuneration payable to Management Company	10.2	37,809	-	37,809	3,001	980	3,981
Preliminary expenses and floatation cost payable		20,000	-	20,000	19,931	-	19,931
Other payable		-	-	-	-	25,675	25,675
Sales Load payable		-	-	-	-	2,684,336	2,684,336
		309,871	-	309,871	42,941	2,717,521	2,760,462

10.1 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 and subject to the capping of 1.5% for a collective investment scheme categorised as an 'Income Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of FISIP-I: 0.15% to 1.5% (2025: FISIP-I: 0.01% to 1%) per annum of the average annual net assets of the Fund for the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

During the year ended June 30, 2026, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 1.50% to be calculated on a per annum basis of the average daily net assets, applicable to an "Income Scheme". This revision is effective from July 01, 2025. As at June 30, 2026 the Fund is not subject to a management fee cap.

10.2 Sindh Sales Tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (June 30, 2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Remuneration payable to the Trustee	11	12,603	-	12,603	9,715	48,979	58,694
Sindh Sales Tax on remuneration of the Trustee	11	1,890	-	1,890	1,789	7,347	9,136
		14,493	-	14,493	11,504	56,326	67,830

11.1 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 FISIP-I: 0.075% million (2024: FISIP-I: 0.075%) per annum of the average annual net assets of the Fund for the year ended June 30, 2026.

11.2 Sindh Sales Tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (June 30, 2025: 15%) on the Trustee remuneration.

12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2026			2025		
		Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
		(Rupees)			(Rupees)		
Fee payable	12	12,604	-	12,604	10,004	48,979	58,983

12.1 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 FISIP-I: 0.075% (2025: FISIP-I: 0.075%) 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.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	2026			2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
	(Rupees)			(Rupees)		
Auditors' remuneration payable	700,550	-	700,550	274,897	226,090	500,987
Shariah advisory fee payable	306,693	-	306,693	76,908	73,150	150,058
Withholding tax payable	1,248,634	-	1,248,634	1,545,966	171	1,546,137
Legal and professional charges payable	488,496	-	488,496	410,656	78,156	488,812
Fund Rating / Ranking Fee	25,698	-	25,698	-	25,698	25,698
Capital gain tax payable	225,878	-	225,878	216,546	1,725,635	1,942,181
Other payable	20,057	1,322,899	1,342,956	33,569	102,847	136,416
	3,016,006	1,322,899	4,338,905	2,558,542	2,231,747	4,790,289

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

15 AUDITORS' REMUNERATION

	2026	2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
	--- (Rupees) ---	(Rupees)		
Annual audit fee	464,939	268,655	268,655	537,310
Half yearly review of condensed interim financial statements	485,061	115,137	115,137	230,274
Fee for other certifications	100,000	85,000	18,232	103,232
Out of pocket expenses	63,042	2,057	28,127	30,185
	1,113,042	470,849	430,152	901,001
Sindh Sales Tax	89,043	37,668	34,412	72,080
	1,202,085	508,517	464,564	973,081

16 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit of 2.5% for a collective investment scheme categorised as an 'Income Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 9.1 to these condensed financial

The total expense ratio of the fund as at June 30, 2026 based on the current year result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	Total TER with Levies	Total TER without Levies
0.699	0.075	0.075	0.116	0.166	0.661	-	1.792	1.676

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

17 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed at least 90% of the Fund's accounting income for the year ended June 30, 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders 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.

18 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

18.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee / custodian, Faysal Bank Limited being the holding company of the Management Company, other collective investment schemes / notified entities 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 any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital or voting power of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of. Directors or officers of the Management Company or any of their connected persons as specified herein

18.2 Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with

18.3 Remuneration to the Management Company 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 NBFC Regulations and the Trust Deed.

18.5 The details of transactions carried out by the Fund with connected persons and related parties during the year and balances with them as at year end are as follows:

Transactions during the year	2026	2025		Total
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	
	--- (Rupees) ---	---------- (Rupees) ----------		
Faysal Asset Management Limited - Management Company				
Remuneration of Faysal Asset Management Limited - Management Company	1,751,607	214,340	22,501,335	22,715,675
Sindh Sales Tax on remuneration of the Management Company	262,741	32,060	3,375,206	3,407,266
Accounting and operational charges	1,202,085	-	-	-
Issuance 33,133,987 units (2025: 26,082,451 units)	345,480,803	266,750,324	-	266,750,324
Redemption 31,935,265 units (2025: 5,800,883 units)	337,688,433	235,750,324	-	235,750,324
Dividend paid	26,944	-	-	-
Faysal Bank Limited - Group company / associated company				
Profit on balances with bank	19,003,407	7,258,808	435,857,341	443,116,149
Bank charges	53,931	938,048	30,728	968,776
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	187,926	107,649	-	107,649
Sindh Sales Tax on remuneration of the Trustee	28,189	16,430	433,381	449,811

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Amounts / balances outstanding as at year end	2026			2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
	(Rupees)			(Rupees)		
Faysal Asset Management Limited - Management Company						
Management fee payable	252,062	-	252,062	20,009	6,530	26,539
Sindh sales tax payable on	37,809	-	37,809	3,001	980	3,981
Selling and marketing expenses	-	-	-	-	-	-
Other payable	-	-	-	-	25,675	25,675
Receivable from the Management Company	871,000	-	871,000	871,000	-	871,000
Units outstanding: 12,878,325 units (2025: 11,679,603 units)	130,475,459	-	130,475,459	117,904,424	-	117,904,424

Amounts / balances outstanding as at year end	2026			2025		
	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total	Faysal Islamic Special Income Plan-I	Faysal Islamic Special Income Plan-III	Total
	(Rupees)			(Rupees)		
Faysal Bank Limited Group company / Associated company						
Balances with bank	118,800,197	1,322,899	120,123,096	61,875,520	4,125,659	66,001,179
Profit receivable on balance with bank	-	-	-	534,873	6,241,828	6,776,701
Central Depository Company of Pakistan Limited - Trustee						
Remuneration to the Trustee payable	12,603	-	12,603	9,715	48,979	58,694
Sindh Sales Tax payable on remuneration of the Trustee	1,890	-	1,890	1,789	7,347	9,136
Faysal Islamic Sovereign Plan-I						
Purchase of GOP Ijarah Sukuk	-	-	-	-	167,383,315	167,383,315
Faysal Islamic Sovereign Plan - II						
Purchase of GOP Ijarah Sukuk	-	-	-	-	173,206,562	173,206,562

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2026						
	Faysal Islamic Special Income Plan-I			Faysal Islamic Special Income Plan-III			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	118,918,932	-	118,918,932	1,322,899	-	1,322,899	120,241,831
Investments	-	83,235,000	83,235,000	-	-	-	83,235,000
Receivable from Faysal Asset Management Limited - Management Company	871,000	-	871,000	-	-	-	871,000
Advance deposits, prepayments and other receivables	948,388	-	948,388	-	-	-	948,388
	120,738,320	83,235,000	203,973,320	1,322,899	-	1,322,899	205,296,219
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	309,871	-	309,871	-	-	-	309,871
Payable to Central Depository Company of Pakistan Limited - Trustee	14,493	-	14,493	-	-	-	14,493
Accrued expenses and other liabilities	1,541,494	-	1,541,494	1,322,899	-	1,322,899	2,864,393
Payable against redemption of units	1,224,210	-	1,224,210	-	-	-	1,224,210
	3,090,068	-	3,090,068	1,322,899	-	1,322,899	4,412,967

	2025						
	Faysal Islamic Special Income Plan-I			Faysal Islamic Special Income Plan-III			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	73,693,734	-	73,693,734	4,125,659	-	4,125,659	77,819,393
Investments	-	91,462,500	91,462,500	-	-	-	91,462,500
Receivable from Faysal Asset Management Limited - Management Company	871,000	-	871,000	-	-	-	871,000
Advance, deposits, prepayments and other receivables	1,528,437	-	1,528,437	6,341,828	-	6,341,828	7,870,265
	76,093,171	91,462,500	167,555,671	10,467,487	-	10,467,487	178,023,158
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	42,941	-	42,941	2,717,521	-	2,717,521	2,760,462
Payable to Central Depository Company of Pakistan Limited - Trustee	11,504	-	11,504	56,326	-	56,326	67,830
Accrued expenses and other liabilities	796,030	-	796,030	505,941	-	505,941	1,301,971
Payable against redemption of units	-	-	-	5,412,914	-	5,412,914	5,412,914
	850,475	-	850,475	8,692,702	-	8,692,702	9,543,177

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2026

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

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 / profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with bank, investment in GoP ijarah sukuk 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 bank in FISIP-I and balances with banks in FISIP-III which expose the Fund to cash flow 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. 1.65 million and Rs 0.02 million in FISIP-I and FISIP-III respectively.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rate.

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, 2026 can be determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Faysal Islamic Special Income Plan-I

	2026					
	Profit rate (%)	Exposed to profit rate risk			Not exposed to yield / profit 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	9.5% to 12.5%	118,918,932	-	-	-	118,918,932
Investments	11.59% to 15.99%	60,547,500	-		22,687,500	83,235,000
Receivable from Faysal Asset Management		-	-	-	-	
Limited - Management Company		-	-	-	871,000	871,000
Advance deposits, prepayments and other receivables			-	-	948,388	948,388
		179,466,432	-	-	24,506,888	203,973,320
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	309,871	309,871
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	14,493	14,493
Accrued expenses and other liabilities		-	-	-	1,541,494	1,541,494
		-	-	-	1,865,858	1,865,858
On-balance sheet gap (a)		179,466,432	-	-	22,641,030	202,107,462
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		179,466,432	-	-		
Cumulative interest rate sensitivity gap		179,466,432	179,466,432	179,466,432		

	2025					
	Profit rate (%)	Exposed to profit rate risk			Not exposed to yield / profit 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	11.25% to 19%	73,693,734	-	-	-	73,693,734
Investments	11.59% to 15.99%	29,652,000	-	61,810,500	-	91,462,500
Receivable from Faysal Asset Management		-	-	-	-	
Limited - Management Company		-	-	-	871,000	871,000
Deposits and other receivables			-	-	1,528,437	1,528,437
		103,345,734	-	61,810,500	2,399,437	167,555,671
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	42,941	42,941
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11,504	11,504
Accrued expenses and other liabilities		-	-	-	796,030	796,030
Payable against redemption of units		-	-	-	-	-
		-	-	-	850,475	850,475
On-balance sheet gap (a)		103,345,734	-	61,810,500	1,548,962	166,705,196
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		103,345,734	-	61,810,500		
Cumulative interest rate sensitivity gap		103,345,734	103,345,734	165,156,234		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Faysal Islamic Special Income Plan-III

	2026					
	Profit rate (%)	Exposed to profit rate risk			Not exposed to yield / profit 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	9.5% to 12.5%	1,322,899	-	-	-	1,322,899
Receivable from Faysal Asset Management		-	-	-	-	-
		1,322,899	-	-	-	1,322,899
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		-	-	-	1,322,899	1,322,899
		-	-	-	1,322,899	1,322,899
On-balance sheet gap (a)		1,322,899	-	-	(1,322,899)	0
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,322,899	-	-		
Cumulative interest rate sensitivity gap		1,322,899	1,322,899	1,322,899		

	2025					
	Profit rate (%)	Exposed to profit rate risk			Not exposed to yield / profit 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	9% to 13%	4,125,659	-	-	-	4,125,659
Receivable from Faysal Asset Management		-	-	-	6,341,828	6,341,828
		4,125,659	-	-	6,341,828	10,467,487
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	2,717,521	2,717,521
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	56,326	56,326
Payable against redemption of units		-	-	-	5,412,914	5,412,914
Accrued expenses and other liabilities		-	-	-	505,941	505,941
		-	-	-	8,692,702	8,692,702
On-balance sheet gap (a)		4,125,659	-	-	(2,350,874)	1,774,785
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		4,125,659	-	-		
Cumulative interest rate sensitivity gap		4,125,659	4,125,659	4,125,659		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

(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 yield / 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 financial instrument that exposes it to price risk.

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.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year 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:

Faysal Islamic Special Income Plan-I

	2026						
	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	118,918,932	-	-		-	-	118,918,932
Investments	-	-	-	83,235,000	-	-	83,235,000
Receivable from Faysal Asset Management Limited - Management Company	871,000	-	-	-	-	-	871,000
Advance, deposits, prepayments and other receivables	948,388	-	-	-	-	-	948,388
	120,738,320	-	-	83,235,000	-	-	203,973,320
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	309,871	-	-	-	-	-	309,871
Payable to Central Depository Company of Pakistan Limited - Trustee	14,493	-	-	-	-	-	14,493
Accrued expenses and other liabilities	1,541,494	-	-	-	-	-	1,541,494
	1,865,858	-	-	-	-	-	1,865,858
Net financial assets	118,872,462	-	-	83,235,000	-	-	202,107,462

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025						
	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 bank	113,671,650	-	-	-	-	-	113,671,650
Investments	-	-	10,000,000	-	-	-	10,000,000
Receivable from Faysal Asset Management Limited - Management Company	2,369,390	-	-	-	-	-	2,369,390
Advance, deposits, prepayments and other receivables	4,960,180	-	-	-	-	100,000	5,060,180
	121,001,220	-	10,000,000	-	-	100,000	131,101,220
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	38,579	-	-	-	-	-	38,579
Payable to Central Depository Company of Pakistan Limited - Trustee	8,285	-	-	-	-	-	8,285
Accrued expenses and other liabilities	451,702	139,548	-	-	-	-	591,250
Payable against redemption of units	26,567	-	-	-	-	-	26,567
	525,133	139,548	-	-	-	-	664,681
Net financial assets / (liabilities)	120,476,087	(139,548)	10,000,000	-	-	100,000	130,436,539

Faysal Islamic Special Income Plan-III

	2026						
	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 Bank	1,322,899	-	-	-	-	-	1,322,899
Investments	-	-	-	-	-	-	-
Advance, deposits, prepayments and other receivables	-	-	-	-	-	-	-
	1,322,899	-	-	-	-	-	1,322,899
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	1,322,899	-	-	-	-	-	1,322,899
	1,322,899	-	-	-	-	-	1,322,899
Net financial assets	-	-	-	-	-	-	-

	2025						
	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 Bank	4,125,659	-	-	-	-	-	4,125,659
Investments	-	-	-	-	-	-	-
Advance, deposits, prepayments and other receivables	6,341,828	-	-	-	-	-	6,341,828
	10,467,487	-	-	-	-	-	10,467,487
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	2,717,521	-	-	-	-	-	2,717,521
Payable to Central Depository Company of Pakistan Limited - Trustee	56,326	-	-	-	-	-	56,326
Payable against redemption of units	5,412,914						5,412,914
Accrued expenses and other liabilities	279,851	226,090	-	-	-	-	505,941
	8,466,612	226,090	-	-	-	-	8,692,702
Net financial assets / (liabilities)	2,000,875	(226,090)	-	-	-	-	1,774,785

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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. Credit risk mainly arises from balances with banks and financial institutions and profit receivable thereon.

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

The Fund is exposed to counter party credit risks on investment in balances with banks deposits and other receivables. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. This information is supplied by the independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and spread amongst approved counterparties.

