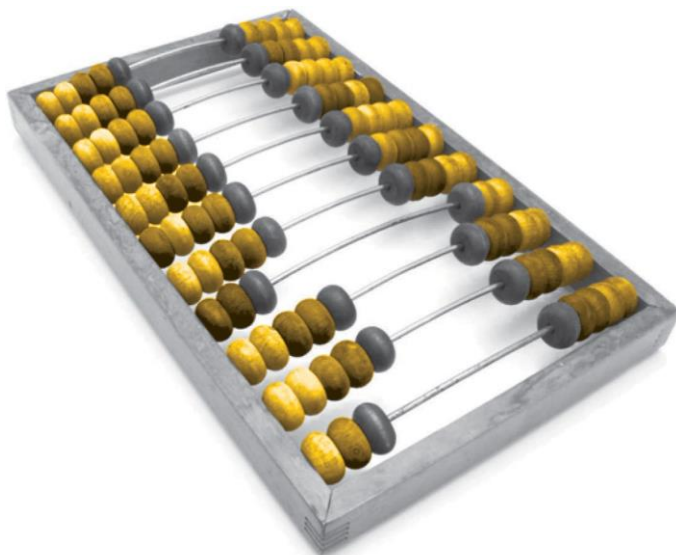


Faysal Asset Management

Financial Value Fund

Financial Statements for

For The Period From December 27, 2019 To June 30, 2020



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FUND INFORMATION**Management Company**

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman
Mr. Osman Asghar Khan, Director
Mr. Mian Salman Ali, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Tahir Yaqoob Bhatti, Director
Mr. Nadir Rehman, Director
Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer

Mr. Khaldoon Bin Latif

**Chief Financial Officer
Company Secretary of the
Management Company**

Mr. Faisal Ali Khan

Audit Committee

Mr. Osman Asghar Khan, Chairman
Mr. Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

HR Committee

Mr. Nadir Rehman, Chairman
Mr. Salman Ahmed Usmani, Member
Mr. Osman Asghar Khan, Member

Trustee to the Fund

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

Bankers to the Fund

Faysal Bank Limited

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 Shahra-e-Faisal, Karachi.

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal Financial Value Fund is to seek long term capital appreciation by investing in money market and debt instrument with major exposure in financial sector.

FUND MANAGER'S REPORT

ECONOMIC REVIEW

Pakistan faced unprecedented economic shocks from the rapid spread of the Covid-19 towards the last quarter of FY20. The headline inflation for June 2020 slightly increased to 8.6% vs. 8.2% in May 2020; however, the declining aggregate demand is softening outlook for inflation. Although, energy prices are volatile, economic deterioration will keep inflation range bound. Therefore, we expect inflation momentum to remain below 10% by FY21.

In response, during FY20 the State Bank of Pakistan has cut the policy rate 5 times by 625 bps to 7.0% with a priority of supporting growth and employment amidst these challenging times. During last rate cut, it was expecting 1) moderation in inflation expectations and 2) increasing downside risk to growth. Current very low real rate (monetary stimulus) can provide cushion against demand and supply shocks. We believe that Central Bank has undertaken the required monetary easing to balance declining economic growth. However, the policy rate can hover in range of 9% - 10% in medium term. Furthermore, the Current Account Deficit for June 2020 has reduced to USD 96mn compared to USD 981mn in June 2019. The external accounts continue to benefit from lower imports and resilient remittances. Overall, during FY20, CAD has clocked in at USD 2.97bn/1.1% of GDP vs. USD 13.43bn in FY19. We expect CAD to remain favorable over foreseeable future due muted growth environment. Towards the end of FY20 the PKR/USD was hovering at 168, with REER at 93 and FX reserves of USD 11.23bn.

Fiscal Deficit for FY20 has clocked in at 8.1% vs. 8.9% of GDP in FY19. Total Revenue increased by 27.98% YoY to PKR 6.27tn compared to PKR 4.90tn in FY20. The increase was led by Non-Tax Revenue recorded at PKR 1.52tn in FY20 vs. PKR 427bn in FY19. Going forward, we expect deficit to remain on higher side as Government shall face difficulty in revenue mobilization. The situation on ground is improving as Pakistan has found a bright spot on COVID-19 curve. The Government, in line with other economies, has further eased the smart lockdown. However the economic outlook remains challenging with expectation of meager real GDP growth in 2021.

