Faysal AssetManagement

Asset Allocation Fund

Financial Statements for the year ended June 30, 2019



Faysal Asset Allocation Fund

The Faysal Asset Allocation Fund (FAAF) is an open-ended mutual fund. The unit of FAAF are listed on the Pakistan Stock Exchange. FAAF seeks to provide long-term capital appreciation optimizing through broad mix of asset classes encompassing equity, fixed income & money market instruiments.

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FUND INFORMATION

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. Farooq Hassan, Director
Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer
Mr. Khaldoon Bin Latif

Chief Financial Officer and 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. Osman Asghar Khan, Chairman
Mr. Khaldoon Bin Latif, Member
Mr. Farooq Hassan, 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
MCB Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited
JS Bank Limited
Allied Bank Limited
Habib Bank Limited
Sindh Bank Limited

Auditors
Deloitte Yousuf Adil, Chartered Accountants

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

Registrar
JWAFFS Registrar Service (Pvt) Limited
407-408, Al-Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.

MISSION STATEMENT

Faysal Asset Allocation Fund endeavours to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity, fixed income & money market instruments.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Directors of Faysal Asset Management Limited, the Management Company of Faysal Asset Allocation Fund (FAAF), are pleased to present the Annual Report on the operations of FAAF along with the audited accounts, Reports of the Trustee and Auditors to the unit holders for the year ended June 30, 2019.

SALE AND REDEMPTION OF UNITS

During the year, units worth Rs.29.597 million were issued and units with a value of Rs.90.804 million were redeemed.

UNIT HOLDERS

As of June 30, 2019, total units outstanding were 2,232,904 units with a value of Rs.95.054 million (June 30, 2018: 3,467,838 units with a value of Rs.186.779 million).

UNIT PRICES

Unit prices are being announced on a daily basis based on the NAV of the underlying portfolio. The highest and lowest offer / redemption prices during the period as well as the prices prevailing as of June 30, 2019 were as below:

	Offer Price	Redemption Price
Highest	58.16	56.46
Lowest	43.36	42.09
As of June 30, 2019	43.85	42.57

ECONOMIC OUTLOOK

Pakistan's economy continues to constrict further amid declining consumption, weakening investments, fiscal tightening and deteriorating external accounts. Country has posted a real growth of 5.5%/3.3% in FY18/19 respectively with IMF's forward expectations of 2.5% in FY20.

Central Bank has increased policy rate by 100bps to 13.25% vs 6.50% in SPLY stating "The decision takes into account upside inflationary pressures from exchange rate depreciation since the last MPC meeting in May 19 and the likely increase in near term inflation from the one-off impact of recent adjustments in utility prices and other measures in the FY20 budget". Secondary market is suggesting that current yield curve is exhibiting quite less convexity vs. SPLY.

To improve CAD, recent depreciation has bought PKR/USD to 161 in Jul 19 vs 124 in SPLY thus decreasing overvaluation from 5% to "-8%" as per latest calculation methodology. Central Bank's foreign exchange reserves currently stands at USD 7.7bn/import cover 1.4 months in Jul 19 from USD 10.2/import cover 1.6 months in SPLY, however; after a prolonged discussion, IMF has approved USD 6.0bn 39 months EFF arrangement but at a promise of structural reforms.

Increasing TTM inflation, up 7.7% YoY as of Jul 19 vs. 4.2% in SPLY and Central Bank's continuous monetary tightening are deterring domestic consumption. Furthermore declining TTM growth in 1) auto financing of 18% YoY as of FY19 vs. 34% in SPLY and 2) petrol consumption of 0% YoY as of Jul 19 vs. 9% in SPLY also reiterates our opinion. At the same time, adverse development such as water shortages and high input costs are also undermining agricultural performance, leading to decline in rural consumption. However, According to Central Bank, "Economic managers through monetary/fiscal tightening are managing the gap between demand and supply to decrease imports and increase exportable surplus in the future".

Despite PM's frequent foreign visits and signing of various memorandum of understanding, Country's industrialization remains weak with latest TTM FDI of USD 1.7bn as of FY19/0.8% of GDP vs. USD 3.4bn/1.4% of GDP in SPLY. Tractors TTM sales clocked in at 50,405 vs. 70,887 in SPLY, down -29% YoY vs. 29% in SPLY. TTM Cement dispatches clocked in at 39.7mn tons as of FY19, down -4.9% vs. 11.2% in SPLY. Going forward, expected FDI may improve investment sphere in Pakistan while also providing some support to external accounts.

TTM fiscal deficit as of Mar 19 has clocked in at 8.2% of GDP as Government's revenue declined to 15% of GDP vs. 18% in SPLY which is keeping fiscal stimulus in check as development spending contracts to 2.7% of GDP vs 5.9% in SPLY. On the other hand, news suggests that government is taking steps such as listed below to improve development spending/fiscal stimulus.

- Upward revision in values of immovable properties in 20 cities of the country to bring them in line with actual market rates.
- Initiative to send notices to around 100,000 non-filers who own a house bigger than 500 yards or a vehicle above 1000 cc.
- And defining of Tier-1 for retailers as having those with an area of more than 1,000 square feet located at luxury shopping malls with a standard rate of General Sales Tax at 17%.

The Government and Central Bank's efforts, PKR/USD depreciation and monetary tightening have bought TTM CAD slightly under control to USD 13.6bn/4.9% of GDP in FY19 vs. USD 19.8bn/6.3% of GDP in SPLY. However it is still in vulnerable zone as massive currency depreciation of 31% over TTM has yet to trigger growth in exports which clocked in at USD

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

29.4bn in FY19 vs 30.6bn in SPLY. Contracting imports led by fiscal/monetary tightening are keeping CAD under control, however; exports have to improve to shift CAD to less risk zone or to bring certainty over currency depreciation and policy rate. Global economic growth has also entered a late cycle slowdown which can keep Pakistan's export difficulties upbeat.

Current economic times are such that that finding certainty in economic data points is an alluding task. We continue to keep close tab on unfolding data points to measure economy's health.

EQUITY MARKETS REVIEW

FY19 was mired with uncertainty as a looming balance of payment crisis along with fiscal weakness haunted investor sentiments. Economic growth as per the preliminary estimates has slow down to 3.3% compared to 5.2% witnessed during the preceding year.