Credit risk from balances with banks is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The table below analyses the Fund's maximum exposure to credit risk:

	2026				2025			
	Faysal Islamic Special Income Plan-I		Faysal Islamic Special Income Plan-III		Faysal Islamic Special Income Plan-I		Faysal Islamic Special Income Plan-III	
	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	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees				Rupees			
Balances with bank	118,918,932	118,918,932	1,322,899	1,322,899	73,693,734	73,693,734	4,125,659	4,125,659
Investments	83,235,000	-	-	-	91,462,500	-	-	-
Receivable from Faysal Asset Management Company	871,000	871,000	-	-	871,000	871,000	-	-
Advance, deposits, prepayments and other receivables	948,388	948,388	-	-	1,528,437	1,528,437	6,341,828	6,341,828
	203,973,320	120,738,320	1,322,899	1,322,899	167,555,671	76,093,171	10,467,487	10,467,487

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets.

20.3.2 Credit quality of financial assets

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

Name of the Bank	Rating Agency	Latest available published rating	% of financial assets exposed to credit risk	
			2026	2025
FISIF-Faysal Islamic Special Income Plan-I				
Faysal Bank Limited	PACRA	AA+	99.87%	83.55%
Easy Paisa Telenor Micro finance	PACRA	AA-	-	0.41%
Bank of Khyber	PACRA	AA-	0.13%	16.04%
			100.00%	100.00%
FISIF-Faysal Islamic Special Income Plan-III				
Faysal Bank Limited	PACRA	AA+	100.00%	100.00%

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 and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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'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 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 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.

22.1 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, 2026 and June 30, 2025, the Fund holds the following financial instrument measured at fair value.

Faysal Islamic Special Income Plan-I

	2026			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss'				
GOP Ijarah Sukuk certificates	83,235,000	-	-	83,235,000

	2025			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets 'at fair value through profit or loss'				
GOP Ijarah Sukuk certificates	91,462,500	-	-	91,462,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

22.2 Valuation technique used in determination of fair values is as follows:

Item	Valuation approach and input used
Government of Pakistan - Ijarah sukuks	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2026		
	Number of unit holders	Investment amount	Percentage of total
	Faysal Islamic Special Income Fund Plan-I		
Associated Companies	1	130,502,162	65.36%
Individual	82,670	69,042,912	34.58%
Other Corporate	2	114,984	0.06%
	82,673	199,660,058	100%

Category	2025		
	Number of unit holders	Investment amount	Percentage of total
	Faysal Islamic Special Income Fund Plan-I		
Associated Companies	1	117,873,953	71.35%
Individual	66,225	47,214,747	28.58%
Other Corporate	2	107,902	0.07%
	66,228	165,196,602	100%

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. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Mr. Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Mr. Syed Shahid Iqbal	Head of Fixed Income	MBA, CFA	Over 9 Years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 12 Years
Ms. Sarah Rehman, CFA	Head of Research	MBA Finance	Over 11 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 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 Islamic Savings Growth Fund, Faysal Islamic Asset Allocation Fund, Faysal Halal Amdani Fund, Faysal Islamic Financial Planning Fund II, Faysal Islamic Sovereign Fund, Faysal Islamic Financial Growth Fund, Faysal Islamic Mustakil Munafa Fund and Faysal Khushal Mustqabil Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name of directors	Designation	Attended meeting held on						
		13-Aug-25	20-Aug-25	08-Oct-25	16-Oct-25	04-Dec-25	16-Apr-26	07-May-26
Mr. Yousaf Hussain	Chairman	Present	Present	Present	Present	Present	Present	Present
Mrs. Samia Zuberi	Member	Present	Present	Present	Present	Present	Present	Present
Mr. Ehsen Zafar Puri	Member	Present	Present	Present	Present	Present	Present	Present
Mr. Aneeq Malik*	Member	-	-	Present	Present	Present	Present	Present
Mian Salman Ali	Member	Present	Present	Present	Present	Present	Present	Present
Syed Amin Ur Rahman*	Member	-	-	Present	Present	Present	Present	Present
Syed Muhammad Fraz Zaidi*	Member	-	-	Present	Present	Present	Present	Present
Mr. Nadir Rahman	Member	Present	Present	Present	Present	Present	Present	Present
Syed Majid Ali**	Member	Present	Present	-	-	-	-	-

* Mr. Aneeq Malik, Syed Amin Ur Rahman and Syed Muhammad Fraz Zaidi were appointed on October 03,2025.
** Syed Majid Ali and Mr. Ali Waqar had resigned on October 03,2025.

27 GENERAL

27.1 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 July 31, 2026 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

	(FISIP-I)				
	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
(i) PERFORMANCE TABLE					
Net assets	199,660,058	165,196,602	128,665,922	139,400,199	105,321,221
Net assets value per unit	10.1314	10.0966	10.09	10.08	100.02
Offer price per unit	10.3644	10.3288	10.32	10.31	102.28
Repurchase price per unit	10.1314	10.0966	10.09	10.08	100.02
Highest offer price per unit	11.2167	11.7598	12.31	12.39	102.44
Highest repurchase price per unit	10.9645	11.4954	12.04	12.11	100.17
Lowest offer price per unit	10.329	10.315	10.30	10.23	100
Lowest repurchase price per unit	10.097	10.087	10.08	10.00	100
Total return:	9.00%	14.03%	19.58%	22.25%	13.14%
- capital growth	8.13%	12.63%	0.04%	0.95%	12.80%
- income distribution	0.87%	1.40%	19.54%	21.30%	0.34%
Average annual return:					
FISIP-I (Launch date: June 20, 2022)					
FISIP-III (Launch date: February, 2024)					
- one year	9.00%	14.03%	19.58%	22.25%	13.14%
- two years	11.52%	16.81%	18.32%	17.70%	N/A
- three years	14.20%	18.62%	18.32%	N/A	N/A
Four year	15.60%	17.25%			
Five year	15.60%				
Distribution per unit:					
- Interim distribution (% per unit) *	0.87%	1.40%	19.54%	21.30%	0.34%
- Final distribution (% per unit)	-	-	-	-	-
	0.87%	1.40%	19.54%	21.30%	0.34%

* Announced on 25 June 2026

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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Islamic Stock Fund

Financial Statements
For The Year Ended June 30, 2026



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Faysal Islamic Stock Fund

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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
E.Y Ford Rhodes 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
Habib bank Limited (Islamic Banking)
Meezan Bank Limited

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal Islamic Stock Fund (FISF) endeavors to provide investors with an opportunity to earn capital growth by investing in a large pool of fund representing Shariah compliant equity investment in a broad range of sectors and financial instruments.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

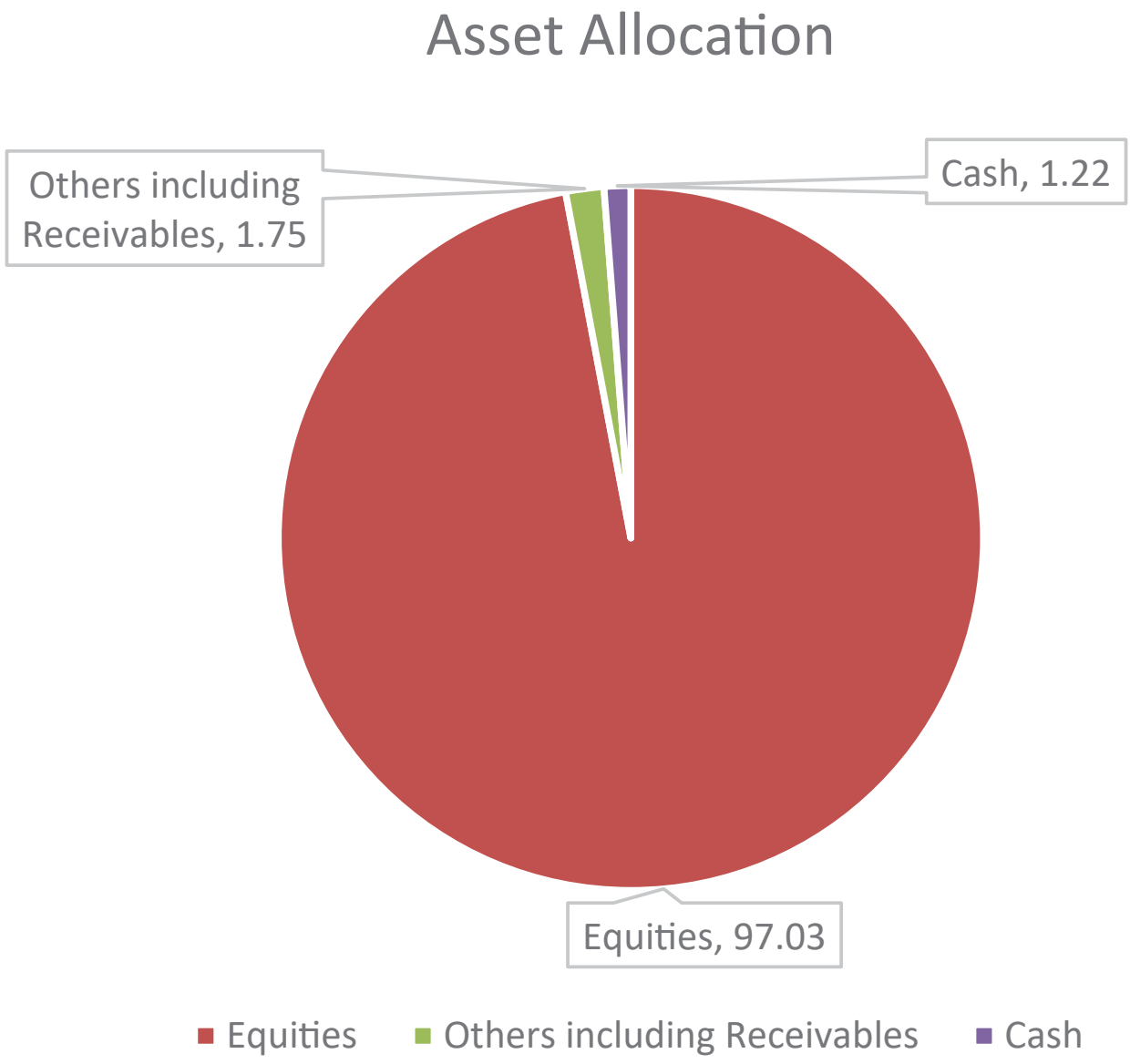
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Equity Scheme
Risk Profile	High
Launch Date	July 24, 2020
Custodian/Trustee	CDC
Auditor	EY Ford Rhodes
Management Fee	Up to 3% of Average Annual N.A. (Actual Rate of Management Fee Charged is 3.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV(Actual Charged is 0.17%) & BEL 0%
Min Subscription	PKR 5,000
Benchmark	KMI 30 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	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	125.59
Net Assets (mn)	2740
Net Assets (PKR mn) excluding FoF	2740
Total Expense Ratio (Annualized) Total Expense Ratio (Monthly)	5.18% 4.57%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	49.72%	31.08%
Benchmark (YTD)	45.90%	37.67%



FUND PERFORMANCE

During the period under review, the fund posted an absolute FY26TD return of 31.08% against its benchmark return of 37.67%. The fund's exposure in Cash (1.22%), Equities (97.03%) and Others (1.75%) stood at the period end. During this period, an overweight stance relative to the KMI-30 index was taken in the Oil & Gas Exploration and Cement sectors, whereas an underweight stance was taken in the remaining sectors.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Stock Fund

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Stock Fund (FISF).** I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.
It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FISF** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FISF** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Stock Fund (FISF)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Stock Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 03, 2026

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Independent Assurance Report on Compliance with the Shari'ah Governance Regulations, 2023
To the Board of Directors of Faysal Asset Management Limited (Management Company)

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of Shari'ah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the **Faysal Islamic Stock Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles for the year ended **30 June 2026**. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shari'ah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shari'ah implications for the year ended 30 June 2026) is assessed, comprise of the Shari'ah principles and rules, as defined in the regulations and reproduced as under:

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following;

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shari'ah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shari'ah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shari'ah implications with Shari'ah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts and transactions having Shari'ah implications with Shari'ah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shari'ah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shari'ah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shari'ah principles. (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shari'ah principles (criteria specified in the paragraph 2 above), in all material respects.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: 28 September 2026

Place: Karachi

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Faysal Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Faysal Islamic Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2026**, 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 policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2026, 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 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 judgement, 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of bank balances and investments	
As disclosed in notes 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2026, the bank balances and investments (comprised of equity securities) held by the Fund represent 98.23% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2026 and reconciled it with the books and records of the Fund. - We have obtained bank reconciliation statements and tested reconciling items on a sample basis. - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the fund as mentioned in note 3.

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Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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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 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

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Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2025 were audited by another firm of Chartered Accountants, whose audit report dated 26 September 2025, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 28 September 2026

Place: Karachi

UDIN Number: AR202610076526daCGXI

Faysal Islamic Stock Fund

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Assets			
Balances with banks	4	**33,179,236**	89,307,894
Investments	5	**2,696,249,737**	703,165,855
Receivable against sale of investments		**45,654,496**	41,387,387
Receivable against sale of units		**-**	7,684,680
Receivable from Faysal Asset Management Limited		**255,000**	255,000
Advances, deposits and other receivables	6	**3,285,300**	1,527,306
Preliminary expenses and floatation costs	7	**-**	15,175
Total assets		**2,778,623,769**	843,343,297
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	**8,702,286**	2,136,330
Payable to Central Depository Company of Pakistan Limited - Trustee	9	**336,396**	134,374
Payable to the Securities and Exchange Commission of Pakistan	10	**199,809**	54,298
Payable against redemption of units		**946,368**	58,469,688
Payable against purchase of investments		**-**	74,627,386
Accrued expenses and other liabilities	11	**28,820,941**	10,058,785
Total liabilities		**39,005,800**	145,480,861
Net assets		**2,739,617,969**	697,862,436
Unit holders' fund (as per statement attached)		**2,739,617,969**	697,862,436
Contingencies and commitments	12		
		--------(Number of Units)--------	
Number of units in issue		**21,813,238**	7,283,259
		--------- (Rupees) ---------	
Net asset value per unit		**125.5943**	95.8173

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

Faysal Islamic Stock Fund

Income Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Income			
Profit on balances with banks		**9,279,770**	3,249,769
Dividend income		**84,959,410**	22,696,816
Realised gain on sale of investments - net		**226,607,419**	91,548,479
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	**118,072,112**	33,851,503
Total income		**438,918,711**	151,346,567
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	**64,437,786**	8,915,764
Sindh sales tax on remuneration of the Management Company	8.2	**9,665,668**	1,337,365
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	**3,245,153**	911,908
Sindh sales tax on remuneration of the Trustee	9.2	**486,773**	136,786
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	**2,153,501**	433,729
Auditors' remuneration	13	**1,310,072**	1,087,514
Transaction charges		**28,914,091**	9,423,044
Legal and professional charges		**117,971**	143,499
Shariah advisory fee		**306,692**	150,000
Amortisation of preliminary expenses and floatation costs	7	**15,175**	292,500
Bank charges		**89,882**	44,501
Printing charges		**-**	14,616
Reimbursement of expenses by the Management Company		**-**	(755,000)
Charity and Donation		**6,618,107**	-
Total expenses		**117,360,871**	22,136,226
Net income for the year before taxation		**321,557,840**	129,210,341
Taxation	14	**-**	-
Net income for the year after taxation		**321,557,840**	129,210,341
Earnings per unit	15		
Allocation of net income for the year			
Net income for the year after taxation		**321,557,840**	129,210,341
Income already paid on units redeemed		**(280,827,450)**	(97,133,701)
		40,730,390	32,076,640
Accounting income available for distribution			
- Relating to capital gains		**43,659,571**	32,076,640
- Excluding capital gains		**(2,929,181)**	-
		40,730,390	32,076,640