EQUITY REVIEW

During FY20 the KSE 100 Index had gained meager return of 1.53% YoY, closing at 34,422 points. The index steadily displayed positive momentum during the 1HFY20 however plunged amidst the global COVID-19 pandemic, eventually recovering by June 2020.

During the start of FY20, we witnessed the signing of the IMF program as well as stabilization measures, with the index recording 20.16% return during 1HFY20. Subsequently the COVID-19 pandemic resulted in the market plummeting by 28.24% QoQ during 3QFY20 before posting a recovery of 17.76% QoQ by 4QFY20.

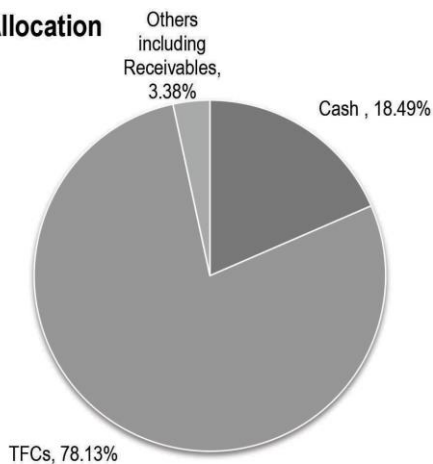
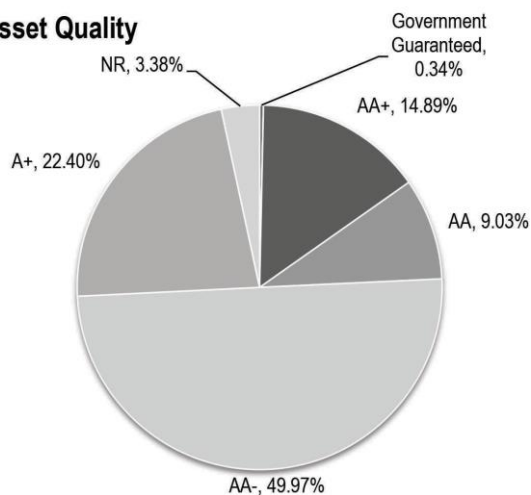
Given the global health epidemic is tackled with and defeated, over medium term, Pakistan equity market is geared to show upward momentum as 1) business cycle is expected to improve, 2) inflation will normalize, 3) domestic consumption will improve, 4) technology transfer will take place, 5) demographics will pay dividend, 6) public spending will improve and 7) credit cycle will recover. FAML believes that market is still trading at cheap valuations as 1) P/E can further rerate as bond market suggests another rate cut, 2) discount with frontier and emerging markets is above average and 3) liquidity push is expected in equities.



Therefore, valuations remain extremely attractive from medium term perspective even though near term corporate profitability will remain challenging due to COVID-19.

Fund Information	
Fund Type	Open Ended
Category	Sector Asset Allocation Scheme
Risk Profile	Moderate to High
Launch Date	December 27, 2019
Trustee	CDC
Auditor	A.F Ferguson & Co.
Management Fee	0.25% p.a. (Actual Rate of Management Fee Charged is 0.15%)
Selling and Marketing Expense	0.10%
Front end Load	Up to 3%
Back End Load	Nil
Min Investment	PKR 5,000
Pricing Mechanism	Forward
Benchmark	The Benchmark for "Faysal Financial Value Fund" shall be weighted average of KSE 100 Index and 6 Month KIBOR rates and 70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP on the basis of actual proportion held by the scheme.
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM2 (VIS)
NAV per Unit (PKR)	106.44
Net Assets(PKR mn)	1,691.66
Leverage	Nil

Fund Returns (% p.a)		
	FY20	FY19
YTD	6.57%	
Benchmark (YTD)	6.56%	

Asset Allocation**Asset Quality****FUND PERFORMANCE**

During FY-20, your fund posted a return of 6.57% against its benchmark of 6.56%. During this period your fund remains invested in TFCs and Cash. Going forward, your fund will also take exposure in other investment avenues keeping in view the economic position of the country.

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

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

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL FINANCIAL VALUE FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Financial Value Fund (the Fund) 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 27, 2019 to June 30, 2020 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2020





A.F. FERGUSON & CO.