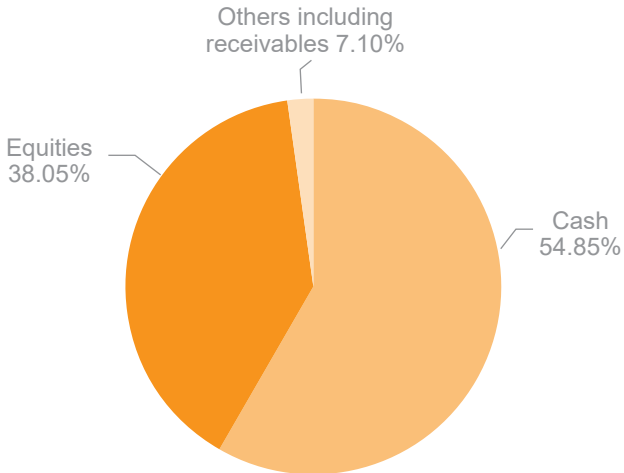
The benchmark index KSE100 plunged by -5.8% only in June taking the cumulative FY19 return to -19%. The local bourse has now posted a negative return for continuous two years as continued foreigner selling of USD 366 million along with a relatively weaker local liquidity shed the index to red. During the entire year market has remain jittery even during pre and post budget announcements. The announced budget proved to be a negative event for the market incorporating painful but necessary measures to enhance revenue collection and control expenditures. For the listed sectors, major deterrents were increase in cost of doing business and slowdown in economic activities resulting in a combination of weak volumes and margin compression. Therefore all the major sectors remained in the red zone absent any sector specific event.

We believe equity market is generally preempts the economic conditions; making it important to consider whether all the economic developments are priced in or not. Therefore overall valuation and fundamentals of universe companies do play an important role. During the year valuation fell due to 575bps increase in discount rate primarily to counter rising inflation and to support deteriorating PKR value.

PERFORMANCE REVIEW

Faysal Asset Allocation Fund posted a decline of 20.96% during the year relative to its negative benchmark of 7.32%. Adverse fund performance was mainly on the back of Escalating inflationary pressure along with rapid hike in interest rates, fears on implementation of IMF recommended structural modifications, shifting towards fixed income securities from equities due to attractive yield and weaker result expectation from cyclical sectors. By adopting proactive approach, your fund's average equity exposure was maintained at 79.8% in order get benefit from expected rally post finalization of IMF program and possible support from friendly countries. Going forward, your fund would continue to follow its active invest ment strategy to explore the best investment avenues.

ASSET ALLOCATION AS AT JUNE 30, 2019



INCOME DISTRIBUTION

The Board of Directors has not approved final distribution as the fund has incurred loss for the year ended June 30, 2019.

MUTUAL FUND RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "long term rating 1-Star" to FAAF as of February 28, 2019.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

PATTERN OF UNIT HOLDING

The pattern of unit holding of FAAF as at June 30, 2019 is given as part of this Annual Report.

AUDITORS

The retiring auditors Messers Deloitte Yousuf Adil, Chartered Accountants, have completed the period of five years; hence, are not eligible for re-appointment as provided in the Regulation 38(2)(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Audit Committee has recommended the appointment of Messers A. F. Ferguson & Co., Chartered Accountants, as auditors of the Fund. The Board endorses the recommendation of the Audit Committee for appointment of Messers A. F. Ferguson & Co., Chartered Accountants, who, being eligible, have consented to act as statutory auditors of the Fund for the year ending June 30, 2020.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company is thankful to unit holders for their confidence on the Management, the Securities and Exchange Commission of Pakistan and the management of Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work.

For and on behalf of the Board

Karachi: September 12, 2019

Chief Executive Officer

Director

FUND MANAGER'S REPORT

ECONOMIC REVIEW

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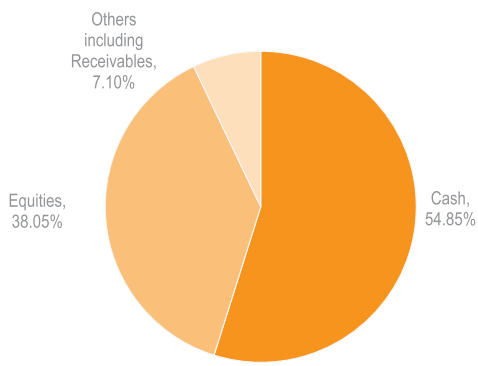
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FUND MANAGER'S REPORT

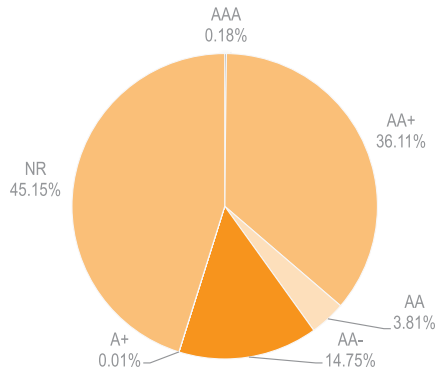
Fund Information	
Fund Type	Open Ended
Category	Asset Allocation Scheme
Risk Profile	Moderate to High Risk
Launch Date	July 24, 2006
Custodian/Trustee	CDC
Auditor	Deloitte Yousuf Adil, Charted Accountants
Management Fee	2%
Front/Back end Load	FEL up to 3% of NAV & BEL 0%
Min Subscription	PKR. 5,000
Benchmark*	KSE 100 Index / 6M KIBOR
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9am-5pm
AMC Rating	AM3+ (VIS)
NAV per Unit (PKR)	42.57
Net Assets (mn)	95.05
Leverage	Nil

* weighted average of 6M KIBOR & percentage invested in equities

Asset Allocation



Asset Quality



Fund Returns (% p.a)		
	FY19	FY18
YTD	-20.96	-21.64
Benchmark (YTD)	-7.32	-5.79

FUND PERFORMANCE

Faysal Asset Allocation Fund posted a decline of 20.96% during the year relative to its negative benchmark of 7.32%. Adverse fund performance was mainly on the back of Escalating inflationary pressure along with rapid hike in interest rates, fears on implementation of IMF recommended structural modifications, shifting towards fixed income securities from equities due to attractive yield and weaker result expectation from cyclical sectors. By adopting proactive approach, your fund's average equity exposure was maintained at 59.8% in order get benefit from expected rally post finalization of IMF program and possible support from friendly countries. Going forward, your fund would continue to follow its active invest ment strategy to explore the best investment avenues.