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

Faysal Islamic Stock Fund

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	2026	2025
	---------- (Rupees) ----------	
Net income for the year after taxation	**321,557,840**	129,210,341
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**321,557,840**	129,210,341

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

Faysal Islamic Stock Fund

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	2026			2025		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	**799,011,588**	**(101,149,152)**	**697,862,436**	257,154,807	(116,500,357)	140,654,450
Issuance of 145,737,967 units (2025: 49,141,272 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**13,964,218,508**	**-**	**13,964,218,508**	4,612,276,147	-	4,612,276,147
- Element of income	**3,519,831,056**	**-**	**3,519,831,056**	1,582,108,582	-	1,582,108,582
Total proceeds on issuance of units	**17,484,049,564**	**-**	**17,484,049,564**	6,194,384,729	-	6,194,384,729
Redemption of 131,207,988 units (2025: 43,356,609 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**(12,571,995,157)**	**-**	**(12,571,995,157)**	(4,069,342,233)	-	(4,069,342,233)
- Element of loss	**(2,911,029,264)**	**(280,827,450)**	**(3,191,856,714)**	(1,422,179,520)	(97,133,701)	(1,519,313,221)
Total payments on redemptions of units	**(15,483,024,421)**	**(280,827,450)**	**(15,763,851,871)**	(5,491,521,753)	(97,133,701)	(5,588,655,454)
Total comprehensive income for the year	**-**	**321,557,840**	**321,557,840**	-	129,210,341	129,210,341
Distribution for the year ended June 30, 2026: Nil (2025: @ Rs. 43.7971 per unit declared on June 24, 2025)	**-**	**-**	**-**	(161,006,195)	(16,725,435)	(177,731,630)
Net assets at the end of the year	**2,800,036,731**	**(60,418,762)**	**2,739,617,969**	799,011,588	(101,149,152)	697,862,436
Accumulated loss brought forward						
- Realised loss		**(135,000,655)**			(124,910,127)	
- Unrealised income		**33,851,503**			8,409,770	
		(101,149,152)			(116,500,357)	
Accounting income available for distribution						
- Relating to capital gains		**43,659,571**			32,076,640	
- Excluding capital gains		**(2,929,181)**			-	
		40,730,390			32,076,640	
Distribution made during the year		**-**			(16,725,435)	
Accumulated loss carried forward		**(60,418,762)**			(101,149,152)	
Accumulated loss carried forward						
- Realised loss		**(178,490,874)**			(135,000,655)	
- Unrealised income		**118,072,112**			33,851,503	
		(60,418,762)			(101,149,152)	
		(Rupees)			**(Rupees)**	
Net asset value per unit at the beginning of the year		**95.8173**			93.8575	
Net asset value per unit at the end of the year		**125.5943**			95.8173	

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**

Faysal Islamic Stock Fund

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**321,557,840**	129,210,341
Adjustments for:			
Profit on balances with banks		**(9,279,770)**	(3,249,769)
Dividend income		**(84,959,410)**	(22,696,816)
Realised gain on sale of investments - net		**(226,607,419)**	(91,548,479)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	**(118,072,112)**	(33,851,503)
Amortisation of preliminary expenses and floatation costs	7	**15,175**	292,500
		(438,903,536)	(151,054,067)
Decrease in assets			
Investments - net		**(1,648,404,351)**	(455,851,118)
Advances, deposits and other receivables		**(1,500,000)**	-
Receivable against sale of investments		**(4,267,109)**	(31,243,533)
Receivable from Faysal Asset Management Limited - Management Company		**-**	(255,000)
		(1,654,171,460)	(487,349,651)
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**6,565,956**	1,411,971
Payable to Central Depository Company of Pakistan Limited - Trustee		**202,022**	98,815
Payable to the Securities and Exchange Commission of Pakistan		**145,511**	40,913
Payable against purchase of investments		**(74,627,386)**	71,535,409
Accrued expenses and other liabilities		**18,762,156**	1,747,574
		(48,951,741)	74,834,682
Profit received on bank balances		**9,021,776**	3,255,114
Dividend received		**84,959,410**	22,696,816
Net cash used in operating activities		**(1,726,487,711)**	(408,406,765)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		**17,491,734,244**	6,025,693,854
Dividend paid		**-**	(16,725,435)
Payments against redemption of units		**(15,821,375,191)**	(5,561,308,561)
Net cash generated from financing activities		**1,670,359,053**	447,659,858
Net (decrease) / increase in cash and cash equivalents during the year		**(56,128,658)**	39,253,093
Cash and cash equivalents at the beginning of the year		**89,307,894**	50,054,801
Cash and cash equivalents at the end of the year	4	**33,179,236**	89,307,894

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

Faysal Islamic Stock Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

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

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020' (the Sindh Trust Act). Accordingly, on September 09, 2021 the above-mentioned Trust Deed has been registered under the Sindgh Trust Act.

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

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

1.4 According to the Trust Deed, the objective of the Fund is to provide a reasonable rate of return along with maximum possible preservation of capital by investing in Shariah compliant listed equity securities. The investment objectives and policies are explained in the Fund's offering document.

1.5 The Management company has been assigned the rating of 'AM1' dated December 31, 2025 (June 30, 2025: 'AM1' dated September 10, 2024) by VIS Credit Rating Company Limited. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 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 requirement 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, 2026

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

The Fund has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

Lack of exchangeability - Amendments to IAS 21

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the Fund's financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year:

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Amendments	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application except for IFRS 18:

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Fund is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2009

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity 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 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 classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 21.

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

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

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 when the application is received. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 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 for 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 / (loss) 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 year. 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 appreciation / (diminution) arising on re-measurement of securities classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on saving accounts with banks is recognised on an time proportion basis using the effective yield method.

3.11 Expenses

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

3.12 Earnings / (loss) 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.

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 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. 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.

4 BALANCES WITH BANKS	Note	2026	2025
		(Rupees)	
Savings accounts	4.1	**33,179,236**	89,307,894

4.1 These savings accounts carry profit rates at 5% to 12.5% (2025: 5%) per annum. Deposits in savings accounts include Rs. 33.107 million (2025: Rs. 88.78 million) maintained with Faysal Bank Limited, a related party and carry profit at the rate of 4.5% to 12.5% (2025: 11.75%) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		Note	2026	2025
			(Rupees)	
5	**INVESTMENTS**			
	Financial assets at fair value through profit or loss			
	Shares of listed companies - 'ordinary shares'	5.1	**2,696,249,737**	703,165,855

5.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2025	Purchased during the year	Split shares received during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation on re-measurement of investments	Investment as a percentage of: Net assets of the Fund	Investment as a percentage of: Total market value of investments of the Fund	Investment as a percentage of: Paid-up-capital of the investee company (with face value of investments)
	Number of shares held					Rupees			Percentage		
Chemicals											
Ghani Chemical Industries Limited	-	875,000	-	875,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	15,901	3,000	-	18,901	-	-	-	-	-	-	-
Ittehad Chemicals Limited	-	113,000	-	-	113,000	11,764,961	17,116,110	5,351,149	0.62%	0.63%	0.07%
Lucky Core Industries Limited **(note 5.1.1)**	-	98,251	-	39,000	59,251	17,714,058	14,021,157	(3,692,901)	0.51%	0.52%	0.00%
									1.14%	**1.15%**	**0.07%**
Industrial Engineering											
International Steels Limited	-	41,956	-	41,956	-	-	-	-	-	-	-
Mughal Iron And Steel Industries Ltd	-	370,000	-	370,000	-	-	-	-	-	-	-
International Industries Limited	-	154,850	-	-	154,850	32,003,557	26,149,520	(5,854,038)	0.95%	0.97%	0.00%
									0.95%	**0.97%**	**0.00%**
Commercial Banks											
Bankislami Pakistan Limited	-				-	-	-	-	-	-	-
Faysal Bank Limited	221,081	874,000	-	719,081	376,000	33,813,741	37,314,240	3,500,499	1.36%	1.38%	0.01%
Meezan Bank Limited **(note 5.1.2)**	104,826	1,225,057	-	1,008,565	321,318	153,586,765	165,947,894	12,361,129	6.06%	6.15%	0.01%
									7.42%	**7.54%**	**0.02%**
Textile Composite											
Nishat Mills Limited	81,606	655,386	-	414,033	322,959	53,393,093	50,982,308	(2,410,785)	1.86%	1.89%	0.02%
Interloop Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
									1.86%	**1.89%**	**0.02%**
Automobile Assembler											
Ghandara Automoibles Limited	23,586	15,000	-	38,586	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	90,500	-	90,500	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	23,250	-	-	23,250	21,940,846	22,519,253	578,406	0.82%	0.84%	0.00%
Sazgar Engineering Works Limited	14,422	49,268	-	51,922	11,768	22,192,067	24,283,150	2,091,083	0.89%	0.90%	0.00%
									1.71%	**1.74%**	**0.00%**
Automobile Parts & Accessories											
Thall Limited **(note 5.1.1)**	-	29,206	-	29,206	-	-	-	-	-	-	-
Cement											
D.G. Khan Cement Company Limited	203,510	1,055,164	-	987,400	271,274	56,235,996	60,567,346	4,331,350	2.21%	2.25%	0.05%
Attock Cement Pakistan Limited	16,929	-	-	16,929	-	-	-	-	-	-	-
Fauji Cement Company Limited **(note 5.1.2)**	766,499	7,264,720	-	6,477,179	1,554,040	81,546,361	89,435,002	7,888,641	3.26%	3.32%	0.03%
Cherat Cement Company Limited	-	99,400	-	3,000	96,400	26,497,515	33,347,652	6,850,137	1.22%	1.24%	0.00%
Lucky Cement Limited **(note 5.1.1 & 5.1.2)**	142,510	1,712,441	-	1,359,681	495,270	218,982,133	232,539,170	13,557,038	8.49%	8.62%	0.01%
Maple Leaf Cement Factory Limited **(note 5.1.2)**	142,291	4,263,136	-	3,417,200	988,227	95,191,537	105,651,349	10,459,812	3.86%	3.92%	0.01%
Pioneer Cement Limited	133,616	-	-	133,616	-	-	-	-	-	-	-
									19.04%	**19.34%**	**0.10%**
Cables & Electrical Goods											
Pak Elektron Limited	-	650,000	-	-	650,000	28,152,810	29,542,500	1,389,690	1.08%	1.10%	0.00%
Glass and Ceramics											
Emco Industries Limited	-	-	-	-	-	-	-	-	-	-	-
Tariq Glass Industries Limited	28,216	164,875	-	28,216	164,875	31,271,095	31,850,553	579,458	1.16%	1.18%	0.02%
									1.16%	**1.18%**	**0.02%**
Fertilizer											
Fatima Fertilizer Company Limited	-	531,720	-	301,720	230,000	37,400,636	38,019,000	618,364	1.39%	1.41%	0.00%
Fauji Fertilizer Company Limited **(note 5.1.2)**	-	1,300,880	-	951,048	349,832	187,210,908	200,621,655	13,410,748	7.32%	7.44%	0.00%
Engro Fertilizers Limited **(note 5.1.2)**	119,962	934,746	-	999,673	55,035	11,910,209	10,949,213	(960,995)	0.40%	0.41%	0.01%
									9.10%	**9.26%**	**0.01%**
Foods & Personal Care Products											
Barkat Frisian Agro Limited **(note 5.1.1)**	197,030	-	-	197,030	-	-	-	-	-	-	-
Ghani Dairies Limited **(note 5.1.1)**	-	131,674	-	12,228	119,446	3,941,718	2,382,948	(1,558,770)	0.09%	0.09%	0.06%
Unity Foods Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	500,000	-	63,000	437,000	24,670,926	19,123,120	(5,547,806)	0.70%	0.71%	0.06%
National Foods Limited **(note 5.1.1)**	40,850	104,246	-	16,000	129,096	51,312,433	50,015,663	(1,296,770)	1.83%	1.86%	0.02%
									2.61%	**2.65%**	**0.14%**
Power Generation and Distribution											
K-Electric Limited **(note 5.1.1)**	1,000,000	500,000	-	1,500,000	-	-	-	-	-	-	-
The Hub Power Company Limited **(note 5.1.2)**	291,687	2,992,843	-	2,493,015	791,515	173,441,694	184,779,177	11,337,483	6.74%	6.85%	0.02%
									6.74%	**6.85%**	**0.02%**
Technology and Communication											
Air Link Communication Limited	-	138,000	-	138,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd.	-	2,014,500	-	1,390,000	624,500	38,655,162	40,917,240	2,262,078	1.49%	1.52%	0.02%
Systems Limited **(note 5.1.1)**	249,380	2,132,456	-	2,029,974	351,862	52,752,975	51,755,382	(997,593)	1.89%	1.92%	0.02%
									3.38%	**3.44%**	**0.03%**
Miscellaneous											
Shifa International Hospitals Limited.	32,950	36,271	-	3,700	65,521	34,124,197	33,120,210	(1,003,986)	1.21%	1.23%	0.05%
Oil and Gas Exploration Companies											
Mari Energies Limited **(note 5.1.2)**	35,658	598,163	-	428,350	205,471	137,200,842	138,547,041	1,346,199	5.06%	5.14%	0.00%
Oil and Gas Development Company Limited **(note 5.1.2)**	277,728	3,024,541	-	2,430,696	871,573	262,603,879	291,863,651	29,259,771	10.65%	10.82%	0.01%
Pakistan Petroleum Limited **(note 5.1.2)**	334,377	4,005,411	-	3,167,673	1,172,115	264,643,195	284,378,541	19,735,347	10.38%	10.55%	0.01%
	-								**26.09%**	**26.51%**	**0.02%**
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited **(note 5.1.2)**	100,079	1,166,700	-	1,058,366	208,413	84,140,609	71,350,191	(12,790,419)	2.60%	2.65%	0.02%
Sui Northern Gas Pipelines Limited	188,301	1,173,010	-	1,128,458	232,853	25,599,008	28,158,913	2,559,905	1.03%	1.04%	0.03%
									3.63%	**3.69%**	**0.05%**
Refinery											
Attock Refinery Limited	10,150	185,438	-	163,588	32,000	29,802,320	27,221,440	(2,580,880)	0.99%	1.01%	0.01%
Pharmaceuticals											
Agp Limited	60,934	115,543	-	176,477	-	-	-	-	-	-	-
Haleon Pakistan Limited	23,511	-	-	23,511	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	25,850	210,361	-	140,573	95,638	39,744,348	35,409,970	(4,334,379)	1.29%	1.31%	0.01%
Hoechst Pakistan Limited	1,096	-	-	1,096	-	-	-	-	-	-	-
Highnoon Laboratories Limited	14,477	59	-	14,536	-	-	-	-	-	-	-
									1.29%	**1.31%**	**0.01%**
Inv. Bank/Inv. Companies/Securities Co.											
Engro Holdings Limited	223,167	2,340,654	-	1,873,397	690,424	182,271,498	198,648,793	16,377,295	7.25%	7.37%	0.02%
Leather & Tanneries											
Bata Pakistan Limited	-	20,211	-	100	20,111	23,610,844	20,288,387	(3,322,457)	0.74%	0.75%	0.00%
Service Global Footwear Limited	-	225,000	-	-	225,000	28,853,691	27,432,000	(1,421,691)	1.00%	1.02%	0.00%
									1.74%	**1.77%**	**0.00%**
Total as at June 30, 2026						2,578,177,625	2,696,249,737	118,072,112			
Total as at June 30, 2025						669,314,352	703,165,855	33,851,503			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

5.1.1 All shares have a face value of Rs. 10 each except the shares of Thal Limited, National Foods limited having face value of Rs.5 each, K-Electric Limited having face value of Rs.3.5 each, Lucky Cement Limited, Lucky Core Industries Limited and Systems Limited having face value of Rs.2 each, Barkat Frisian Agro Limited and Ghani Dairies Limited having face value of Rs.1 each, respectively.