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

We have audited the financial statements of Faysal Financial Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period from December 27, 2019 to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the period from December 27, 2019 to June 30, 2020 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 4 and 5 to the financial statements)	
	The investments and balances with banks constitute the most significant component of the net asset value. The investments of the Fund as at June 30, 2020 amounted to Rs 1,330.736 million and balances with banks aggregated to Rs 314.922 million. The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures included the following: - Tested the design and operating effectiveness of the key controls for valuation of investments; - Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2020 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
 State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



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S.No.	Key Audit Matter	How the matter was addressed in our audit
		- 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.

Other Information

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

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

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

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

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

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

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirement

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

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

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Date: September 28, 2020

Statement of Assets and Liabilities

As at June 30, 2020

	Note	June 30, 2020 (Rupees)
Assets		
Balances with banks	4	314,921,664
Investments	5	1,330,736,485
Advances, deposits & other receivables	6	56,632,921
Preliminary expenses and floatation costs	7	898,257
Total assets		1,703,189,327
Liabilities		
Payable to Faysal Asset Management Limited - the Management Company	8	2,174,469
Payable to Central Depository Company of Pakistan - the Trustee	9	243,847
Payable to the Securities and Exchange Commission of Pakistan	10	129,830
Accrued expenses and other liabilities	11	8,982,808
Total liabilities		11,530,954
NET ASSETS		1,691,658,373
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)		1,691,658,373
CONTINGENCIES AND COMMITMENTS	12	
		(Number of units)
NUMBER OF UNIT IN ISSUE		15,892,342
		(Rupees)
NET ASSET VALUE PER UNIT		106.44

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

Interim Income Statement

For The Period From December 27, 2019 To June 30, 2020

		For the period from December 27, 2019 to June 30, 2020 (Rupees)
Income	Note	
Profit on balances with banks		13,360,361
Profit on sukuk certificates		947,665
Interest income on TFCs		71,685,890
Net realised gain on sale of investments		7,395
		86,001,311
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	2,753,142
Total income		88,754,453
Expenses		
Remuneration of Faysal Asset Management Limited - the Management Company	8.1	982,854
Sindh sales tax on remuneration of the Management Company	8.2	127,771
Allocated Expenses	8.3	287,614
Selling and marketing expenses	8.4	640,020
Remuneration to Central Depository Company of Pakistan Limited - the Trustee	9.1	1,101,558
Sindh sales tax on remuneration of the Trustee	9.2	143,203
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	129,830
Transaction charges		639,014
Auditors' remuneration	13	398,029
Fees and subscriptions		139,133
Amortisation of preliminary expenses and floatation cost	7	101,743
Bank charges		15,447
Printing charges		24,921
Total expenses		4,731,137
Net income from operating activities		84,023,316
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	(1,680,466)
Net income for the period before taxation		82,342,850
Taxation	14	-
Net income for the period after taxation		82,342,850
Earnings per unit	15	-
Allocation of net income for the period		
Net income for the period after taxation		82,342,850
Income already paid on units redeemed		(78,912,355)
		<u>3,430,495</u>
Accounting income available for distribution		
- Relating to capital gains		2,760,537
- Excluding capital gains		669,958
		<u>3,430,495</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Comprehensive Income

For The Period From December 27, 2019 To June 30, 2020

**For the period
from December
27, 2019 to
June 30, 2020****---(Rupees)---****Net profit for the period after taxation**

82,342,850

Other comprehensive income for the period

-

Total comprehensive income for the period82,342,850

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

For Faysal Asset Management Limited
(Management Company)_____
Chief Financial Officer_____
Chief Executive Officer_____
Director

Cash Flows Statement

For The Period From December 27, 2019 To June 30, 2020

	Note	For the period from December 27, 2019 to June 30, 2020 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		82,342,850
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,753,142)
Amortisation of preliminary expenses and floatation costs		101,743
		<u>79,691,451</u>
Increase in assets		
Investments		(1,327,983,343)
Advances, deposits & other receivables		(56,632,921)
Preliminary expenses and floatation costs		(1,000,000)
		<u>(1,385,616,264)</u>
Increase in liabilities		
Payable to Faysal Asset Management Limited - the Management Company		2,174,469
Payable to Central Depository Company of Pakistan - the Trustee		243,847
Payable to the Securities and Exchange Commission of Pakistan		129,830
Accrued and other liabilities		8,982,808
		<u>11,530,954</u>
Net cash used in operating activities		<u>(1,294,393,859)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units and conversion of units		5,000,030,163
Payment against redemption of units and conversion of units		(3,390,475,069)
Dividends paid		(239,571)
Net cash generated from financing activities		<u>1,609,315,523</u>
Net increase in cash and cash equivalents		<u>314,921,664</u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	<u><u>314,921,664</u></u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Statement of Movement in Unit Holders' Fund