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) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Asset Allocation Fund (the Fund) 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, 2019 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 20, 2019

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF FAYSAL ASSET ALLOCATION FUND

Opinion

We have audited the financial statements of Faysal Asset Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movements in unit holders' fund, cash flow statement for the year then ended, 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 financial position of the Fund as at June 30, 2019 and of its financial performance and its cash flows for the year then ended in accordance with 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 and Management Company (Faysal Asset Management Limited) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the note 15.4, which describes that under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme, however, the Fund has breached the said limit during the year and size of the Fund as at June 30, 2019 is below the minimum fund size. Our opinion is not modified in respect of this matter.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation and existence of investments	
As disclosed in note 5 to the financial statements, the total value of investments amounted to Rs. 38.34 million as at June 30, 2019. These investments represent a quantitatively significant financial statement line on the Statement of Assets and Liabilities. The Fund invests in equity securities and their valuation and existence is a significant area during our audit. There is a risk that appropriate quoted prices may not be used to determine fair value. Further, the Fund may have included investments in its financial statements which were not owned by Fund.	We performed the following steps during our audit of investments: • We obtained an understanding and evaluated the appropriateness of the management process for valuation and existence of investments. • independent testing of valuations by using the quoted prices form Pakistan Stock Exchange website and ensuring the existence of number of shares by independently matching securities as per internal records with the securities appearing in the Central Depository Company (CDC) statement; • performed purchases and sales testing on a sample of trades made during the year, if any, to obtain evidence regarding movement of securities during the year; and • any differences identified during our testing that were over our acceptable threshold were investigated further.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company 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 will not express any form of assurance or conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

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 not received this information and therefore cannot report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the management company 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 Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are 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 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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- 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 Those Charged with Governance 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 Those Charged with Governance 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 Those Charged with Governance of the Management Company, 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.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Chartered Accountants

Date: 26 Sep, 2019
Place: Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		(Rupees)	
Assets			
Bank balances	4	**55,276,385**	113,215,434
Investments	5	**38,339,463**	76,213,475
Deposits and other receivables	6	**7,155,134**	4,769,506
Total assets		**100,770,982**	194,198,415
Liabilities			
Payable to the Management Company	7	**238,046**	609,424
Remuneration payable to the Trustee	8	**61,816**	60,786
Accrued and other liabilities	9	**5,417,575**	6,749,240
Total liabilities		**5,717,437**	7,419,450
Net assets		**95,053,545**	186,778,965
Unit holders' fund (as per statement attached)		**95,053,545**	186,778,965
Contingencies and commitments	10		
		(Number of units)	
Number of unit in issue		**2,232,904**	3,467,838
		(Rupees)	
Net assets value per unit		**42.57**	53.86

The annexed notes from 1 to 19 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		----------(Rupees)----------	
Income			
Dividend income on investments at fair value through profit or loss		**4,365,816**	7,321,845
Return on bank balances		**5,498,302**	5,125,148
Net loss on investments at fair value through profit or loss			
- Net capital loss on sale of investments		**(30,303,761)**	(77,419,016)
- Net unrealized loss on revaluation of investments	5.4	**(4,948,486)**	(12,792,248)
		(35,252,247)	(90,211,264)
Other income		**1,005,753**	-
Total loss		**(24,382,376)**	(77,764,271)
Expenses			
Remuneration of the Management Company	7.1	**2,864,154**	5,939,545
Sales tax on management fee	7.2	**371,064**	772,141
Reimbursement of expenses to Management Company	7.3	**141,837**	296,674
Remuneration of the Trustee	8.1	**700,001**	746,335
Sales tax on Trustee fee	8.2	**90,956**	97,018
Brokerage		**593,145**	1,196,693
Bank charges		**32,334**	51,898
SECP annual fee	9.1	**134,144**	282,132
Auditors' remuneration	11	**526,847**	601,912
Fees and subscriptions		**153,913**	153,414
Settlement charges, federal excise duty and capital value tax		**524,884**	859,668
Printing and other expenses		**2,734**	224,353
Total expenses		**6,136,013**	11,221,783
Net loss for the year before taxation		**(30,518,389)**	(88,986,054)
Taxation	12	**-**	-
Net loss for the year after taxation		**(30,518,389)**	(88,986,054)
Allocation of net income for the year			
Net income for the year		**-**	-
Income already paid on units redeemed		**-**	-
		-	-
Accounting income available for distribution			
Relating to capital gains		**-**	-
Excluding capital gains		**-**	-
		-	
Earnings per unit	13		

The annexed notes from 1 to 19 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, 2019

	June 30, 2019	June 30, 2018
	---------- (Rupees) ---------	
Net loss for the year after taxation	**(30,518,389)**	(88,986,054)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(30,518,389)**	(88,986,054)

The annexed notes from 1 to 19 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, 2019

	Note	June 30, 2019	June 30, 2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		**(30,518,389)**	(88,986,054)
Adjustments for non-cash and other items			
Dividend income on investments at fair value through profit or loss		**(4,365,816)**	(7,321,845)
Return on bank balances		**(5,498,302)**	(5,125,148)
Net loss on investments at fair value through profit or loss			
- Net capital loss on sale of investments		**30,303,761**	77,419,016
- Net unrealized loss on revaluation of investments		**4,948,486**	12,792,248
Other income		**(1,005,753)**	-
		(6,136,013)	(11,221,783)
Increase in assets			
Deposits and other receivables		**(2,994,492)**	(3,737)
(Decrease) / increase in liabilities			
Payable to the Management Company		**(371,378)**	(676,477)
Remuneration payable to the Trustee		**1,030**	(40,078)
Accrued and other liabilities		**(325,912)**	(199,690)
		(696,260)	(916,245)
		(9,826,765)	(12,141,765)
Proceeds from sale of investments		**393,129,822**	1,072,159,880
Payments made against purchase of investments		**(390,508,057)**	(882,520,659)
Dividend received		**4,944,991**	8,607,120
Return received on bank balances		**5,527,991**	5,230,257
Net cash generated from operating activities		**3,267,982**	191,334,833
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issue of units		**29,597,429**	884,812,673
Payments made against redemption of units		**(90,804,460)**	(1,066,633,646)
Dividend paid		**-**	(1,103,660)
Net cash used in financing activities		**(61,207,031)**	(182,924,633)
Net (decrease) / increase in cash and cash equivalents during the year		**(57,939,049)**	8,410,200
Cash and cash equivalents at the beginning of the year		**113,215,434**	104,805,234
Cash and cash equivalents at the end of the year	4	**55,276,385**	113,215,434