5.1.2 Investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of the investee company	2026		2025	
	Number of shares	Market value in Rupees	Number of shares	Market value in Rupees
Pakistan Petroleum Limited	**500,000**	**121,310,000**	250,000	42,542,500
Oil And Gas Development Company Limited	**198,100**	**66,337,747**	198,100	43,692,936
Fauji Fertilizer Company Limited	**100,000**	**57,348,000**	-	-
Mari Energies Company Limited	**75,000**	**50,571,750**	25,000	15,672,250
Lucky Cement Limited	**100,000**	**46,952,000**	100,000	35,524,000
The Hub Power Company Limited	**186,500**	**43,538,425**	186,500	25,701,565
Meezan Bank Limited	**79,800**	**41,213,508**	83,800	27,825,790
Fauji Cement Company Limited	**450,000**	**25,897,500**	450,000	20,101,500
Maple Leaf Cement Factory Limited	**142,000**	**15,181,220**	142,000	11,967,760
Engro Fertilizers Limited	**54,000**	**10,743,300**	112,842	20,942,347
Pakistan State Oil Company Limited	**30,000**	**10,270,500**	30,000	11,325,900
Pioneer Cement Limited	**-**	**-**	50,000	11,406,500
	1,915,400	**489,363,950**	1,628,242	266,703,048

5.2 **Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net**	**Note**	**2026**	**2025**
		(Rupees)	
Market value of investments	5.1	**2,696,249,737**	703,165,855
Less: Carrying value of investments		**2,578,177,625**	669,314,352
		118,072,112	33,851,503

6 **ADVANCES, DEPOSITS AND OTHER RECEIVABLES**	**Note**	**2026**	**2025**
		(Rupees)	
Security deposits with:			
- Central Depository Company of Pakistan Limited		**100,000**	100,000
- National Clearing Company of Pakistan Limited		**2,500,000**	1,000,000
		2,600,000	1,100,000
Profit receivable on savings accounts with banks	6.1	**457,927**	199,948
Advance tax	6.2	**201,322**	201,307
Others		**26,051**	26,051
		3,285,300	1,527,306

6.1 This includes profit receivable amounting to Rs. 0.409 million (June 30, 2025: Rs. 0.196 million) on balance held with Faysal Bank Limited, a related party.

6.2 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, during prior years, withholding tax on profit on dividend and profit on bank deposits 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 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 withholdee. The tax withheld on dividend and profit on bank deposits amounts to Rs. 0.201 million (2025: Rs. 0.201 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 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 dividend and profit on bank deposits has been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

7 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2026	2025
		(Rupees)	
Balance at the beginning of the year		**15,175**	307,675
Less: amortisation during the year		**(15,175)**	(292,500)
At the end of the year	7.1	**-**	15,175

7.1 Preliminary expenses and flotation 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 July 24, 2020 in accordance with the Trust Deed of the Fund and the NBFC Regulations.

8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
		(Rupees)	
Remuneration payable to the Management Company	8.1	**6,320,465**	1,153,808
Sindh sales tax payable on remuneration of the Management company	8.2	**948,070**	171,447
Preliminary expenses and flotation costs payable		**12,256**	12,256
Sales load payable		**1,421,495**	788,819
Other payable		**-**	10,000
		8,702,286	2,136,330

8.1 As per regulation 61 of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

Period	Rate Applicable
From July 1, 2025 to October 8, 2025	2% of the average annual net assets
From October 9, 2025 to June 30, 2026	3% of the average annual net assets

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

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2025: 15%) on the remuneration of the Management Company through the Sindh sales tax on Services Act, 2011.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
		(Rupees)	
Remuneration payable to the Trustee	9.1	**292,518**	116,892
Sindh sales tax payable on remuneration of the Trustee	9.2	**43,878**	17,482
		336,396	134,374

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

Net Assets (Rs.)	Tariff
up to Rs. 1 billion	0.20% per annum of net assets
over Rs. 1 billion	Rs.2.0 million plus 0.10% p.a. of net Assets, on amount exceeding Rs.1 billion

9.2 During the period 15% (2025:15%) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026	2025
		(Rupees)	
Annual Fee payable	10.1	**199,809**	54,298

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 fee to 0.095% (June 30, 2025: 0.095%) per annum of the daily net assets of the Fund.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
		(Rupees)	
Auditors' remuneration payable	13	**761,273**	792,939
Transaction charges payable		**4,222,280**	3,507,500
Shariah advisory fee payable		**306,692**	150,000
Legal and professional charges payable		**641,588**	640,597
Withholding tax payable		**-**	115,034
Withholding tax on dividend		**-**	2,233,092
Capital gain tax payable		**15,776,499**	2,167,084
Payable to Central Zakat Fund		**67,188**	25,225
Payable to Charitable Institutions		**6,618,107**	-
Other payable		**427,314**	427,314
		28,820,941	10,058,785

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

13 AUDITORS' REMUNERATION	2026	2025
	(Rupees)	
Annual audit fee	**779,417**	730,101
Half yearly review of condensed interim financial statements	**218,083**	218,083
Shariah Audit Fee	**150,000**	-
Out of pocket expenses	**65,530**	58,773
	1,213,030	1,006,957
Sindh sales tax	**97,042**	80,557
	1,310,072	1,087,514

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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.

15 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.

16 TOTAL EXPENSE RATIO

The total expense ratio of the Fund as at June 30, 2026 based on the current period result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
2.84%	0.09%	0.14%	0.45%	1.28%	0.08%	0.29%	5.18%	4.73%

17 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors, 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 capital of the Management Company or the net assets of the Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the offering document.

Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

The details of transactions carried out by the Fund with connected persons and related parties during the period and balances with them as at period end are as follows:

Transactions during the year	**2026**	**2025**
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	**64,437,786**	8,915,764
Sindh sales tax on remuneration of the Management Company	**9,665,668**	1,337,365
Reimbursement of expenses by the Management Company	**-**	755,000
Issuance of 130,938 units (2025: 325,373 units)	**15,700,915**	38,285,879
Redemption of 198,349 units (2025: 218,831 units)	**21,955,510**	30,017,879
Faysal Bank Limited - Group Company		
Profit on savings accounts with bank	**8,652,892**	2,917,001
Bank charges	**88,286**	44,501
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**3,245,153**	911,908
Sindh sales tax on remuneration of the Trustee	**486,773**	136,786
Directors, their close family members and key management personnel of the Management Company		
Issuance of 12,326 units (2025: 29,124 units)	**1,498,115**	3,362,445
Redemption of 12,363 units (2025: 18,274 units)	**1,532,500**	2,041,892
Unit holder with 10% or more unit holding		
Issuance of 9,204,538 units	**1,150,474,886**	-
Redemption of 6,169,548 units	**757,113,578**	-

Amounts / balances outstanding as at year end	**2026**	**2025**
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration payable to the Management Company	**6,320,465**	1,153,808
Sindh sales tax payable on remuneration of the Management Company	**948,070**	171,447
Preliminary expenses and flotation costs payable	**12,256**	12,256
Sales load payable	**1,421,495**	788,819
Other payable	**-**	10,000
Receivable from Faysal Asset Management Company Limited	**255,000**	255,000
Outstanding units: 45,420 (2025: 112,832)	**5,704,515**	10,811,191
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	**292,518**	116,892
Sindh sales tax payable on remuneration of the Trustee	**43,878**	17,482
Security deposit	**100,000**	100,000
Faysal Bank Limited		
Balance with bank	**33,106,705**	88,775,320
Profit receivable on savings accounts	**409,041**	196,946
Directors, their close family members and key management personnel of the Management Company		
Outstanding: 10,813 units (2025: 10,850 units)	**1,358,051**	1,039,533
Unit holder with 10% or more unit holding		
Outstanding: 3,034,990 units	**290,804,617**	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	33,179,236	-	33,179,236
Investments	-	2,696,249,737	2,696,249,737
Receivable against sale of investments	45,654,496	-	45,654,496
Receivable from Faysal Asset Management Company Limited	255,000	-	255,000
Advances, deposits and other receivables	3,057,927	-	3,057,927
	82,146,659	2,696,249,737	2,778,396,396
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	7,754,216	-	7,754,216
Payable to Central Depository Company of Pakistan Limited - Trustee	292,518	-	292,518
Payable against redemption of units	946,368	-	946,368
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	12,977,254	-	12,977,254
	21,970,356	-	21,970,356

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	89,307,894	-	89,307,894
Investments	-	703,165,855	703,165,855
Receivable against sale of units	7,684,680	-	7,684,680
Receivable against sale of Investments	41,387,387	-	41,387,387
Receivable from Faysal Asset Management Company Limited	255,000	-	255,000
Advances, deposits and other receivables	1,299,948	-	1,299,948
	139,934,909	703,165,855	843,100,764
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	1,964,883	-	1,964,883
Payable to Central Depository Company of Pakistan Limited - Trustee	116,892	-	116,892
Accrued expenses and other liabilities	5,501,891	-	5,501,891
Payable against redemption of units	58,469,688	-	58,469,688
Payable against purchase of investments	74,627,386	-	74,627,386
	140,680,740	-	140,680,740

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 and regulations laid down by the SECP.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow 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. 0.34 million (2025: Rs. 0.97 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, 2026 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, 2026 can be determined as follows:

	2026					
	Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	5%-12.5%	33,179,236	-	-	-	33,179,236
Investments		-	-	-	2,696,249,737	2,696,249,737
Advances, deposits and other receivables		-	-	-	3,057,927	3,057,927
Receivable from Faysal Asset Management Company Limited		-	-	-	255,000	255,000
Receivable against sale of investments		-	-	-	45,654,496	45,654,496
		33,179,236	-	-	2,745,217,160	2,778,396,396
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	7,754,216	7,754,216
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	292,518	292,518
Payable against redemption of units		-	-	-	946,368	946,368
Payable against purchase of investments		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	12,977,254	12,977,254
		-	-	-	21,970,356	21,970,356
On-balance sheet gap (a)		33,179,236	-	-	2,723,246,804	2,756,426,040
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		33,179,236	-	-		
Cumulative profit rate sensitivity gap		33,179,236	33,179,236	33,179,236		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2025					
	Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	5%-11.75%	89,307,894	-	-	-	89,307,894
Investments		-	-	-	703,165,855	703,165,855
Advances, deposits and other receivables		-	-	-	1,299,948	1,299,948
Receivable against sale of units		-	-	-	7,684,680	7,684,680
Receivable from Faysal Asset Management Company Limited		-	-	-	255,000	255,000
Receivable against sale of investments		-	-	-	41,387,387	41,387,387
		89,307,894	-	-	753,792,870	843,100,764
Financial liabilties						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	1,964,883	1,964,883
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	116,892	116,892
Payable against redemption of units		-	-	-	58,469,688	58,469,688
Accrued expenses and other liabilities		-	-	-	5,501,891	5,501,891
Payable against purchase of investments		-	-	-	74,627,386	74,627,386
		-	-	-	140,680,740	140,680,740
On-balance sheet gap (a)		89,307,894	-	-	613,112,130	702,420,024
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		89,307,894	-	-		
Cumulative profit rate sensitivity gap		89,307,894	89,307,894	89,307,894		

(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 yield / 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 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. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets or index weight, whichever is higher, subject to maximum of 40%.

In case of 1% increase / decrease in KMI-30 all share index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the period would increase / decrease by Rs. 26.962 million (2025: Rs. 7.03 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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 KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share 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.

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 upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2026.

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 balances with banks have been included in the maturity grouping of one month:

	2026						
	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	33,179,236	-	-	-	-	-	33,179,236
Investments	-	-	-	-	-	2,696,249,737	2,696,249,737
Advances, deposits and other receivables	457,927	-	-	-	-	2,600,000	3,057,927
Receivable from Faysal Asset Management Company Limited	255,000	-	-	-	-	-	255,000
Receivable against sale of investments	45,654,496	-	-	-	-	-	45,654,496
	79,546,659	-	-	-	-	2,698,849,737	2,778,396,396
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	7,754,216	-	-	-	-	-	7,754,216
Payable to Central Depository Company of Pakistan Limited - Trustee	292,518	-	-	-	-	-	292,518
Payable against redemption of units	946,368	-	-	-	-	-	946,368
Payable against purchase of investments	-	-	-	-	-	-	-
Accrued expenses and other liabilities	11,909,289	761,273	306,692	-	-	-	12,977,254
	20,902,391	761,273	306,692	-	-	-	21,970,356
Net financial assets / (financial liabilities)	58,644,268	(761,273)	(306,692)	-	-	2,698,849,737	2,756,426,040

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For The Year Ended June 30, 2026

	2025						
	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	89,307,894	-	-	-	-	-	89,307,894
Investments	-	-	-	-	-	703,165,855	703,165,855
Advances, deposits and other receivables	199,948	-	-	-	-	1,100,000	1,299,948
Receivable against sale of units	7,684,680	-	-	-	-	-	7,684,680
Receivable from Faysal Asset Management Company Limited	255,000	-	-	-	-	-	255,000
Receivable against sale of investments	41,387,387	-	-	-	-	-	41,387,387
	138,834,909	-	-	-	-	704,265,855	843,100,764
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	1,964,883	-	-	-	-	-	1,964,883
Payable to Central Depository Company of Pakistan Limited - Trustee	116,892	-	-	-	-	-	116,892
Payable against redemption of units	58,469,688	-	-	-	-	-	58,469,688
Payable against purchase of investments	74,627,386	-	-	-	-	-	74,627,386
Accrued expenses and other liabilities	4,575,411	792,939	150,000	-	-	-	5,518,350
	139,754,260	792,939	150,000	-	-	-	140,697,199
Net (financial liabilities) / financial assets	(919,351)	(792,939)	(150,000)	-	-	704,265,855	702,403,565

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. Credit risk arises from balances with banks and financial institutions, profit receivable on bank deposits, dividend receivable and receivable against sale of investments.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	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	**33,179,236**	**33,179,236**	89,307,894	89,307,894
Investments	**2,696,249,737**	**-**	703,165,855	-
Advances, deposits and other receivables	**3,285,300**	**3,057,927**	1,527,306	1,299,948
Receivable against sale of units	**-**	**-**	7,684,680	7,684,680
Receivable from Faysal Asset Management Company Limited	**255,000**	**255,000**	255,000	255,000
Receivable against sale of investments	**45,654,496**	**45,654,496**	41,387,387	41,387,387
	2,778,623,769	**82,146,659**	843,328,122	139,934,909

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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 balances with banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Name of the Bank	2026		
	Rating Agency	Latest available published rating	% of financial assets exposed to credit risk
			2026
Faysal Bank Limited	PACRA	AA	**99.79%**
Meezan Bank Limited	VIS	AAA	**0.19%**
Habib Bank Limited	VIS	AAA	**0.02%**
			100.00%

Name of the Bank	2025		
	Rating Agency	Latest available published rating	% of financial assets exposed to credit risk
			2025
Faysal Bank Limited	PACRA	AA	99.40%
Meezan Bank Limited	VIS	AAA	0.58%
Habib Bank Limited	PACRA	AAA	0.02%
			100.00%

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 thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

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.