For The Period From December 27, 2019 To June 30, 2020

For the period from December 27, 2019 to June 30, 2020		
	Undistributed income	Total
(Rupees)		

Net assets at the beginning of the period

- - -

Issuance of 47,935,410 units

- Capital value (at net asset value per unit at the beginning of the period)

4,793,541,000	-	4,793,541,000
---------------	---	---------------

- Element of income

206,489,163	-	206,489,163
-------------	---	-------------

Total proceeds on issuance of units

5,000,030,163	-	5,000,030,163
---------------	---	---------------

Redemption of 32,043,068 units

- Capital value (at net asset value per unit at the beginning of the period)

(3,204,306,800)	-	(3,204,306,800)
-----------------	---	-----------------

- Element of loss

(107,255,914)	(78,912,355)	(186,168,269)
---------------	--------------	---------------

Total payments on redemption of units

(3,311,562,714)	(78,912,355)	(3,390,475,069)
-----------------	--------------	-----------------

Total comprehensive income for the period

-	82,342,850	82,342,850
---	------------	------------

Distribution for the period @ Re. 0.1248 per unit on January 03, 2020

-	(239,571)	(239,571)
---	-----------	-----------

- 82,103,279 82,103,279

Net assets at the end of the period

1,688,467,449	3,190,924	1,691,658,373
---------------	-----------	---------------

Undistributed income brought forward

- Realised income
- Unrealised income

-

-

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

2,760,537
669,958
3,430,495

Distribution for the period @ Re. 0.1248 per unit on

January 03, 2020 i.e. 0.12% of the par value of Rs 100/- each

(239,571)

Undistributed income carried forward

3,190,924

Undistributed income carried forward

- Realised income
- Unrealised income

437,782

2,753,142

3,190,924

(Rupees)

Net assets value per unit at the beginning of the period

100.00

Net assets value per unit at the end of the period

106.44

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 the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Financial Value Fund (the Fund) is an open end mutual fund constituted under a trust deed entered into on October 29, 2019 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

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

1.2 The Fund has been categorised as an open ended asset allocation 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 December 27, 2019 and are transferable and redeemable by surrendering them to the Fund.

1.3 The investment objective of the Fund is to seek long term capital appreciation through investments in Equity Instrument, Fixed Income Instruments, Money Market Instruments, Bank Deposits primarily from the financial sector and any other instrument as defined in Constitutive documents and allowed by the SECP.

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

1.5 The Management Company has been assigned a quality rating of AM2 by VIS dated February 18, 2020. This represents that the management company exhibits very good management characteristics.

1.6 These are the first financial statements of the Fund for the period from December 27, 2019 to June 30, 2020, therefore, comparative figures have not been presented.

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 (IFRSs) 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

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

- 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 IFRSs, 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 not yet effective:

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making 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 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, valuation and impairment of financial assets (note 3.2 and 5) and provision for taxation (note 3.13 and 14).

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

2.4 Accounting convention

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

2.5 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal 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, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

- 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.

3.2.1.2 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.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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.

3.2.2 Impairment

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

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

3.2.3 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, in accordance with the provisioning policy duly approved by the Board of Directors.

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.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. 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.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.2.7 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Net asset value per unit

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

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement, on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation 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 commencement of date of book closure of the investee company / institution declaring the dividend.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

- Income on sukuk certificates and term finance certificates is recognized on a time proportionate basis using the effective yield method, except for the securities which are classified as non performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on balances with banks is recognised on a time proportion basis using the effective yield method.