The annexed notes from 1 to 19 form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019			June 30, 2018		
	Capital value	Accumulated loss	Total	Capital value	Accumulated Loss	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the year	**455,137,075**	**(268,358,110)**	**186,778,965**	881,582,199	(179,372,056)	702,210,143
Issuance of 576,312 units (June 30, 2018: 10,694,621 units)						
- Capital value (at net assets value per unit at beginning of the year)	**31,040,337**	-	**31,040,337**	735,041,301	-	735,041,301
- Element of income	**(1,442,908)**	-	**(1,442,908)**	(94,852,779)	-	(94,852,779)
Total proceeds on issuance of units	**29,597,429**	-	**29,597,429**	640,188,522	-	640,188,522
Redemption of 1,811,246 units (June 30, 2018: 17,444,090 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**(97,554,253)**	-	**(97,554,253)**	(1,198,932,306)	-	(1,198,932,306)
- Refund / adjustment on units as element of income	**6,749,793**	-	**6,749,793**	132,298,660	-	132,298,660
Total payments on redemption of units	**(90,804,460)**	-	**(90,804,460)**	(1,066,633,646)	-	(1,066,633,646)
Total comprehensive loss for the year	-	**(30,518,389)**	**(30,518,389)**	-	(88,986,054)	(88,986,054)
Net assets at end of the year	**393,930,044**	**(298,876,499)**	**95,053,545**	455,137,075	(268,358,110)	186,778,965
Distribution for the year						
Undistributed loss brought forward						
- Realized	-	**(255,319,120)**	**(255,319,120)**	-	(206,833,250)	(206,833,250)
- Unrealized	-	**(13,038,990)**	**(13,038,990)**	-	27,461,194	27,461,194
	-	**(268,358,110)**	**(268,358,110)**	-	(179,372,056)	(179,372,056)
Accounting loss for the year	-	**(30,518,389)**	**(30,518,389)**	-	(88,986,054)	(88,986,054)
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-
	-	-	-	-	-	-
Undistributed loss carried forward	-	**(298,876,499)**	**(298,876,499)**	-	(268,358,110)	(268,358,110)
- Realized	-	**(293,891,326)**	**(293,891,326)**	-	(255,319,120)	(255,319,120)
- Unrealized	-	**(4,985,173)**	**(4,985,173)**	-	(13,038,990)	(13,038,990)
	-	**(298,876,499)**	**(298,876,499)**	-	(268,358,110)	(268,358,110)
			(Rupees)			**(Rupees)**
Net asset value per unit at the beginning of the year			**53.86**			68.73
Net asset value per unit at the end of the year			**42.57**			53.86

The annexed notes from 1 to 19 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 YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal Asset Allocation Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has been authorized as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on September 21, 2005. It has been constituted under a Trust Deed, dated January 31, 2006, between AMZ Asset Management Limited (former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee till February 24, 2010 and thereafter between Faysal Asset Management Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and CDC as the Trustee, also a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017).

The Fund is an open-end asset allocation fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis and the units are transferable and can be redeemed by surrendering them to the Fund.

The principal activity of the Fund is to invest in a mix of equity securities, fixed income and money market instruments.

The Fund is categorized as an "Asset Allocation Scheme" as per the circular 07 of 2009 issued by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "long term rating 1-Star" to Faysal Asset Allocation Fund as of February 28, 2019.

VIS has awarded an "AM3+" asset manager rating to the Management Company as of June 24, 2019.

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 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 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 requirements of the Trust Deed have been followed.

2.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018

NOTES TO THE FINANCIAL STATEMENTS

	Effective from accounting period beginning on or after:
IFRS 15 'Revenue' - This standard has superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
Certain annual improvements have also been made to a number of IFRSs.	

2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

	Effective from accounting period beginning on or after:
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Effective date to be determined. Earlier application is permitted.
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards.	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
Certain annual improvements have also been made to a number of IFRSs.	

NOTES TO THE FINANCIAL STATEMENTS

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

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, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (note 3.1)
- Impairment of financial assets (note 3.1)
- Provisions (note 3.7)
- Taxation (note 3.8)

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.

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments that 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as explained in note 3.1 to these financial statements.

3.1 Impact of initial application of IFRS 9 Financial Instruments

During the current financial year, the Fund has applied IFRS 9 'Financial Instruments' issued on July 24, 2017 and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after June 30, 2019, based on adoption date communicated by Securities Exchange Commission of Pakistan. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Fund adopted consequential amendments to IFRS 7 'Financial Instruments: Disclosures' that were applied to the disclosures for the year ended June 30, 2018.

IFRS 9 introduced new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Fund has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);

- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;

- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and

- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Fund has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL. The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Fund's financial assets as regards their classification and measurement.

- there is no change in the measurement of the Fund's investments in equity securities and debt instruments that are held for trading; those instruments were and continue to be measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

- financial assets including loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the other reclassifications of financial assets have had any impact on the Fund's statement of asset and liabilities, income statement and statement of other comprehensive income or total comprehensive income for the year.

Basis of valuation

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

(b) Impairment of financial assets

The SECP has, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is requires to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

The application of IFRS 9 has had no impact on the classification and measurement of the Fund's financial liabilities because the Fund does not have any financial liabilities desiginated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Fund had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Fund has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Fund has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

	Carrying amount as per IAS 39 as on June 30, 2018	Reclassifications	Remeasurements	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effects on Unit Holder's Fund on July 01, 2018
	---------- Rupees ----------				
Financial assets					
Fair value through profit or loss					
Equity securities	76,213,475	76,213,475	-	76,213,475	-

NOTES TO THE FINANCIAL STATEMENTS

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

3.3 Financial assets and financial liabilities

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expires. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement currently.

Financial assets carried in the statement of assets and liabilities include bank balances, investments, receivable against issue of units and deposits and other receivables.

Financial liabilities carried in the statement of assets and liabilities include payable to the Management Company, remuneration payable to the Trustee, payable on redemption of units and accrued and other liabilities.

3.4 Impairment of non-financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

3.6 Offsetting of financial assets and 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.

3.7 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.