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.

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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.

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, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

	As at June 30, 2026			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------			
Tradable financial assets 'at fair value through profit or loss'				
Shares of listed companies				
- 'ordinary shares'	2,696,249,737	-	-	2,696,249,737
	2,696,249,737	-	-	2,696,249,737

	As at June 30, 2025			
	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------			
Tradable financial assets 'at fair value through profit or loss'				
Shares of listed companies				
- 'ordinary shares'	703,165,855	-	-	703,165,855
	703,165,855	-	-	703,165,855

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.

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

22 UNIT HOLDING PATTERN OF THE FUND

Category	---------- June 30, 2026 ----------			
	Number of unit held	Number of unit holders	Investment amount (Rupees)	Percentage of total (%)
Individuals	18,890,558	1,627	2,372,545,990	86.60%
Other	2,794,090	18	350,921,750	12.81%
Banks & DFIs	81,347	1	10,216,718	0.37%
Associated Companies	45,420	1	5,704,515	0.20%
Retirement Funds	1,823	1	228,925	0.01%
Total	21,813,238	1,648	2,739,617,898	100.00%

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Category	June 30, 2025			
	Number of unit held	Number of unit holders	Investment amount (Rupees)	Percentage of total (%)
Individuals	4,593,774	685	440,163,129	63.07%
Associated Companies	112,831	1	10,811,191	1.55%
Insurance Company	573,731	1	54,973,411	7.88%
Banks & DFIs	81,348	1	7,794,506	1.11%
Retirement Funds	1,823	1	174,650	0.03%
Other	1,919,752	8	183,945,549	26.36%
Total	7,283,259	697	697,862,436	100.00%

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission
Taurus Securities Limited	**12.28%**
JS Global Capital Limited	**9.79%**
Insight Securities (Private) Limited	**9.22%**
Topline Securities Limited	**8.24%**
EFG Hermes Pakistan Limited	**7.55%**
DJM Securities (Private) Limited	**5.65%**
Multiline Securities (Pvt) Limited	**4.60%**
Spectrum Securities Limited	**4.42%**
Khadim Ali Shah Bukhari Securities (Private) Limited	**4.29%**
Summit Capital (Private) Limited	**3.59%**
	69.62%

Name of broker	2025 Percentage of commission
Topline Securities Limited	14.33%
EFG Hermes Pakistan Limited	9.88%
Spectrum Securities Limited	8.42%
Insight Securities (Private) Limited	8.09%
DJM Securities (Private) Limited	7.07%
Taurus Securities Limited	5.96%
Next Capital Limited	5.77%
Trust Securities & Brokerage Limited	5.47%
JS Global Capital Limited	5.40%
Summit Capital (Private) Limited	5.06%
	75.45%

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 (in years)
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 33 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 25 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 18 Years
Ms. Sarah Rehman	Head of Reserch	MBA	Over 9.5 Years
Syed Eunas Viqar	Chief Compliance & Risk Officer	ACCA	Over 16 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 9 Years
Mr. Noman Ahmed	Head of Equity	MBA	Over 15 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Noman Ahmed	Head of Equity	MBA, Finance	Faysal Islamic Dedicated Equity Fund, Faysal Asset Allocation Fund - II, Faysal Islamic Stock Fund-II.

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:

S.No	Directors	Designation	139th BOD 13-Aug-25	140th BOD 20-Aug-25	141st BOD 8-Oct-25	142nd BOD 16-Oct-25	143rd BOD 4-Dec-25	144th BOD 11-Feb-26	145th BOD 16-Apr-26	146th BOD 7-May-26
1	Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
5	Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
7	Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes
8	Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Syed Majid Ali*	Director	Yes	Yes	-	-	-	-	-	-
10	Mr. Ali Waqar*	Director	Yes	Absent	-	-	-	-	-	-

*Mr. Aneeq Malik, Mr. Syed Amin Ur Rahman and Mr. Syed Muhammad Fraz Zaidi were appointed as a director on the board with effect from October 03, 2025.

*Mr. Majid Ali and Mr. Ali Waqar retired from the Board of Directors with effect from October 3, 2025.

27 GENERAL

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

27.2 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report, other than rearrangements / reclassifications in the cash flow statement, where certain non-cash items have been reclassified from changes in assets to adjustment of non-cash
items and profit received within cash flow from operating activities resulting in no change in the overall cashflows from

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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, 2026 (Rupees)	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
(i) PERFORMANCE TABLE					
Net assets	2,739,618,811	697,862,442	140,654,450	350,403,720	505,327,714
Net assets value per unit	125.5943	95.8173	93.86	93.79	105.35
Offer price per unit	129.9273	99.1230	97.05	96.97	108.93
Repurchase price per unit	125.5943	95.8173	93.86	93.79	105.35
Highest offer price per unit	130.5384	148.8591	165.98	116.18	147.25
Highest repurchase price per unit	126.1850	143.8948	160.54	112.37	142.42
Lowest offer price per unit	120.9738	92.1321	96.97	93.89	107.53
Lowest repurchase price per unit	116.9394	89.0595	93.79	91.81	104.00
Total return:	31.08%	49.72%	70.24%	-10.97%	-23.25%
- capital growth	31.08%	5.92%	0.13%	-10.97%	-23.25%
- income distribution	0.00%	43.80%	70.11%	0.00%	0.00%
Average annual return: (Launch date: July 24, 2020)					
- one year	31.08%	49.72%	70.24%	-10.97%	-23.25%
- two years	40.40%	59.98%	29.64%	-17.11%	N/A
- three years	50.35%	36.33%	12.01%	N/A	N/A
Four Years	35.02%	21.44%	N/A		
Five Years	23.36%	N/A	N/A		
Distribution per unit:					
- Interim distribution (% per unit) *	0.00%	43.80%	70.11%	-	-
- Final distribution (% per unit)				-	-
	0.00%	43.80%	70.11%	-	-

* Announced on 24 June 2025

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.

Responsibilities towards Proxy Voting as per Regulation 38A
Faysal Asset Management Limited (FAML) on behalf of Faysal Islamic Stock Fund (FISF) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FISF is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML (if any) in respect of the CIS is also available without charge, upon request, to all unit holders.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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Rating by VIS
AM1
Excellent Management Quality

Faysal Islamic Stock Fund II

Financial Statements
For The Year Ended June 30, 2026



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اسلامی پہچان

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Faysal Islamic Stock Fund II

For The Year Ended June 30, 2026

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FUND INFORMATION

Management Company
Faysal Asset Management Limited.

Board of Directors
Mr. Yousaf Hussain, Chairman
Mrs. Samia Zuberi, Director
Mr. Ehsen Zafar Puri, Director
Mr. Aneeq Malik, Director
Mian Salman Ali, Director
Syed Amin ur Rahman, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Nadir Rahman, Chief Executive Officer

Chief Financial Officer & Company Secretary
Mr. Salman Muslim

Audit Committee
Mr. Ehsen Zafar Puri, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

Human Resource & Remuneration Committee
Mrs. Samia Zuberi, Chairperson
Mr. Yousaf Hussain, Member
Mr. Ehsen Zafar Puri, Member
Mr. Aneeq Malik, Member

Risk Management Committee
Mian Salman Ali, Chairman
Mr. Aneeq Malik, Member
Syed Amin ur Rahman, Member

Board Strategy Committee
Mr. Yousaf Hussain, Chairman
Mr. Aneeq Malik, Member
Mian Salman Ali, Member
Syed Amin ur Rahman, Member
Syed Muhammad Fraz Zaidi, Member

Board Investment Committee
Syed Muhammad Fraz Zaidi, Chairman
Mrs. Samia Zuberi, Member
Mian Salman Ali, Member

Board Technology Committee
Mr. Aneeq Malik, Chairman
Mr. Ehsen Zafar Puri, Member
Syed Amin ur Rehman, Member
Syed Muhammad Fraz Zaidi, Member

Shariah Board Committee
Mufti Muhammad Mohib-ul-Haq, Chairman
Mufti Muhammad Najeeb Khan, Member
Muhammad Faisal Shaikh, Member
Mufti Abdul Basit, Shariah Advisor

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 Islamic Stock Fund II (FISF II) endeavors to provide investors with an opportunity to earn capital growth by investing in a large pool of fund representing Shariah compliant equity investment in a broad range of sectors and financial instruments.

FUND MANAGER'S REPORT

MACRO-ECONOMIC REVIEW

June 2026 was largely focused on pre-and post-budget happenings. Budget FY27 (Outlay: PKR18.7tr) reflected a delicate balance between growth-orientation and stabilization. It offered relief to the common man by lowering income taxes and abolition of surcharges. Much awaited relief for the construction sector was granted through tax reduction. Much focus was on FBR reforms through expansion of tax net and digital integration.

Overall macros remained resilient despite inflationary pressures and ongoing US-Iran conflict. The government continued its engagement with the IMF with discussions primarily focused on implementation of the FY27 budget, revenue mobilization measures, and adherence to fiscal consolidation targets. Authorities reiterated their commitment to maintaining a primary fiscal surplus, broadening the tax base, and advancing structural reforms under the IMF-supported program.

The headline CPI eased to 11.1% YoY from 11.7% in May, while monthly inflation turned negative at -0.3%, indicating a modest decline in consumer prices during the month. The moderation was primarily supported by easing international oil prices following reduced geopolitical tensions, helping contain imported inflation, decline in petroleum prices, favorable base effects compared with the same period last year & stabilization in several consumer categories after the sharp increases witnessed in May. Price pressures remained broad-based across both urban and rural areas, reflecting higher transportation costs and pass-through from imported inflation. For FY27, we expect inflation to clock-in at ~7.6%. The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 11.5% in its latest meeting. Easing of global oil prices (still elevated than pre-war levels) following the recent positive geopolitical developments triggered this decision.

On the external front, Pakistan's current account position remained manageable despite continued pressure from higher imports. Record workers' remittances (projected at ~USD4bn) and steady export receipts partially offset the impact of elevated energy imports. Foreign exchange reserves remained at comfortable levels (projected at USD18.4bn by June end), supported by multilateral inflows and continued exchange rate stability, providing an important buffer against external shocks.

Fiscal performance (Fiscal surplus/Primary deficit at 3.0/2.5% for FY26) remained broadly aligned with IMF program objectives; however, revenue collection continued to face challenges despite ongoing enforcement measures. The government remained focused on improving tax compliance, expanding the tax net, and rationalizing expenditures to meet the fiscal targets set for FY26 and support the implementation of the FY27 budget.

Going forward, Pakistan's macroeconomic outlook remains dependent on maintaining policy discipline and managing external risks. Continued implementation of structural

reforms, prudent fiscal management, and sustained reserve accumulation will remain critical for preserving macroeconomic stability. However, geopolitical uncertainty & global commodity prices need to be monitored on an ongoing basis.

Equity Market Review

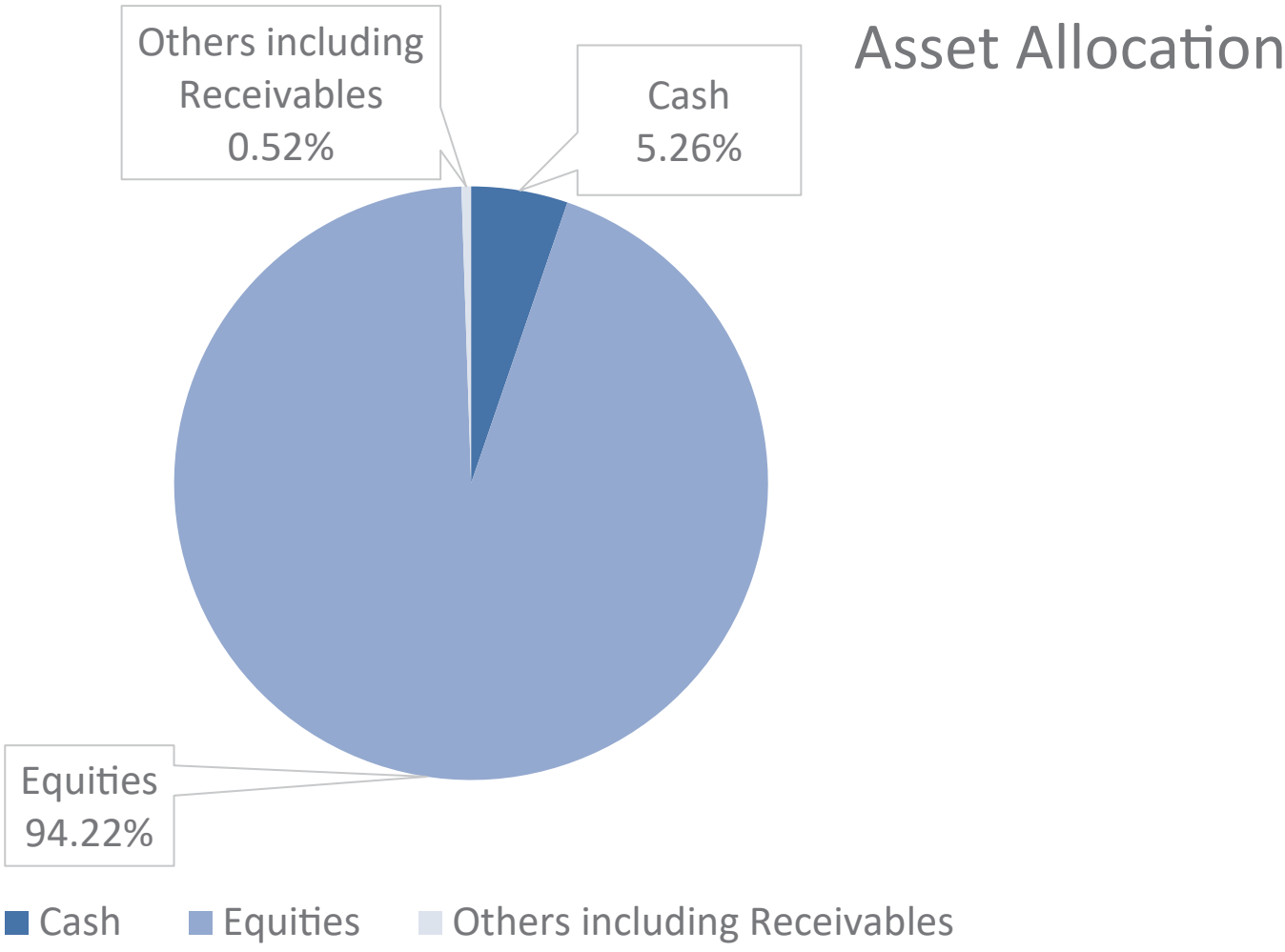
June 2026 ended on a positive note, with the benchmark KSE-100/KMI-30 Indices extending gains (3.6/2.7% MoM) as investors welcomed the passage of the FY27 Federal Budget, continued macroeconomic stability, and sustained support from the IMF program. Specifically, the latter half was influenced by US-Iran peal deal negotiations and subsequent decline in oil prices. Overall, market sentiment remained resilient.