3.11 Expenses

All expenses including management fee, trustee fee and annual fee are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

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

3.13 Taxation

Current

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

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015, is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

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

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

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	June 30, 2020 (Rupees)
4 BALANCES WITH BANKS		
Savings accounts	4.1	<u>314,921,664</u>
4.1	The balances in saving accounts have expected profit rates ranging from 6.50% to 8% per annum.	
	Note	June 30, 2020 (Rupees)
5 INVESTMENTS		
At fair value through profit or loss		
Term Finance Certificates (TFCs)	5.1	1,300,894,060
Sukuk Certificates	5.2	<u>29,842,425</u>
		<u><u>1,330,736,485</u></u>

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

5.1 Term Finance Certificates (TFCs)

			Purchases during the year	Sales / redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised appreciation / (diminution) as at June 30,	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			(Number of certificates)				(Rupees)		----- % -----	

BANKS

Askari Bank Limited PPTFC V (AA-, VIS, Non-Traded) (note 5.1.1)	September 30, 2024	6 months KIBOR plus base rate of 1.2%	3,600	-	3,600	17,555,626	16,885,829	(669,797)	1.00	1.27
Askari Bank Limited TFC VI (AA-, PACRA, Non-Traded) (note 5.1.1)	Perpetual	6 months KIBOR plus base rate of 1.5%	243	-	243	243,000,000	243,000,000	-	14.36	18.26
Bank Al Habib Limited ATI TFC (AA-, PACRA, Non Traded) (note 5.1.1)	Perpetual	6 months KIBOR plus base rate of 1.5%	30,000	-	30,000	150,000,000	150,000,000	-	8.87	11.27
Bank Alfalah Limited TFC (AA+, VIS, Non-Traded) (note 5.1.1)	Perpetual	6 months KIBOR plus base rate of 1.5%	56,000	-	56,000	280,000,000	280,000,000	-	16.55	21.04
Bank Alfalah Limited TFC V (AA-, PACRA, Non-Traded) (note 5.1.1)	February 20, 2021	6 months KIBOR plus base rate of 1.25%	4,800	4,800	-	-	-	-	-	-
JS Bank Limited TFC (A+, PACRA, Traded) (note 5.1.1)	December 14, 2023	6 months KIBOR plus base rate of 1.4%	23,900	-	23,900	113,172,475	117,106,668	3,934,193	6.92	8.80
Soneri Bank Limited TFC (A+, PACRA, Non-Traded) (note 5.1.1)	July 08, 2023	6 months KIBOR plus base rate of 1.35 %	53,300	-	53,300	265,105,990	264,352,351	(753,639)	15.63	19.87

			Purchases during the year	Sales / redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised appreciation / (diminution) as at June 30,	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			(Number of certificates)				(Rupees)		----- % -----	

United Bank Limited TFC 5 (AA+, VIS, Non-Traded) (note 5.1.1)	Perpetual	3 months KIBOR plus base rate of 1.55%	44,756	-	44,756	223,780,000	223,780,000	-	13.23	16.82
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POWER GENERATION & DISTRIBUTION

Pakistan Water And Power Development Authority - TFC (AAA, PACRA, Non-Traded) (note 5.1.1)	September 27, 2021	6 months KIBOR plus base rate of 1%	5,500	-	5,500	5,856,199	5,769,212	(86,987)	0.34	0.43
						1,298,470,290	1,300,894,060	2,423,770	76.90	97.76

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

5.1.1 The nominal value of these term finance certificates is Rs 5,000 each except for Askari Bank Limited TFC VI having nominal value of Rs 1,000,000 each.

5.2 Sukuk Certificates

			Purchases during the year	Sales / redemptions during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised appreciation as at June 30, 2020	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			(Number of certificates)			(Rupees)			----- % -----	

POWER GENERATION & DISTRIBUTION

K electric Sukuk IV (AA+, VIS, Traded) (note 5.1.1)	June 17, 2022	3 months KIBOR plus base rate of 1%	14,737		14,737	29,513,053	29,842,425	329,372	1.76	2.24
						29,513,053	29,842,425	329,372	1.76	2.24

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

5.3	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	June 30, 2020 (Rupees)
	Market value of investments	5.1, 5.2	1,330,736,485
	Less: Carrying value of investments	5.1, 5.2	<u>1,327,983,343</u>
			<u>2,753,142</u>

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Profit receivable on bank deposits		1,791,450
Accrued interest on Term Finance Certificates		51,942,131
Accrued profit on sukuks		97,745
Security deposit with National Clearing Company of Pakistan Limited		2,500,000
Security deposit with Central Depository Company of Pakistan Limited		100,000
Advance tax	6.1	<u>201,595</u>
		<u>56,632,921</u>

6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. 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 withholders. The tax withheld on profit on debt amounts to Rs 201,595.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	June 30, 2020 (Rupees)
7 PRELIMINARY EXPENSES AND FLOATATION COSTS		
At the beginning of the period		-
Preliminary expenses and floatation costs incurred		1,000,000
Less: amortisation during the period		(101,743)
At the end of the period	7.1	<u>898,257</u>

- 7.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from December 27, 2019 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.