3.8 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 as cash dividend.

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 Distribution to unit holders

Distribution to unit holders made subsequent to the statement of assets and liabilities date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared and approved by the Board of Directors of the Management Company.

NOTES TO THE FINANCIAL STATEMENTS

3.10 Issuance and redemption of units

Units issued are recorded at the offer price prevalent on the day on which application form, (complete in all respects) is received. The offer price represents the net assets value of units at the end of the day plus the allowable sales load. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price, prevalent on the day on which the redemption form (complete in all respects) is accepted. The redemption price represents the net assets value of units at the end of the day. Redemption of units is recorded on acceptance of application for redemption.

3.11 Net Assets Value (NAV) per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.12 Revenue recognition

- Gains or losses on sale of investments are accounted for in the year in which they arise.
- Dividend income on equity securities is recognized in the income statement when the right to receive dividend is established.
- Unrealised gains or losses arising on revaluation of investments classified as 'at fair value through profit or loss' are included in the income statement in the period in which they arise.

3.13 Transaction cost

Transaction costs incurred to acquire assets at FVTPL are immediately recognised as expenses in the profit or loss.

3.14 Expenses

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

3.15 Earnings per unit

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

3.16 Zakat payable

Zakat payment is the responsibility of each unit holder. Nevertheless, the Fund follows the provisions of Zakat and Ushr Ordinance, 1980. Units held by individual resident Pakistani shareholders are subject to Zakat @ 2.5% of the par value of the unit under the said Ordinance, except those exempted from Zakat. Zakat is deducted at source from dividend or from redemption proceeds, if units are redeemed during the Zakat year before the payment of Zakat.

		Note	June 30, 2019	June 30, 2018
			Rupees	
4.	**BALANCES WITH BANKS**			
	Cash at banks - PLS savings accounts	4.1	**55,276,385**	113,215,434

4.1 These carry mark-up ranging from 10.25% to 13.6% (June 30, 2018: 3.7% to 6.5%) per annum and include balance of Rs.3.84 million (June 30, 2018: Rs.1.93 million) held with Faysal Bank Limited, a related party.

		Note	June 30, 2019	June 30, 2018
			Rupees	
5.	**INVESTMENTS**			
	At fair value through profit or loss			
	Listed equity securities	5.1	**38,339,463**	76,213,475
	Listed debt securities	5.2	**13,137,043**	13,137,043
	Less: Provision against debt securities	5.3	**(13,137,043)**	(13,137,043)
			-	-
			38,339,463	76,213,475