With regards to trading activity, average daily volumes/value traded declined/increased by ~1.6/24.9% MoM to ~306Mn shares/PKR28.7Bn, respectively, for KSE-100. For KMI-30, average daily volumes/value traded decreased/increased by ~4.0%/24.1% MoM to ~133Mn shares/PKR19.1Bn, respectively. The major contributors to the index were Banks, Cements, Power and Fertilizers. With regards to local investor flows, Companies and mutual funds were the major buyers with a net buy of ~USD229/48Mn, while Insurance companies were the main sellers, with net selling of ~USD56Mn.

As the market enters the new fiscal year, investor focus is expected to shift from policy announcements to the implementation of budgetary measures, upcoming corporate earnings, and the trajectory of inflation and interest rates. Against this backdrop, we maintain a constructive view on equities, with preference for sectors offering earnings resilience, strong cash flows, and attractive dividend yields. Market is currently trading at a PE of ~8.5/7.6 for KSE-100/KMI-30 respectively, still below their potential.

Fund Information	
Fund Type	Open Ended
Category	Shariah Compliant Equity Scheme
Risk Profile	High
Launch Date	March 10, 2025
Custodian/Trustee	CDC
Auditor	A.F. Ferguson & Co.
Management Fee	Up to 3% of Average Annual N.A. (Actual Rate of Management Fee Charged is 3.00%)
Selling and Marketing Expense	0.00%
Front/Back end Load	FEL up to 3% of NAV(Actual Charged is 0.04%) & BEL 0%
Min Subscription	PKR 5,000
Benchmark	KMI 30 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	AM1 (VIS) September 10, 2024
NAV per Unit (PKR)	140.12
Net Assets (mn)	1257
Net Assets (PKR mn) excluding FoF	1257
Total Expense Ratio (Annualized) Total Expense Ratio (Monthly)	5.83% 4.92%

Fund Returns (% p.a)		
	FY25	**FY26**
YTD	1.03%	38.70
Benchmark (YTD)	7.41%	37.67



FUND PERFORMANCE

During the period under review, the fund posted an absolute FY26TD return of 38.70% against its benchmark return of 37.67%. The fund's exposure in Cash (5.26%), Equities (94.22%) and Others (0.52%) stood at the period end. During this period, an overweight stance relative to the KMI-30 index was taken in Fertilizer, Inv. Bank/Inv. Companies/Securities Co and Power Generation & Distribution sector, whereas an underweight stance was taken in the remaining sectors.

بسم الله الرحمن الرحيم
الحمد لله رب العالمين,والصلاة والسلام على خاتم النبيّين وسيد المرسلين,
وعلى آله واصحابه أجمعين.أمّا بعد

Annual Report
of
Faysal Islamic Stock Fund-II

July 28, 2026

By the blessing of ALLAH, the year ended 30 June, 2026 under analysis of **Faysal Islamic Stock Fund-II (FISF-II)**. I, as the Shariah Advisor of the fund am issuing the report in accordance with the trust deed of the fund. The scope of the report is to express an opinion on the Shariah Compliance of the fund's activities.

In the capability of Shariah Advisor, I have set out criteria and guideline to be followed in ensuring Shariah Compliance in the each and every transaction.

It is the responsibility of the management of the fund to establish and maintain a system of internal control to ensure Shariah Compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company' personal and review of various documents prepared by the management company to comply with the prescribed criteria.

In the light of above, I hereby certify that:

- I have reviewed and approved the modes of investment of **FISF-II** in light of the Shariah guidelines.
- All the provisions of the scheme and investment made on account of **FISF-II** by **FAML** Fund Managers are Shariah Compliant and in accordance with the criteria established.

On the basis of information provided by the management, all operations of **Faysal Islamic Stock Fund-II (FISF-II)** for year ended 30 June 2026 have been in compliance with the Shariah Principles.

May Allah make us successful and accept efforts of the management company for developing of Islamic Finance System.

وصلى الله على حبيبه محمد صلى الله عليه وسلم

Abdul Basit
Shariah Advisor
Faysal Asset Management Limited

MUFTI ABDUL BASIT
Shariah Advisor

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 ISLAMIC STOCK FUND-II

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Stock Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 03, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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www.yousufadil.com

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To The Board of Directors of Faysal Asset Management Limited (Management Company of Faysal Islamic Stock Fund - II)

1. **Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Faysal Islamic Stock Fund - II (the Fund)** for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. **Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

a) legal and regulatory framework administered by the SECP;

b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;

c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;

d) guidance and recommendations of the Shariah advisory committee, as notified by the SECP;

e) approvals, rulings or pronouncements of Shariah Supervisory board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above; and

f) Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

3. **Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions, having Shariah implications, entered into by the Fund with its unit holders, other financial institutions and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

4. **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM-1), which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

5. **Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications, with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. **Conclusion**

Based on our reasonable assurance engagement, we report that in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026, are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Shafqat Ali.**

Chartered Accountants

Date: September 21, 2026
Place: Karachi

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Faysal Islamic Stock Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Faysal Islamic Stock Fund II (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the 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, 2026, 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 (NAV)** (Refer notes 5 & 6 to the financial statements) Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 67,300 million and investments of the Fund amounted to Rs. 1,205.595 million. The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced the confirmed balances to 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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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Faysal Asset Management Limited) 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 the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company (Faysal Asset Management Limited) 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, the Management Company 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 the Management Company.

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- Conclude on the appropriateness of Management Company'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:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 28, 2026
UDIN: AR202610068yZnVAU3Nr

Faysal Islamic Stock Fund II

Statement of Assets and Liabilities

As at June 30, 2026

	Note	2026	2025
		---------- (Rupees) ----------	
Assets			
Balances with banks	5	67,299,780	13,183,690
Investments	6	1,205,595,382	66,569,676
Receivable against sale of investments		2,912,570	-
Receivable from Faysal Asset Management Limited - Management Company	7	384,000	384,000
Advances, deposits and profit receivable	8	2,936,781	2,882,757
Preliminary expenses and floatation costs	9	414,039	526,149
Total assets		1,279,542,552	83,546,272
Liabilities			
Payable against redemption and conversion of units		72,745	3,041,437
Payable against purchase of investments		-	3,900,995
Payable to Faysal Asset Management Limited - Management Company	10	7,628,322	3,458,450
Payable to Central Depository Company of Pakistan Limited - Trustee	11	209,498	21,955
Payable to the Securities and Exchange Commission of Pakistan	12	94,982	9,069
Accrued expenses and other liabilities	13	14,798,274	1,344,035
Total liabilities		22,803,821	11,775,941
Net assets		1,256,738,731	71,770,331
Unit holders' fund (as per statement attached)		1,256,738,731	71,770,331
Contingencies and commitments	14		
		(Number of units)	
Number of units in issue		8,969,009	710,421
		---------- (Rupees) ----------	
Net asset value per unit		140.1201	101.0251

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

Faysal Islamic Stock Fund II

Income Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026	For the period from March 10, 2025 to June 30, 2025
		---------- (Rupees) ----------	
Income			
Profit on savings accounts with banks		4,735,209	545,911
Dividend income		48,464,653	2,955,646
Net realised gain / (loss) on sale of investments		10,104,196	(9,033,071)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.2	46,855,205	3,071,495
Total income / (loss)		110,159,263	(2,460,019)
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	10.1	26,319,511	204,530
Sindh sales tax on remuneration of the Management Company	10.2	3,947,927	30,680
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1	1,713,442	81,812
Sindh sales tax on remuneration of the Trustee	11.2	257,016	12,272
Fee to the Securities and Exchange Commission of Pakistan	12.1	881,979	38,861
Auditors' remuneration	15	1,373,704	479,385
Transaction charges		15,709,477	1,206,040
Legal and professional charges		116,664	80,914
Shariah advisory fee		307,014	-
Reimbursement of expenses from Management Company		-	(384,000)
Amortisation of preliminary expenses and floatation costs	9	112,110	34,401
Bank charges		36,360	10,252
Charity and donation		3,381,315	-
Printing charges		-	6,224
Total expenses		54,156,519	1,801,371
Net income / (loss) for the year / period before taxation		56,002,744	(4,261,390)
Taxation	16	-	-
Net income / (loss) for the year / period after taxation		56,002,744	(4,261,390)
Allocation of net income / (loss) for the year / period			
Net profit for the year / period after taxation		56,002,744	(4,261,390)
Income already paid on units redeemed		(37,606,376)	-
		18,396,368	(4,261,390)
Accounting income available for distribution			
- Relating to capital gains		18,396,368	-
- Excluding capital gains		-	-
		18,396,368	-

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

Faysal Islamic Stock Fund II

Statement of Comprehensive Income

For The Year Ended June 30, 2026

	For the year ended June 30, 2026	For the period from March 10, 2025 to June 30, 2025
	---------- (Rupees) ----------	
Net income / (loss) for the year / period after taxation	56,002,744	(4,261,390)
Other comprehensive income for the year / period	-	-
Total comprehensive income / (loss) for the year / period	56,002,744	(4,261,390)

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

Faysal Islamic Stock Fund II

Statement of Movement in Unit Holders' Fund

For The Year Ended June 30, 2026

	For the year ended June 30, 2026			For the period from March 10, 2025 to June 30, 2025		
	Capital value	Undistributed income	Total	Capital value	Accumulated losses	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year / period	76,031,721	(4,261,390)	71,770,331	-	-	-
Issuance of 66,093,495 (5,726,498) units						
- Capital value (at net asset value per unit at the beginning of the year / at par value per unit)	6,677,101,942	-	6,677,101,942	572,649,800	-	572,649,800
- Element of income	1,953,080,297	-	1,953,080,297	2,844,230	-	2,844,230
Total proceeds on issuance of units	8,630,182,238		8,630,182,239	575,494,030		575,494,030
Redemption of 57,834,907 (5,016,077) units						
- Capital value (at net asset value per unit at the beginning of the year / at par value per unit)	(5,842,777,263)	-	(5,842,777,263)	(501,607,700)	-	(501,607,700)
- Element of (loss) / income	(1,620,832,944)	(37,606,376)	(1,658,439,320)	2,145,391	-	2,145,391
Total payments on redemptions of units	(7,463,610,207)	(37,606,376)	(7,501,216,583)	(499,462,309)		(499,462,309)
Total comprehensive income / (loss) for the year / period	-	56,002,744	56,002,744	-	(4,261,390)	(4,261,390)
Net income / (loss) for the year / period	-	56,002,744	56,002,744	-	(4,261,390)	(4,261,390)
Net assets at the end of the year / period	1,242,603,752	14,134,978	1,256,738,731	76,031,721	(4,261,390)	71,770,331
Accumulated losses brought forward						
- Realised loss		(7,332,885)			-	
- Unrealised income		3,071,495			-	
		(4,261,390)			-	
Accounting income available for distribution						
- Relating to capital gains		18,396,368			-	
- Excluding capital gains		-			-	
		18,396,368			-	
Accumulated income / (losses) carried forward		14,134,978			(4,261,390)	
Accumulated income / (losses) carried forward						
- Realised loss		(32,720,227)			(7,332,885)	
- Unrealised income		46,855,205			3,071,495	
		14,134,978			(4,261,390)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year / period		101.0251			100.00	
Net asset value per unit at the end of the year		140.1201			101.0251	

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

Faysal Islamic Stock Fund II

Cash Flow Statement

For The Year Ended June 30, 2026

	Note	For the year ended June 30, 2026	For the period from March 10, 2025 to June 30, 2025
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year / period before taxation		56,002,744	(4,261,390)
Adjustments for:			
Dividend income		(48,464,653)	(2,955,646)
Profit on savings accounts with banks		(4,735,209)	(545,911)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.2	(46,855,205)	(3,071,495)
Amortisation of preliminary expenses and floatation costs	9	112,110	34,401
		(43,940,213)	(10,800,041)
Decrease / (increase) in assets			
Investments - net		(1,092,170,501)	(63,498,181)
Advances, deposits and profit receivable		3,505	(2,842,325)
Receivable against sale of investments		(2,912,570)	-
Receivable from Faysal Asset Management Limited - Management Company		-	(384,000)
		(1,095,079,566)	(66,724,506)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		4,169,872	2,897,900
Payable to Central Depository Company of Pakistan Limited - Trustee		187,543	21,955
Payable to the Securities and Exchange Commission of Pakistan		85,913	9,069
Payable against purchase of investments		(3,900,995)	3,900,995
Accrued expenses and other liabilities		13,454,239	1,344,035
		13,996,572	8,173,954
Dividend income received		48,464,653	2,955,646
Profit received on savings accounts with banks		4,677,680	505,479
Net cash used in operating activities		(1,071,880,874)	(65,889,468)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt against issuance and conversion of units		8,630,182,239	575,494,030
Payment against redemption of units - net		(7,504,185,275)	(496,420,872)
Net cash generated from financing activities		1,125,996,964	79,073,158
Net increase in cash and cash equivalents during the year / period		54,116,090	13,183,690
Cash and cash equivalents at the beginning of the year / period		13,183,690	-
Cash and cash equivalents at the end of the year / period	5.2	67,299,780	13,183,690

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, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Islamic Stock Fund - II (the Fund) is an open end mutual fund established under a Trust Deed (the Deed) dated April 3, 2023 entered into and between Faysal Asset Management Limited (FAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. This was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The investment activities and administration of the Fund are managed by the Management Company.

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

1.3 The Fund has been categorised as a 'Shariah Compliant Open Ended Equity Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from March 10, 2025 and are transferable and redeemable by surrendering them to the Fund. the Fund is categorised as an "Equity Scheme".

1.4 According to the Trust Deed, the investment objective of the Fund is to provide long term capital growth by investing primarily in Shariah compliant listed equity securities with prudent and professional management. 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 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025. Further, the Fund is not rated by any credit rating agency as at June 30, 2026.

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 PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of, directives and notifications 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, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

3.2 Standards, interpretations and amendments to the 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, 2025. However, these are not considered to be relevant or did not have any material effect on Fund's financial statements and have, therefore, not been disclosed in these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 4.2 and 6).

3.5 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. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

3.6 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.

4 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.

4.1 Cash and cash equivalents

Cash and cash equivalents are carried at amortised cost. These comprise of balances with banks in savings and current accounts.

4.2 Financial assets

4.2.1 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' (FVPL) are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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.

4.2.3 Impairment (other than debt securities)

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

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

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.

4.2.4 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.

4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

4.3 Financial liabilities

4.3.1 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.

4.3.2 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.

4.4 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

4.5 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.6 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 period end.

4.7 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 when the application is received. 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.

4.8 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 for the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income / (loss) 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 year. 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.