	Note	June 30, 2020 (Rupees)
8 PAYABLE TO FAYSAL ASSET MANAGEMENT		
Remuneration of the Management Company	8.1	200,739
Sindh sales tax on remuneration of the Management Company	8.2	26,096
Allocated expenses payable	8.3	287,614
Selling and marketing expenses payable	8.4	640,020
Preliminary expenses and floatation cost payable	7	1,000,000
Other payable		20,000
		<u>2,174,469</u>

- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.25% per annum of the average net assets of the Fund for the period from December 27, 2019 till January 12, 2020 and 0.15% of the average net assets of the Fund for the period from January 13, 2020 till June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

- 8.2** During the period, an amount of Rs. 127,771 was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

- 8.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, has given Management Company, the discretion for charging allocated expenses directly on the Fund as it may decide. Therefore, the Management Company is now charging the allocated expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

The management company has charged 0.1% of the average annual net assets of the scheme from April 28, 2020 for allocation of such expenses to the Fund.

- 8.4** The SECP had allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

The SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

As a consequence thereof, the Board of Directors of the Management Company has approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company through a circular resolution dated December 16, 2019. Furthermore, the Board, through the same circular resolution, has given discretion to the Management Company for charging selling and marketing expenses directly on the Fund as it may decide. Therefore, the Management Company is now charging the selling and marketing expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

The management company has charged selling and marketing expense at 0.1% of the average annual net assets from January 13, 2020.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	June 30, 2020 (Rupees)
	Remuneration payable to the Trustee	9.1	215,794
	Sindh sales tax on remuneration of the Trustee	9.2	28,053
			<u>243,847</u>

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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

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

- 9.2 During the period, an amount of Rs 143,203 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, 2020 (Rupees)
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee	10.1	129,830

- 10.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay the SECP an amount at the rate of 0.02% per annum of the average daily net assets of the Fund in accordance with SRO 685(1)/2019 of the SECP.

	Note	June 30, 2020 (Rupees)
11 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration		398,029
Rating fee payable		139,133
Printing expense payable		21,381
Provision for Sindh Workers' Welfare Fund	11.1	1,680,466
Withholding tax payable		6,265,572
Brokerage payable		478,227
		<u>8,982,808</u>

- 11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

with effect from the date of enactment of the SWWF Act. Since the Fund has started operations with effect from December 27, 2019 therefore, the provision has been recognised from December 27, 2019 to June 30, 2020.

Considering the above, the fund has made the provision for SWWF amounting to Rs. 1,680,466 as at June 30, 2020. Had the provision not been recorded in the financial statements of the Fund for the period from December 27, 2019 to June 30, 2020, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Re. 0.1057.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020.

	June 30, 2020 (Rupees)
13 AUDITORS' REMUNERATION	
Annual audit fee	250,000
Half yearly review of condensed interim financial statements	100,000
Fee for other certifications	30,000
Out of pocket expenses	18,029
	<u>398,029</u>

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 period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended June 30, 2020 to the unit holders 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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

15 EARNINGS PER UNIT

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

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 0.98% which includes 0.32% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund,

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Asset Allocation Scheme.

17 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

17.1 Connected persons 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.

17.2 Transactions with connected persons are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

17.4 Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

17.5 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 December 27, 2019 to June 30, 2020 (Rupees)
17.6 Transactions during the period	
Faysal Asset Management Limited (the Management Company)	
Remuneration of Faysal Asset Management Limited - the Management Company	982,854
Sindh sales tax on remuneration of the Management Company	127,771
Selling and marketing expenses	640,020
Allocated Expenses	287,614
Faysal Bank Limited	
Profit on balances with banks	2,374,665
Central Depository Company of Pakistan Limited (CDC) - Trustee	
Remuneration of the Trustee	1,101,558
Sindh sales tax on remuneration of the Trustee	143,203
Unit holders holding 10% or more units	
Issuance of 43,969,960 units	4,574,699,218
Redemption of 29,371,192 units	3,107,396,552
Dividend declared	148,805