5.1 Listed equity securities * - at fair value through profit or loss

Name of the Investee Company	Note	Number of shares					Carrying Value as at June 30, 2019 (Rupees)	Market Value as at June 30, 2019 (Rupees)	Unrealised (loss) / gain on revaluation (Rupees)	Investment as % of		
		As at July 01, 2018	Purchased during the year	Bonus / right shares received during the year	Disposed off during the year	As at June 30, 2019				Net assets	Total investments	Investee company paid-up capital
							(Rupees)					
* Ordinary shares having a face value of Rs. 10 each unless stated otherwise.												
OIL AND GAS EXPLORATION COMPANIES												
Mari Petroleum Company Limited	5.1.1	3,000	1,620	300	2,300	2,620	3,655,958	2,644,445	(1,011,513)	2.78%	6.90%	0.002%
Pakistan Petroleum Limited		3,500	227,700	6,000	209,700	27,500	4,531,354	3,971,825	(559,529)	4.18%	10.36%	0.001%
Pakistan Oilfields Limited		9,000	57,150	600	57,850	8,900	4,046,788	3,612,421	(434,367)	3.80%	9.42%	0.003%
Oil & Gas Development Company Limited	5.1.1	8,500	315,400	-	280,400	43,500	6,076,791	5,719,815	(356,976)	6.02%	14.92%	0.001%
							18,310,891	**15,948,506**	**(2,362,385)**	**16.79%**	**41.60%**	**0.007%**
OIL AND GAS MARKETING COMPANIES												
Hascol Petroleum Limited		500	17,800		18,300	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Company Limited	5.1.1	30,000	110,000	-	107,000	33,000	2,749,534	2,293,170	(456,364)	2.41%	5.98%	0.01%
Pakistan State Oil Company Limited		-	41,900	-	41,900	-	-	-	-	-	-	-
Sui Southern Gas Company Limited		-	50,000	-	50,000	-	-	-	-	-	-	-
							2,749,534	**2,293,170**	**(456,364)**	**2.41%**	**5.98%**	**0.01%**
POWER GENERATION AND DISTRIBUTION												
Hub Power Company Limited	5.1.1	50,000	35,000	-	85,000	-	-	-	-	-	-	-
Nishat Power Limited		10,000	-	-	10,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
COMMERCIAL BANKS												
Meezan Bank Limited		-	35,000	-	35,000	-	-	-	-	-	-	-
Allied Bank Limited		-	20,000	-	-	20,000	2,172,550	2,100,400	(72,150)	2.21%	5.48%	0.002%
Habib Bank Limited		5,000	117,200	-	122,200	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited		-	5,000	-	5,000	-	-	-	-	-	-	-
MCB Bank Limited		5,000	20,000	-	25,000	-	-	-	-	-	-	0.000%
United Bank Limited		5,000	137,400	-	131,900	10,500	1,599,747	1,547,490	(52,257)	1.63%	4.04%	0.001%
Bank Alfalah Limited	5.1.1	75,000	185,000	17,000	160,000	117,000	5,504,941	5,100,030	(404,911)	5.37%	13.30%	0.007%
Summit Bank Limited		400,000	-	-	400,000	-	-	-	-	-	-	-
Bank AL Habib Limited		18,000	10,000	-	18,000	10,000	746,531	783,800	37,269	0.82%	2.04%	0.001%
National Bank of Pakistan		-	5,000	-	5,000	-	-	-	-	-	-	-
The Bank of Punjab		-	150,000	-	150,000	-	-	-	-	-	-	-
							10,023,769	**9,531,720**	**(492,049)**	**10.03%**	**24.86%**	**0.011%**
FERTILIZER												
Engro Corporation Limited	5.1.1	15,000	72,700	1,100	80,700	8,100	2,332,902	2,151,360	(181,542)	2.26%	5.61%	0.001%
Engro Fertilizers Limited		-	60,000	-	60,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited		-	10,000	-	10,000	-	-	-	-	-	-	-
							2,332,902	**2,151,360**	**(181,542)**	**2.26%**	**5.61%**	**0.001%**
CHEMICALS												
Descon Oxychem Limited		-	270,500	-	240,500	30,000	484,100	481,500	(2,600)	0.51%	1.26%	0.0294%
ICI Pakistan Limited		7,740	-	-	7,650	90	94,188	47,922	(46,266)	0.05%	0.12%	0.0001%
Engro Polymer & Chemicals Limited	5.1.1	-	495,500	-	300,000	195,500	6,324,572	5,270,680	(1,053,892)	5.54%	13.75%	0.0215%
Lotte Chemical Pakistan Limited	5.1.1	-	445,000	-	305,000	140,000	2,387,045	2,135,000	(252,045)	2.25%	5.57%	0.0092%
							9,289,905	**7,935,102**	**(1,354,803)**	**8.35%**	**20.70%**	**0.0602%**
ENGINEERING												
International Industries Limited		13,900	2,000	-	15,900	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited		30,000	15,000	-	45,000	-	-	-	-	-	-	-
Crescent Steel & Allied Products Limited		9,100	-	-	9,100	-	-	-	-	-	-	-
International Steels Limited		15,000	131,900	-	146,900	-	-	-	-	-	-	-
Amreli Steels Limited		50,000	-	-	50,000	-	-	-	-	-	-	-
							-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Name of the Investee Company	Note	Number of shares					Carrying Value as at June 30, 2019 (Rupees)	Market Value as at June 30, 2019 (Rupees)	Unrealised (loss) / gain on revaluation (Rupees)	Investment as % of		
		As at July 01, 2018	Purchased during the year	Bonus / right shares received during the year	Disposed off during the year	As at June 30, 2019				Net assets	Total investments	Investee company paid-up capital
							(Rupees)					
* Ordinary shares having a face value of Rs. 10 each unless stated otherwise.												
CEMENT												
D.G.Khan Cement Company Limited		10,000	176,700	-	186,700	-	-	-	-	-	-	-
Kohat Cement Company Limited		-	20,000	-	20,000	-	-	-	-	-	-	-
Pioneer Cement Limited		-	70,000	-	70,000	-	-	-	-	-	-	-
Lucky Cement Limited		6,000	65,000	-	71,000	-	-	-	-	-	-	-
Dewan Cement Limited		-	25,000	-	25,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited		-	20,000	-	20,000	-	-	-	-	-	-	-
Cherat Cement Limited		20,000	74,200	-	94,200	-	-	-	-	-	-	-
							-	-	-	-	-	-
FOOD AND PERSONALCARE PRODUCTS												
Fauji Foods Limited		125,000	162,000	-	287,000	-	-	-	-	-	-	-
Matco Foods Limited		20,000	140,000	2,750	145,000	17,750	617,635	479,605	(138,030)	0.50%	1.25%	0.01%
							617,635	**479,605**	**(138,030)**	**0.50%**	**1.25%**	**0.01%**
TEXTILE COMPOSITE												
Nishat (Chunian) Limited		-	5,000	-	5,000	-	-	-	-	-	-	-
Nishat Mills Limited		-	76,000	-	76,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
AUTOMOBILES AND PARTS												
Indus Motor Company Limited		2,000	500		2,500	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited		10,000	-	-	10,000	-	-	-	-	-	-	-
Ghandhara Nissan Limited		-	1,333	-	1,333	-	-	-	-	-	-	-
Ghandhara Nissan Limited - LOR		1,333	-	-	1,333	-	-	-	-	-	-	-
Loads Limited		97,000	-	-	97,000	-	-	-	-	-	-	-
Ghandhara Industries Limited		-	1,700	1,700	3,400	-	-	-	-	-	-	-
							-	-	-	-	-	-
VANASPATI AND ALLIED INDUSTRIES												
Unity Foods Limited		45,000	262,000	-	307,000	-	-	-	-	-	-	-
PHARMACEUTICALS												
The Searle Company Limited		10,000	-	960	10,960	-	-	-	-	-	-	-
AGP Limited		-	67,500	-	67,500	-	-	-	-	-	-	-
							-	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION												
TRG Pakistan Limited		-	99,500	-	99,500	-	-	-	-	-	-	-
As at June 30, 2019							**43,324,636**	**38,339,463**	**(4,985,173)**			
As at June 30, 2018							89,252,465	76,213,475	13,038,990			

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

	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----(Number of shares)----		-----(Rupees)------	
Hub Power Company Limited	-	50,000	-	4,608,000
Engro Corporation Limited	4,000	-	1,062,400	-
Engro Polymer & Chemicals Limited	100,000	-	2,696,000	-
Lotte Chemical Pakistan Limited	130,000	-	1,982,500	-
Mari Petroleum Company Limited	2,500	-	2,523,325	-
Oil & Gas Development Company Limited	37,000	-	4,865,130	-
Sui Northern Gas Pipelines Company Limited	30,000	-	2,084,700	-
Bank Alfalah Limited	111,000	65,000	4,838,490	3,398,850
	414,500	115,000	**20,052,545**	8,006,850

5.2 Listed debt securities - at fair value through profit or loss

Name of the Investee Company	Number of certificates				Rupees		Investment as % of		
	As at July 01, 2018	Purchased during the year	Disposed off during the year	As at June 30, 2019	Carrying Value as at June 30, 2019	Market Value as at June 30, 2019	Net assets	Total investments	Size of issue
Term Finance Certificates (TFCs)									
Investment bank / investment company / securities company									
Trust Investment Bank Limited	7,000	-	-	7,000	13,137,043	-			
Less: Provision					(13,137,043)				
As at June 30, 2019					-	-			
As at June 30, 2018					-	-			

5.2.1 Significant terms and conditions of listed debt securities are as follows:

Name of the Investee Company	Note	Number of certificates	Face Value (Rupees)	Mark - up rate (per annum)	Maturity	Secured / Unsecured	Rating
Trust Investment Bank Limited	5.2.1.1	7,000	1,874	6 months KIBOR +1.85%	July 2013	Secured	Withdrawn

5.2.1.1 Due to financial difficulties, Trust Investment Bank Limited (the Issuer) was unable to make payment of principal amounting to Rs.8.746 million due on July 04, 2012, January 04, 2013 and July 04, 2013 and, accordingly, the Fund has recognized provision of Rs.13.137 million against its exposure in TFCs issued by the issuer as per Circular 33 of 2012 of SECP and has suspended the accrual of mark-up accordingly.