4.10 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 securities classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on saving accounts with banks is recognised on an time proportion basis using the effective yield method.

4.11 Treatment of Shariah non-compliant Income

Dividend income earned by the fund may contain shariah non-compliant income. The Fund is required to "purify" the dividend it receives by excluding the element of impermissible income as charity. Such purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. The charity has been recorded as an expense in the 'Income Statement' in these financial statements of the Fund.

4.12 Expenses

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

4.13 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

4.14 Taxation

Current

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.

		Note	2026	2025
5	**BALANCES WITH BANKS**		---------- (Rupees) ----------	
	Savings accounts	5.1	67,299,780	13,183,690

5.1 These savings accounts carry profit rates ranging between 5.00% to 12.50% (2025: 5.00% to 11.75%) per annum. Deposits in savings accounts is maintained with Faysal Bank Limited, a related party.

		Note	2026	2025
5.2	**CASH AND CASH EQUIVALENTS**		---------- (Rupees) ----------	
	Balances with banks	5	67,299,780	13,183,690
6	**INVESTMENTS**			
	At fair value through profit or loss			
	Shares of listed companies - 'ordinary shares'	6.1	1,205,595,382	66,569,676

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2025	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation on re-measurement of investments	Investment as a percentage of: Net assets of the Fund	Total market value of investments of the Fund	Paid-up-capital of the investee company (with face value of investments)
	---------- Number of shares held ----------					---------- Rupees ----------			---------- Percentage ----------		
Automobile Assembler											
Sazgar Engineering Works Limited	1,640	39,408	-	33,894	7,154	14,834,008	14,762,207	(71,801)	1.17%	1.22%	0.27%
						14,834,008	**14,762,207**	**(71,801)**	**1.17%**	**1.22%**	**0.27%**
Automobile Parts & Accessories											
Service Long March Tyres Limited	-	119,886	-	-	119,886	2,391,726	3,042,707	650,981	0.24%	0.25%	0.02%
						2,391,726	**3,042,707**	**650,981**	**0.24%**	**0.25%**	**0.02%**
Commercial Banks											
Faysal Bank Limited	40,700	602,982	-	507,794	135,888	12,625,769	13,485,525	859,756	1.07%	1.12%	0.27%
Meezan Bank Limited	19,400	1,204,113	-	982,403	241,110	118,514,657	124,523,671	6,009,014	9.91%	10.33%	0.00%
						131,140,426	**138,009,196**	**6,868,770**	**10.98%**	**11.45%**	**0.27%**
Cement											
Cherat Cement Company Limited	-	68,432	-	7,000	61,432	16,705,763	21,251,172	4,545,409	1.69%	1.76%	0.06%
Fauji Cement Company Limited	54,100	3,340,263	-	2,804,517	589,846	29,348,340	33,945,637	4,597,297	2.70%	2.82%	0.51%
Lucky Cement Limited	8,800	736,693	-	549,516	195,977	86,882,139	92,015,121	5,132,982	7.32%	7.63%	3.14%
Pioneer Cement Limited	11,671	53,596	-	65,267	-	-	-	-	0.00%	0.00%	0.00%
						132,936,241	**147,211,930**	**14,275,689**	**11.71%**	**12.21%**	**3.71%**
Fertilizer											
Engro Fertilizers Limited	36,300	1,382,786	-	1,283,164	135,922	30,983,035	27,041,682	(3,941,353)	2.15%	2.24%	0.20%
Fatima Fertilizer Company Limited	40,900	1,217,943	-	975,498	283,345	42,795,926	46,836,929	4,041,003	3.73%	3.88%	0.22%
Fauji Fertilizer Company Limited	-	1,219,792	-	956,362	263,430	148,349,015	151,071,836	2,722,821	12.02%	12.53%	0.32%
						222,127,976	**224,950,447**	**2,822,471**	**17.90%**	**18.66%**	**0.74%**
Foods & Personal Care Products											
Ghani Dairies Limited	-	43,944	-	-	43,944	1,450,152	876,683	(573,469)	0.07%	0.07%	0.44%
National Foods Limited	7,513	64,500	-	15,013	57,000	23,305,796	22,083,510	(1,222,286)	1.76%	1.83%	1.89%
The Organic Meat Company Limited	-	150,000	-	15,000	135,000	7,671,045	5,907,600	(1,763,445)	0.47%	0.49%	0.09%
						32,426,993	**28,867,793**	**(3,559,200)**	**2.30%**	**2.39%**	**2.42%**
Inv. Bank/Inv. Companies/Securities Co.											
Engro Holdings Limited (Formerly Dawood Hercules Corp. Ltd.)	37,155	2,143,423	-	1,652,219	528,359	141,852,384	152,019,451	10,167,067	12.10%	12.61%	0.43%
						141,852,384	**152,019,451**	**10,167,067**	**12.10%**	**12.61%**	**0.43%**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

Name of the investee company	As at July 1, 2025	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation on re-measurement of investments	Investment as a percentage of		
									Net assets of the Fund	Total market value of investments of the Fund	Paid-up-capital of the investee company (with face value of investments)
	Number of shares held					Rupees			Percentage		
Leather & Tanneries											
Bata Pakistan Limited	-	14,797	-	-	14,797	21,570,924	14,927,510	(6,643,414)	1.19%	1.24%	0.30%
Service Global Footwear Limited	-	90,010	-	-	90,010	11,692,977	10,974,019	(718,958)	0.87%	0.91%	0.21%
						33,263,900	**25,901,529**	**(7,362,372)**	**2.06%**	**2.15%**	**0.51%**
Miscellaneous											
Shifa International Hospitals Ltd.	-	36,026	-	12,081	23,945	13,145,501	12,103,958	(1,041,543)	0.96%	1.00%	0.21%
						13,145,501	**12,103,958**	**(1,041,543)**	**0.96%**	**1.00%**	**0.21%**
Oil & Gas Exploration Companies											
Oil & Gas Development Company Limited	39,900	2,075,064	-	1,682,811	432,153	132,447,966	144,715,075	12,267,109	11.52%	12.00%	0.31%
Pakistan Petroleum Limited	-	1,309,495	-	949,200	360,295	83,184,498	87,414,773	4,230,275	6.96%	7.25%	0.00%
						215,632,464	**232,129,848**	**16,497,384**	**18.47%**	**19.25%**	**0.31%**
Oil & Gas Marketing Companies											
Attock Petroleum Limited	5,370	15,000	-	20,370	-	-	-	-	0.00%	0.00%	0.00%
									0.00%	**0.00%**	**0.00%**
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
AGP Limited	8,300	115,025	-	123,325	-	-	-	-	0.00%	0.00%	0.00%
Glaxosmithkline Pakistan Limited	-	117,700	-	65,633	52,067	22,501,161	19,277,807	(3,223,354)	1.53%	1.60%	0.61%
Haleon Pakistan Limited	2,510	21,019	-	23,529	-	-	-	-	0.00%	0.00%	0.00%
						22,501,161	**19,277,807**	**(3,223,354)**	**1.53%**	**1.60%**	**0.61%**
Power Generation & Distribution											
The Hub Power Company Limited	57,300	2,874,160	-	2,300,846	630,614	139,258,609	147,216,838	7,958,229	11.71%	12.21%	1.13%
						139,258,609	**147,216,838**	**7,958,229**	**11.71%**	**12.21%**	**1.13%**
Real Estate Investment Trust											
Dolmen City REIT	165,342	1,096,000	-	493,000	768,342	27,084,078	29,542,750	2,458,672	2.35%	2.45%	0.13%
						27,084,078	**29,542,750**	**2,458,672**	**2.35%**	**2.45%**	**0.13%**
Technology & Communications											
Pakistan Telecommunication Company Ltd.	-	791,406	-	325,000	466,406	30,144,710	30,558,921	414,211	2.43%	2.53%	0.06%
						30,144,710	**30,558,921**	**414,211**	**2.43%**	**2.53%**	**0.06%**
Total as at June 30, 2026						**1,158,740,177**	**1,205,595,382**	**46,855,205**			
Total as at June 30, 2025						**63,498,181**	**66,569,676**	**3,071,495**			

6.1.1 All shares have a nominal value of Rs. 10 each except for the shares of following:

Name of investee company	Nominal value per share as on June 30, 2026
	Rupees
Lucky Core Industries Limited	2.00
Lucky Cement Limited	2.00
Systems Limited	2.00
Thal Limited	5.00
National Foods Limited	5.00

6.1.2 Investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of the investee company	2026		2025	
	Number of Shares	Market value in Rupees	Number of Shares	Market value in Rupees
Engro Fertilizers Limited	79,300	14,717,287	29,300	5,437,787
Fauji Cement Company Limited	54,100	2,416,647	54,100	2,416,647
The Hub Power Company Limited	40,000	5,512,400	40,000	5,512,400
Meezan Bank Limited	67,200	22,313,760	17,200	5,711,260
Oil & Gas Development Company Limited	76,900	16,961,064	26,900	5,933,064
Pioneer Cement Limited	-	-	9,700	2,212,861
Fauji Fertilizer Company Limited	25,000	14,337,000	-	-
Lucky Cement Limited	25,000	11,738,000	-	-
	367,500	87,996,158	177,200	27,224,019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

		Note	2026	2025
			---------- (Rupees) ----------	
6.2	**Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair valuethrough profit or loss' - net**			
	Market value of investments	6.1	1,205,595,382	66,569,676
	Less: carrying value of investments		1,158,740,177	63,498,181
			46,855,205	3,071,495

7 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

During the prior period ended June 30, 2025, the Fund was in breach of the TER ratio of 4.5% as was 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 limit applicable previously.

		Note	2026	2025
			---------- (Rupees) ----------	
8	**ADVANCES, DEPOSITS AND PROFIT RECEIVABLE**			
	Security deposits with:			
	- Central Depository Company of Pakistan Limited		100,000	100,000
	- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
			2,600,000	2,600,000
	Profit receivable on savings accounts with banks		97,961	40,432
	Advance tax	8.1	238,820	242,325
			2,936,781	2,882,757

8.1 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 dividend and profit on bank deposits 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 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 withholdee. The tax withheld on dividend and profit on bank deposits amounts to Rs.0.238 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 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 dividend and profit on bank deposits has been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		Note	2026	2025
			---------- (Rupees) ----------	
9	**PRELIMINARY EXPENSES AND FLOATATION COSTS**			
	Preliminary expenses and floatation costs incurred		526,149	560,550
	Less: amortisation during the period		(112,110)	(34,401)
	At the end of the period	9.1	414,039	526,149

9.1 Preliminary expenses and flotation 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 March 10, 2025 in accordance with the Trust Deed of the Fund and the NBFC Regulations.

		Note	2026	2025
			---------- (Rupees) ----------	
10	**PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Management remuneration payable	10.1	2,999,459	47,729
	Sindh sales tax payable on remuneration of the management company	10.2	449,919	7,159
	Preliminary expenses and flotation costs payable		560,550	560,550
	Sales load payable		985,483	210,101
	Other payables		2,632,911	2,632,911
			7,628,322	3,458,450

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

10.1 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 following rates of the average net assets of the Fund during the year ended June 30, 2026.

For the year ended June 30, 2026	
From July 01, 2025 to July 15, 2025	0.5% per annum of the average annual net assets of the Fund
From July 16, 2025 to October 8, 2025	1.88% per annum of the average annual net assets of the Fund
From October 9, 2025 to June 30, 2026	3.00% per annum of the average annual net assets of the Fund
For the year ended June 30, 2025	
From July 01, 2024 to June 30, 2025	0.5% per annum of the average annual net assets of the Fund

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

During the period ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to 3% to be calculated on a per annum basis of the average daily net assets, applicable to an "Equity Scheme". This revision is effective from July 1, 2025.

10.2 Sindh SalesTax is levied at the rate of 15% under the Sindh SalesTax on Services Act, 2011 (June 30, 2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
		---------- (Rupees) ----------	
Remuneration payable	11.1	182,172	19,091
Sindh sales tax payable on remuneration of the Trustee	11.2	27,326	2,864
		209,498	21,955

11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the following rates:

Net Assets (Rs.)	Tariff
up to Rs. 1 billion	0.20% per annum of net assets
over Rs. 1 billion	Rs.2.0 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion

11.2 Sindh SalesTax is levied at the rate of 15% under the Sindh SalesTax on Services Act, 2011 (June 30, 2025: 15%) on the Trustee remuneration.

12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026	2025
		---------- (Rupees) ----------	
Fee payable	12	94,982	9,069

12.1 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% (2025: 0.095%) per annum of the daily net assets of the Fund. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

13 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
		---------- (Rupees) ----------	
Auditors' remuneration payable	15	858,408	479,385
Transaction charges payable		1,855,680	616,633
Legal and professional charges payable		80,598	80,914
Capital gain tax payable		8,315,259	167,103
Shariah advisory fee payable		307,014	-
Payable to Charitable Institutions	13.1	3,381,315	-
		14,798,274	1,344,035

13.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues,such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund.

Accordingly, during the year ended June 30, 2026, Non-Shariah Compliant income amounting to Rs.3.381 million (June 30, 2025: Nil) was charged as an expense in the books of the Fund, however, no amount was disbursed in the current year ended June 30, 2026 to charitable welfare organisations against this expense.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

15 AUDITORS' REMUNERATION

	For the year ended June 30, 2026	For the period from March 10, 2025 to June 30, 2025
	---------- (Rupees) ----------	
Annual audit fee	609,985	300,425
Half year fee	490,015	-
Income Certification	100,000	100,000
Out of pocket expenses	71,948	43,450
	1,271,948	443,875
Sindh sales tax	101,756	35,510
Total	1,373,704	479,385

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, 2026 to the unitholders in the manner as explained above, 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.

17 TOTAL EXPENSE RATIO

The total expense ratio of the Fund as at June 30, 2026 based on the current period result is as follows:

Management Fee	Regulatory Fee	Trustee Fee	Levies and Taxes	Transaction Expenses (Broker, Banks, PSX, CDC, NCCPL, etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisory)	Other Expenses	TER%	TER W/O LEVY
2.83	0.10	0.18	0.45	1.70	0.19	0.38	5.83	5.38

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit of 4.5% for a collective investment scheme categorised as an 'Equity Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 10.1 to these financial statements.

18 TRANSACTIONS AND BALANCES OUTSTANDING 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, Faysal Bank Limited being the holding company of the Management Company, 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, 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 capital or voting power of the Management Company or the net assets of the Fund.