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

17.7 Amounts / balances outstanding as at period end	June 30, 2020 (Rupees)
Faysal Asset Management Limited (the Management Company)	
Management fee payable	200,739
Sindh sales tax payable management fee	26,096
Allocated expenses payable	287,614
Selling and marketing expenses payable	640,020
Preliminary expenses and flotation costs payable	1,000,000
Other payable	20,000
Faysal Bank Limited	
Balance with bank	4,082,435
Profit receivable on balances with banks	36,941
	June 30, 2020 (Rupees)
Central Depository Company of Pakistan Limited (the Trustee)	
Remuneration to the Trustee payable	215,794
Sindh sales tax payable on remuneration of the Trustee	28,053
Unit holders holding 10% or more units	
Outstanding 14,498,668 units	1,543,238,222

18 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	June 30, 2020	
	At amortised cost	At fair value through profit or loss
		Total
	Rupees	
Balances with banks	314,921,664	-
Investments	-	1,330,736,485
Advances, deposits & other receivables	56,431,326	-
	371,352,990	1,330,736,485
		1,702,089,475

Financial liabilities

	June 30, 2020	
	At fair value through profit or loss	At amortised cost
		Total
	Rupees	
Payable to Faysal Asset Management Limited		
- Management Company	-	2,174,469
Payable to Central Depository Company of Pakistan - Trustee	-	243,847
Accrued expenses and other liabilities	-	1,036,770
	-	3,455,086

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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) Yield / profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2020, the Fund is exposed to such risk on its balances held with banks and investments in sukuk certificates and term finance certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks and KIBOR based sukuk certificates and term finance 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 / loss for the period and net assets of the Fund would have been higher / lower by Rs. 16.46 million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2020, the Fund did not hold any fixed rate instrument that may expose the fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR 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, 2020 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 the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2020 can be determined as follows:

----- June 30, 2020 -----					
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	6.5% - 8%	314,921,664	-	-	314,921,664
Investments	9.12% - 14.99%	1,063,629,817	267,106,668	-	1,330,736,485
Advances, Deposits & Other Receivables		-	-	56,431,326	56,431,326
		1,378,551,481	267,106,668	-	1,702,089,475
Financial liabilities					
Payable to Faysal Asset Management Limited - Management Company		-	-	2,174,469	2,174,469
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	243,847	243,847
Accrued expenses and other liabilities		-	-	1,036,770	1,036,770
		-	-	3,455,086	3,455,086
On-balance sheet gap (a)		1,378,551,481	267,106,668	-	1,698,634,389
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		1,378,551,481	267,106,668	-	-
Cumulative interest rate sensitivity gap		1,378,551,481	1,645,658,149	1,645,658,149	-

(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 of June 30, 2020.

19.2 Liquidity risk

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

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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

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

----- June 30, 2020 -----						
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	314,921,664	-	-	-	-	314,921,664
Investments	45,048,096	10,350,204	1,033,026	1,330,736,485	-	1,330,736,485
Advances, deposits & other receivables	359,969,780	10,350,204	1,033,026	1,330,736,485	-	56,431,326
						1,702,089,475
Financial liabilities						
Payable to Faysal Asset Management Limited - Management Company	2,174,469	-	-	-	-	2,174,469
Payable to Central Depository Company of Pakistan Limited - Trustee	243,847	-	-	-	-	243,847
Accrued expenses and other liabilities	617,360	419,410	-	-	-	1,036,770
	3,035,676	419,410	-	-	-	3,455,086
Net financial assets / (liabilities)	356,934,084	9,930,794	1,033,026	1,330,736,485	-	1,698,634,389

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 arising on the debt instruments is 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, receivable against conversion of units and credit exposure arising as a result of receivable against sale of 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

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

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:

	2020	
	Balance as per statement of liabilities	Maximum exposure to credit risk
	-----Rupees-----	
Balances with banks	314,921,664	314,921,664
Investments	1,330,736,485	1,330,736,485
Advances, deposits & other receivables	56,431,326	56,431,326
	<u>1,702,089,475</u>	<u>1,702,089,475</u>

19.3.1 Credit quality of financial assets

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

Rating category	% of financial assets exposed to credit risk
	2020 --- (%) ---
AA	1.30
AA-	98.70
	<u>100.00</u>

Ratings of term finance certificates and sukuks have been disclosed in related notes to the financial statements.

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.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size 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.

21 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the 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.