5.3 Detail of non-compliant investment with the investment criteria assigned category

Name of non-compliant investments	Note	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Investment as % of	
						Net assets	Gross assets
			(Rupees)				
Trust Investment Bank Limited	5.3.1	TFCs	13,137,043	(13,137,043)	-	-	-

5.3.1 Circular No.7 of 2009 issued by the SECP requires that the rating of any debt security in the portfolio shall not be lower than the investment grade. However, the ratings of above mentioned debt security is withdrawn and, hence, it is lower than investment grade.

NOTES TO THE FINANCIAL STATEMENTS

		Note	June 30, 2019	June 30, 2018
			(Rupees)	
5.4	**Net unrealized loss on investments - at fair value through profit or loss**			
	Market value of investments		**38,339,463**	76,213,475
	Less: Carrying value of investment		**43,324,636**	89,252,465
			(4,985,173)	(13,038,990)
	Net unrealized loss on investments at the beginning of the year		**13,038,990**	27,461,194
	Realized on the disposals during the year		**(13,002,303)**	(27,214,452)
			36,687	246,742
			(4,948,486)	(12,792,248)
6.	**DEPOSITS AND OTHER RECEIVABLES - considered good**			
	Security Deposit with National Clearing Company of Pakistan Limited		**2,500,000**	2,750,000
	Return receivable on bank balances	6.1	**396,145**	425,834
	Dividend receivable		**323,950**	903,125
	Receivable against sale of investments		**3,243,398**	-
	Income tax recoverable	6.2	**691,641**	690,547
			7,155,134	4,769,506

6.1 This includes return receivable amounting to Rs. 6,033 (June 30, 2018: Rs. 15,063) on balance held with Faysal Bank Limited, a related party.

6.2 The income of mutual funds is exempt from tax under clause (99) of Part I of the Second Schedule of the Income Tax Ordinance 2001. However, income tax is withheld by banks on profit paid to the Fund. The Fund has recorded the amount as income tax recoverable as management is confident that the amount will be refunded.

		Note	June 30, 2018	June 30, 2017
			(Rupees)	
7.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Management fee payable	7.1	**158,935**	276,770
	Sales tax payable on management fee	7.2	**20,659**	35,980
	Reimbursement of expenses	7.3	**58,452**	296,674
			238,046	609,424

7.1 The Management Company is entitled to a remuneration for services rendered to the Fund under the provisions of the NBFC Regulations during the first five years of a Fund's existence of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets. The Management Company has charged its remuneration at 2% (June 30, 2018: 2%) per annum of the daily net asset value of the Fund.

7.2 The Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

7.3 SECP has introduced "expense ratio" vide amendments in NBFC Regulations dated November 25, 2015, whereby, the total expense ratio of an asset allocation scheme shall be capped at 4% of average daily net assets value of the scheme. The regulation further states that for the purpose of expense ratio, expenses incurred in relation to any government levy on funds such as sales tax, federal excise duty, SECP fee, etc. shall be excluded while calculating expense ratio. Furthermore, under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar services, accounting, operations and valuation services related to that CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less. Accordingly, this represents the amount payable to the Management Company to maintain the expense ratio of the Fund within the prescribed limits.

NOTES TO THE FINANCIAL STATEMENTS

	Note	June 30, 2019	June 30, 2018
		(Rupees)	

8. REMUNERATION PAYABLE TO THE TRUSTEE

Remuneration to the Trustee	8.1	**53,795**	53,793
Sales tax on Trustee fee	8.2	**8,021**	6,993
		61,816	60,786

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund.

8.2 The Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (June 30, 2018: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

	Note	June 30, 2019	June 30, 2018
		(Rupees)	

9. ACCRUED AND OTHER LIABILITIES

SECP annual fee	9.1	**134,119**	282,133
Brokerage		**199,141**	273,026
Accrued liabilities		**940,217**	2,049,984
Zakat		**9,753**	9,753
Provision for Sindh Workers' Welfare Fund	9.2	**636,886**	636,885
Provision for indirect taxes and duties	9.3	**3,497,459**	3,497,459
		5,417,575	6,749,240

9.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP annually an amount equal to 0.095% (June 30, 2018: 0.095%) per annum of the daily net asset value of the Fund.

9.2 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs. 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of “industrial establishment” subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

NOTES TO THE FINANCIAL STATEMENTS

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending for hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, 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 (including the Management Company of the Fund) 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 mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of Federal and SWWF on Mutual Funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on January 12, 2017:

- the entire provision against the Federal WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and

- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017. The SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, necessary adjustments in this respect have been recorded in the books of the Funds on January 12, 2017.

Consequent to the above, the Fund on January 12, 2017 reversed an amount of Rs 3.31 million in respect of provision of WWF, this has resulted in an increase in NAV per unit of Rs. 1.29 on January 12, 2017. Also the Fund has made a provision of Rs. 0.637 million in respect of SWWF. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.29 per unit (2018: Re. 0.18 per unit).

9.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and CDC on behalf of Collective Investment Schemes through a constitutional petition filed in the Honorable Sindh High Court (SHC) in September 2013.

On June 30, 2016 the SHC had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication.

Further, as per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016.

NOTES TO THE FINANCIAL STATEMENTS

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the Fund has charged FED and sales tax on service thereon in its financial statements with effect from the date of commencement of its operations till June 30, 2016. As at June 30, 2019, the Fund has held a provision for FED aggregating to Rs. 3.50 million (June 30, 2018: Rs. 3.50 million). Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 1.57 per unit (June 30, 2018: Re. 1.01).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2019 and June 30, 2018 except as disclosed in relevant notes to the financial statements.

11. AUDITORS' REMUNERATION

	June 30, 2019	June 30, 2018
	(Rupees)	
Audit fee	**312,000**	312,000
Review and other certifications	**113,500**	158,500
Other	**67,307**	86,826
	492,807	557,326
Sales tax	**34,040**	44,586
	526,847	601,912

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 as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. 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. Fund is in loss and has therefore has made any distribution during the year.

13. 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.

14. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

14.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes 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 year end.