18.2 Transactions with connected persons essentially comprise of sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

18.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

18.4 Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

18.5 The details of transactions carried out by the Fund with connected persons and related parties during the year and balances with them as at year / period end are as follows:

18.6 Transactions during the year / period

	For the year ended June 30, 2026	For the period from March 10, 2025 to June 30, 2025
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Remuneration of the Management Company	26,319,511	204,530
Sindh sales tax on remuneration of the Management Company	3,947,927	30,680
Reimbursement of expenses from Management Company	-	(384,000)
Issuance 120,717 units (2025: NIL)	15,762,974	-
Redemption 79,439 units (2025: NIL)	10,957,273	-
Faysal Bank Limited		
Profit on saving accounts with bank	4,735,209	545,911
Bank charges	36,360	10,252
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,713,442	81,812
Sindh sales tax on remuneration of the Trustee	257,016	12,272
CDS charges	669,012	26,681
Unit holder with 10% or more unit holding		
Issuance 16,807,619 (2025:284,153) units	2,260,170,489	27,895,942
Redemption of 14,119,065 units (2025: NIL)	1,900,613,718	-

18.7 Outstanding balances

	2026	2025
	---------- (Rupees) ----------	
Faysal Asset Management Limited - Management Company		
Management remuneration payable	2,999,459	47,729
Sindh sales tax payable on remuneration of the management company	449,919	7,159
Preliminary expenses and flotation costs payable	560,550	560,550
Sales load payable	985,483	210,101
Other payables	2,632,911	2,632,911
Receivable from Faysal Asset Management Limited - Management Company	384,000	384,000
Outstanding: 41,278 units (2025: NIL)	5,783,879	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	182,172	19,091
Sindh sales tax payable on remuneration of the Trustee	27,326	2,864
Security deposit	100,000	100,000
Faysal Bank Limited		
Balance with bank	67,299,780	13,183,690
Profit receivable on saving accounts	97,961	40,432
Unit holder with 10% or more unit holding		
Outstanding: 2,688,554 (2025:284,153) units	376,720,520	28,706,612

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees ----------		
Financial assets			
Balances with banks	67,299,780	-	67,299,780
Investments	-	1,205,595,382	1,205,595,382
Receivable from Faysal Asset Management Limited - Management Company	384,000	-	384,000
Receivable against sale of investments	2,912,570	-	2,912,570
Advances, deposits and profit receivable	2,697,961	-	2,697,961
	73,294,311	1,205,595,382	1,278,889,693

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	7,628,322	-	7,628,322
Payable to Central Depository Company of Pakistan - Trustee	209,498	-	209,498
Payable against redemption of units	72,745	-	72,745
Accrued expenses and other liabilities	6,483,015	-	6,483,015
	14,393,580	-	14,393,580

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Balances with banks	13,183,690	-	13,183,690
Investments	-	66,569,676	66,569,676
Receivable from Faysal Asset Management Limited - Management Company	384,000	-	384,000
Advances, deposits and profit receivable	2,640,432	-	2,640,432
	16,208,122	66,569,676	82,777,798
Financial liabilities			
Payable to Faysal Asset Management Limited - Management Company	3,458,450	-	3,458,450
Payable to Central Depository Company of Pakistan - Trustee	21,955	-	21,955
Payable against redemption of units	3,041,437	-	3,041,437
Payable against purchase of investments	3,900,995	-	3,900,995
Accrued expenses and other liabilities	1,176,932	-	1,176,932
	11,599,769	-	11,599,769

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.

20.1 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: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, 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

Presently, the Fund holds balances with banks which expose the Fund to cash flow 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 / (loss) for the period and net assets of the Fund would have been higher / lower by Rs. 0.673 million.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

b) Sensitivity analysis for fixed rate instrument

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, 2026 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, 2026 can be determined as follows:

	2026				
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5.00% - 12.50%	67,299,780	-	-	-	67,299,780
Investments		-	-	-	1,205,595,382	1,205,595,382
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	384,000	384,000
Receivable against sale of investments		-	-	-	2,912,570	2,912,570
Advances, deposits and profit receivable		-	-	-	2,697,961	2,697,961
		67,299,780	-	-	1,211,589,913	1,278,889,693
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	7,628,322	7,628,322
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	209,498	209,498
Payable against redemption of units		-	-	-	72,745	72,745
Accrued expenses and other liabilities		-	-	-	6,483,015	6,483,015
		-	-	-	14,393,580	14,393,580
On-balance sheet gap (a)		67,299,780	-	-	1,197,196,333	1,264,496,113
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		67,299,780	-	-		
Cumulative profit rate sensitivity gap		67,299,780	67,299,780	67,299,780		

	2025				
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit 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	5.00% - 11.75%	13,183,690	-	-	-	13,183,690
Investments		-	-	-	66,569,676	66,569,676
Receivable from Faysal Asset Management Limited - Management Company		-	-	-	384,000	384,000
Advances, deposits and profit receivable		-	-	-	2,640,432	2,640,432
		13,183,690	-	-	69,594,108	82,777,798
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company		-	-	-	3,458,450	3,458,450
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	21,955	21,955
Payable against redemption of units		-	-	-	3,041,437	3,041,437
Payable against purchase of investments		-	-	-	3,900,995	3,900,995
Accrued expenses and other liabilities		-	-	-	1,176,932	1,176,932
		-	-	-	11,599,769	11,599,769
On-balance sheet gap (a)		13,183,690	-	-	57,994,339	71,178,029
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		13,183,690	-	-		
Cumulative profit rate sensitivity gap		13,183,690	13,183,690	13,183,690		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

(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 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. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets or index weight, whichever is higher, subject to maximum of 40%.

In case of 1% increase / decrease in KMI-30 all share index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the period would increase / decrease by Rs. 12.056 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 KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

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 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 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 current 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 redemption requests during the period ended June 30, 2026.

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 balances with banks 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, 2026

	2026						
	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	67,299,780	-	-	-	-	-	67,299,780
Investments	-	-	-	-	-	1,205,595,382	1,205,595,382
Receivable from Faysal Asset Management Limited - Management Company	384,000	-	-	-	-	-	384,000
Receivable against sale of investments	2,912,570						2,912,570
Advances, deposits and profit receivable	97,961	-	-	-	-	2,600,000	2,697,961
	70,694,311	-	-	-	-	1,208,195,382	1,278,889,693
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	7,628,322	-	-	-	-	-	7,628,322
Payable to Central Depository Company of Pakistan Limited - Trustee	209,498	-	-	-	-	-	209,498
Payable against redemption of units	72,745	-	-	-	-	-	72,745
Accrued expenses and other liabilities	6,483,015	-	-	-	-	-	6,483,015
	14,393,580	-	-	-	-	-	14,393,580
Net financial assets / (financial liabilities)	56,300,731	-	-	-	-	1,208,195,382	1,264,496,113

	2025						
	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	13,183,690	-	-	-	-	-	13,183,690
Investments	-	-	-	-	-	66,569,676	66,569,676
Receivable from Faysal Asset Management Limited - Management Company	384,000	-	-	-	-	-	384,000
Advances, deposits and profit receivable	40,432	-	-	-	-	2,600,000	2,640,432
	13,608,122	-	-	-	-	69,169,676	82,777,798
Financial liabilities							
Payable to Faysal Asset Management Limited - Management Company	3,458,450	-	-	-	-	-	3,458,450
Payable to Central Depository Company of Pakistan Limited - Trustee	21,955	-	-	-	-	-	21,955
Payable against redemption of units	3,041,437	-	-	-	-	-	3,041,437
Payable against purchase of investments	3,900,995	-	-	-	-	-	3,900,995
Accrued expenses and other liabilities	1,176,932	-	-	-	-	-	1,176,932
	11,599,769	-	-	-	-	-	11,599,769
Net financial assets / (financial liabilities)	2,008,353	-	-	-	-	69,169,676	71,178,029

20.3 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. Credit risk arises from deposits with banks and financial institutions and profit receivable on bank deposits.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	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	67,299,780	67,299,780	13,183,690	13,183,690
Investments	1,205,595,382	-	66,569,676	-
Receivable from Faysal Asset Management Limited - Management Company	384,000	384,000	384,000	384,000
Advances, deposits and profit receivable	2,697,961	2,697,961	2,640,432	2,640,432
	1,278,889,693	73,294,311	82,777,798	16,208,122

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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.

20.3.1 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 balances with banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Name of the Bank	Rating Agency	Latest available published rating	% of financial assets exposed to credit risk	
			2026	2025
Faysal Bank Limited	PACRA	AA+	100.00%	100.00%

20.3.2 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 thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

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, 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 maintained and complied with the requirement of minimum fund size at all times.

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 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 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.

22.1 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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

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, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

	2026			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies				
- 'ordinary shares'	1,205,595,382	-	-	1,205,595,382
	1,205,595,382	-	-	1,205,595,382

	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies				
- 'ordinary shares'	66,569,676	-	-	66,569,676
	66,569,676	-	-	66,569,676

22.2 Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

22.3 There were no transfers between levels during the period.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2026			
	Number of Units	Number of unit holders	Investment amount (Rupees)	Percentage of total (%)
Individuals	6,965,897	429	976,062,468	77.67%
Associated Company	41,278	1	5,783,887	0.46%
Other Corporates	1,954,536	8	273,869,727	21.79%
Retirement Funds	7,298	1	1,022,650	0.08%
	8,969,009	439	1,256,738,732	100.00%

Category	2025			
	Number of Units	Number of unit holders	Investment amount (Rupees)	Percentage of total (%)
Individuals	710,421	47	71,770,331	100%

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission paid	Name of broker	2025 Percentage of commission paid
Taurus Securities Limited	15.43%	Taurus Securities Limited	20.03%
DJM Securities (Private) Limited	15.73%	DJM Securities (Private) Limited	11.81%
Insight Securities (Private) Limited	11.78%	Insight Securities (Private) Limited	16.01%
JS Global Capital Limited	10.49%	JS Global Capital Limited	11.27%
Chase Securities Pakistan (Private) Limited	2.40%	Chase Securities Pakistan (Private) Limited	2.35%
Multiline Securities Limited	13.26%	Multiline Securities Limited	0.63%
Next Capital Limited	5.42%	Next Capital Limited	4.05%
Sherman Securities (Private) Limited	11.18%	Sherman Securities (Private) Limited	2.42%
Spectrum Securities Limited	8.03%	Spectrum Securities Limited	13.35%
Summit Capital (Private) Limited	6.28%	Summit Capital (Private) Limited	18.08%
	100.00%		100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2026

25 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 (in years)
Mr. Nadir Rahman	Chief Executive Officer	BS (Economics)	Over 34 Years
Mr. Omer Bin Javaid	Deputy Chief Executive Officer	MBA	Over 26 Years
Mr. Shahid Iqbal	Head of Fixed Income	B.Com	Over 33 Years
Mr. Salman Muslim	Chief Financial Officer and Company Secretary	FCA	Over 19 Years
Syed Eunas Viqar	Chief Compliance and Risk Officer	ACCA	Over 17 Years
Mr. Abdul Basit	Unit Head - Risk Management	MBA	Over 10 Years
Ms.Sarah Rehman	Head of Research	CFA	Over 9 Years

26 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Syed Noman Ahmed	Head of Equity	MBA (Finance)	Faysal Islamic Dedicated Equity Fund, Faysal Islamic Stock Fund II and Faysal Islamic Asset Allocation Fund- II

27 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								
		August 13, 2025	August 20, 2025	October 8, 2025	October 16, 2025	May 12, 2025	December 4, 2025	February 11, 2026	April 16, 2026	May 7, 2026
Mr. Yousaf Hussain	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Samia Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Aneeq Malik*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amin Ur Rahman*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi*	Director	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nadir Rahman	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali**	Director	Yes	Yes	-	-	-	-	-	-	-
Mr. Ali Waqar**	Director	Yes	Absent	-	-	-	-	-	-	-

*Mr. Aneeq Malik, Syed Amin ur Rahman and Syed Muhammad Fraz Zaidi were appointed on October 03, 2025
**Syed Majid Ali and Mr. Ali Waqar had resigned on October 03, 2025

28 GENERAL

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

28.2 Corresponding figures have been re-classified, re-arranged or additionally incorpoarted 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.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 31, 2026 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

(i) PERFORMANCE TABLE

	FISF-II June 30, 2026 (Rupees)	FISF-II June 30, 2025 (Rupees)
Net assets	1,256,738,729	71,770,331
Net assets value per unit	140.1201	101.0251
Offer price per unit	144.9542	104.5105
Repurchase price per unit	140.1201	101.0251
Highest offer price per unit	145.4564	106.6405
Highest repurchase price per unit	140.6055	103.0841
Lowest offer price per unit	135.3758	87.2833
Lowest repurchase price per unit	130.8611	84.3724
Total return:	38.70%	1.03%
- capital growth	38.70%	1.03%
- income distribution	0.00%	0.00%
Average annual return: (Launch date: March 10, 2025)		
- one year	38.70%	1.03%
Distribution per unit:		
- Interim distribution (% per unit)	0.00%	0.00%
- Final distribution (% per unit)*	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.

Responsibilities towards Proxy Voting as per Regulation 38A
Faysal Asset Management Limited (FAML) on behalf of Faysal Islamic Stock Fund-II (FISF-II) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FISF-II is available on the website of the FAML and detailed information regarding actual proxies voted by the FAML (if any) in respect of the CIS is also available without charge, upon request, to all unit holders.

(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			
		11-Aug-25	15-Oct-25	11-Feb-26	14-Apr-26
Mr.Ehsen Zafar Puri	Chairperson	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mrs. Samia Zuberi	Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes
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		
		15-Oct-25	10-Feb-26	15-Apr-26
Mrs. Samia Zuberi	Chairperson	Yes	Yes	Yes
Mr. Yousaf Hussain	Member	Yes	Yes	Yes
Mr.Ehsen Zafar Puri	Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	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			
		13-Aug-25	16-Oct-25	24-Feb-26	21-Apr-26
Mian Salman Ali	Chairman	Yes	Yes	Yes	Yes
Mr. Ehsen Zafar Puri	Member	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member
Mr. Ali Waqar	Member	Yes	Not Member	Not Member	Not Member
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes
Mr. Aneeq Malik	Member	Not 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
		02-Dec-25
Mr. Yousaf Hussain	Chairman	Yes
Mr. Aneeq Malik	Member	Yes
Mian Salman Ali	Member	Yes
Syed Amin Ur Rehman	Member	Yes
Syed Muhammad Fraz Zaidi	Member	Yes

(vi) MEETINGS OF THE BOARD TECHNOLOGY COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On				
		21-Aug-25	27-Nov-25	11-Feb-26	15-Apr-26	13-May-26
Mr. Ehsen Zafar Puri	Chairman	Yes	Yes	Yes	Yes	Yes
Syed Majid Ali	Member	Yes	Not Member	Not Member	Not Member	Not Member
Mr. Aneeq Malik	Member	Not Member	Yes	Yes	Yes	Yes
Syed Muhammad Fraz Zaidi	Member	Not Member	Yes	Yes	Yes	Yes
Syed Amin Ur Rehman	Member	Not Member	Yes	Yes	Yes	Yes

(vii) MEETINGS OF THE BOARD INVESTMENT COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		27-Nov-25	10-Feb-26	14-Apr-26
Syed Muhammad Fraz Zaidi	Chairperson	Yes	Yes	Yes
Mrs. Samia Zuberi	Member	Yes	Yes	Yes
Mian Salman Ali	Member	Yes	Yes	Yes

(viii) MEETINGS OF THE SHARIAH BOARD COMMITTEE

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

Name of Directors	Designation	Attended Meetings Held On		
		30-Sep-25	16-Dec-25	30-Mar-26
Mufti Muhammad Mohib-ul-Haq	Chairman	Yes	Yes	Yes
Mufti Muhammad Najeeb Khan	Member	Yes	Yes	Yes
Muhammad Faisal Shaikh	Member	Yes	Yes	Yes
Mufti Abdul Zahid Farooqui	Shariah Advisor	Yes	Yes	Not Member
Mufti Abdul Basit	Shariah Advisor	Yes	Yes	Yes

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