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, 2020, the Fund held the following financial instruments measured at fair values:

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

As at June 30, 2020				
Level 1	Level 2	Level 3	Total	
-----Rupees-----				
Financial assets 'at fair value through profit or loss'				
Term Finance Certificates (TFCs)	-	1,300,894,060	-	1,300,894,060
Sukuk Certificates	-	29,842,425	-	29,842,425
	-	1,330,736,485	-	1,330,736,485

22 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2020		
	Number of unit holders		
Associated company	-	-	-
Insurance company	-	-	-
Retirement funds	-	-	-
Individuals	-	-	-
Banks and DFIs	4	15,892,342	100.00
NBFCs	-	-	-
Other	-	-	-
	4	15,892,342	100.00%

23 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2020
	Percentage of commission paid
BMA Capital Management Limited	100%
	100%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience
Mr. Khaldoon Bin Latif	Chief Executive Officer	B.Sc. Economics	Over 16 years
Mr. Ayub Khuhro	Chief Investment Officer	B.Sc. Economics	Over 11 years
Mr. Faisal Ali Khan	CFO and Company Secretary	B.com, CA	Over 16 years
Syed Shahid Iqbal	Sr. Fund Specialist - Fixed Income	B.com	Over 28 years
Mr. Mustajab Alam	Fund Manager	MBA Finance	Over 7 years
Mr. Muhammad Akbar Latif Khan	Head of Research	B.com	Over 5 years
Mr. Khurram Salman	Head of Compliance and Internal Audit	B.com, CA	Over 15 years
Mr. Mohammad Qasim	Head of Risk	B. S. (Actuarial Science & Risk Management) & MBA (Fin.)	Over 10 years

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other funds managed by the Fund manager
Mr. Syed Shahid Iqbal	Sr. Fund Specialist - Fixed Income	B.com	FIGF, FSGF, FMMF, FFSOF, FMTSF, FGFSF

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

		Attended meeting held on					
		August 19, 2019	September 12, 2019	October 21, 2019	January 01, 2020	January 31, 2020	April 17, 2020
Mr. Salman Ahmed Usmani	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Osman Asghar Khan	Director	No	Yes	No	No	Yes	Yes
Mr. Farooq Hassan*	Director	Yes	Yes	No	No	No	No
Mr. Tahir Yaqoob Bhatti	Director	Yes	Yes	No	Yes	Yes	Yes
Mr. Syed Muhammad Fraz Zaidi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mian Salman Ali	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nadir Rahman**	Director	No	No	Yes	Yes	Yes	Yes
Mr. Khaldoon Bin Latif	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes

*retired

**elected in September 2019

27 GENERAL

27.1 Rounding off

Figures have been rounded off to the nearest rupee.

27.2 Impacts of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- The time period to regularise the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for open end schemes under Regulation 54(3)(b) of the NBFC regulations has been increased to 180 days for open end schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

27.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (VPN) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 13, 2020 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

**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, 2020
(Rupees)**

(i) PERFORMANCE TABLE

Net assets	1,691,658,373
Net assets value per unit	106.44
Offer price per unit	109.64
Repurchase price per unit	106.44
Highest offer price per unit	109.64
Highest repurchase price per unit	106.44
Lowest offer price per unit	103.03
Lowest repurchase price per unit	100.02
Total return:	6.57%
- capital growth	6.45%
- income distribution	0.12%
Average annual return: (Launch date: December 27, 2019)	
- one year	6.57%
- two years	N/A
- three years	N/A
Distribution per unit:	
- Interim distribution (% per unit) *	0.12%
- Final distribution (% per unit)	0.12%

* Announced on 03 January 2020

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.

Notes to the Financial Statements

For The Period From December 27, 2019 To June 30, 2020

(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 Member	Meetings attended	Meeting held on				
		Aug 19, 2019	Sep 12, 2019	Oct 21, 2019	Jan 31, 2020	Apr 17, 2020
Mr. Osman Asghar Khan	4	-	1	1	1	1
Mr. Mian Salman Ali	5	1	1	1	1	1
Syed Muhammad Fraz Zaidi	5	1	1	1	1	1

(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 Member	Meetings attended	Meeting held on	
		Nov 29, 2019	Apr 17, 2020
Mr. Osman Asghar Khan	2	1	1
Mr. Salman Ahmed Usmani	2	1	1
Mr. Nadir Rehman	2	1	1

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