14.2 The transactions with connected persons are in the normal course of business at contracted rates.

NOTES TO THE FINANCIAL STATEMENTS

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

	June 30, 2019	June 30, 2018
	(Rupees)	
Transactions during the year		
Faysal Asset Management Limited (Management Company)		
Remuneration for the Management Company	**2,864,154**	5,939,545
Sales tax on management fee	**371,064**	772,141
Issue of Nil units (2018: 1,868 units)	**-**	98,602
Redemption of Nil units (2018: 14,061 units)	**-**	763,084
Reimbursement of expenses to the Management Company	**141,837**	296,674
Faysal Bank Limited (Group / Associated Company)		
Profit on PLS savings account	**642,485**	156,320
Bank charges	**8,834**	5,932
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of the Trustee	**700,001**	746,335
Sales tax on trustee fee	**90,956**	97,018
Settlement charges	**43,666**	118,514
Unit Holders Holding 10% or more units		
TPL Insurance Limited		
Redemption of 332,640 units (2018: Nil units)	**16,000,000**	-
Expenses of Shaikh's Palaces		
Issue of 255 units (2018: 445,370 units)	**12,466**	26,514,598
Redemption of Nil units (2018: 551,110 units)	**-**	35,375,901
Outstanding balances		
Faysal Asset Management Limited - (Management Company)		
Remuneration payable to the Management Company	**158,935**	276,770
Sales tax on management fee payable	**20,659**	35,980
Reimbursement of expenses	**58,452**	296,674
Faysal Bank Limited - (Group / Associated Company)		
Balance in PLS savings account	**3,835,823**	1,933,634
Profit receivable on PLS savings account	**6,033**	15,063
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration to the Trustee	**53,795**	53,793
Sales tax on Trustee fee	**8,021**	6,993

NOTES TO THE FINANCIAL STATEMENTS

	June 30, 2019	June 30, 2018
	(Rupees)	
Directors and Key Management Personnel (Management Company)		
Units in issue 11,894 units (June 30, 2018: 11,894 units)	**506,322**	640,614
Unit Holders Holding 10% or more units		
Barrett Hodgson Pakistan (Private) Limited		
Units in issue 433,575 (2018: 433,575)	**18,457,071**	23,352,350
TPL Insurance Limited		
Units in issue 326,263 (2018: 658,903)	**13,888,853**	35,488,516
Expenses of Shaikh's Palaces		
Units in issue 231,845 (2018: 231,590)	**9,869,526**	12,473,437

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

15.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, interest rates and foreign exchange rates.

(i) Interest rate risk

Interest 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, 2019, the Fund's exposure to the risk of changes in market interest rates relates primarily to bank balances and listed securities . The bank balances are subject to rates as declared by the respective banks on periodic basis. The listed securities are subject to market rates and valued by reference to the quotations obtained from Pakistan Stock Exchange quotation sheet. As at June 30, 2019, approximately 55.23% (June 30, 2018: 58.30%) of the Fund's financial assets are subject to interest rates risk.

Management of the Fund estimates that an increase of 100 basis points in the floating interest rate, with all other factors remaining constant, would increase the Fund's income and increase the net assets of the Fund by Rs. 0.55 million (June 30, 2018: Rs. 1.13 million) and a decrease of 100 basis points would result in a decrease the Fund's income and decrease the net assets of the Fund by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The equity price risk exposure arises from the Fund's investment in equity securities. Management of the Fund estimates that a 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of Fund's net assets by Rs. 1.917 million (June 30, 2018: Rs. 3.811 million). However, in practice, the actual results may differ from the sensitivity analysis.

The Management Company manages the above market risks through diversification of investment portfolio and placing limits on individual and aggregate exposures in accordance with the internal risk management policies and regulations laid down by the SECP.

The analysis of Fund's concentration on equity price risk is disclosed in note 5 to these financial statements.

15.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

The table below summarizes the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments.

	June 30, 2019				
	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year	Total
	---------- (Rupees) ----------				
Financial liabilities					
Payable to the Management Company	**217,387**	-	-	-	**217,387**
Remuneration payable to the Trustee	**53,795**	-	-	-	**53,795**
Accrued and other liabilities	**1,139,358**	-	-	-	**1,139,358**
	1,410,540	-	-	-	**1,410,540**

	June 30, 2018				
	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year	Total
	---------- (Rupees) ----------				
Financial liabilities					
Payable to the Management Company	573,444	-	-	-	573,444
Remuneration payable to the Trustee	53,793	-	-	-	53,793
Accrued and other liabilities	2,323,010	-	-	-	2,323,010
	2,950,247	-	-	-	2,950,247

NOTES TO THE FINANCIAL STATEMENTS

15.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements, if any, at reporting date:

	June 30 2019	June 30 2018
	(Rupees)	
Bank balances	**55,276,385**	113,215,434
Return receivable on bank balances	**396,145**	425,834
Dividend receivable	**323,950**	903,125
Receivable against sale of investments	**3,243,398**	-
Security deposits	**2,500,000**	2,750,000
	61,739,878	117,294,393

All deposits with banks are highly rated and risk of default is considered minimal.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the credit quality of the Fund's exposure:

	June 30 2019	June 30 2018
	%	
Rating category		
AA, AA-, AA+	**90.68**	60.61
A, A-, A+	**0.01**	-
Unrated	**9.30**	39.39
	100.00	100.00

The table below analyses the Fund's concentration of credit risk by industrial distribution:

	June 30 2019	June 30 2018
	% of assets exposed to	
Commercial banks	**90.17**	60.61
Others	**9.83**	39.39
	100.00	100.00

15.4 Unit Holders' Fund

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The capital structure depends on the issuance and redemption of units. The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to seek maximum preservation of unit holders' fund and an optimum rate of return by investing in avenues having good credit rating and liquidity and to maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme, however, size of the Fund as at June 30, 2019 is Rs. 95.05 million which is below the required size.

If the size of the Fund falls below the minimum size, the management company shall ensure compliance with the minimum fund size within three months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety days the management company shall immediately intimate the grounds to the SECP upon which it believes that the Fund is still commercially viable and its objective can still be acheived.

16. FAIR VALUE OF FINANCIAL INSTRUMENT

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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 financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1: quoted prices in active markets for identical assets;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2019, the Fund held the following financial instruments which were measured at fair value:

	June 30, 2019							
	Carrying amount				Fair value			
	Investments	Deposit and other recievables	Bank Balances	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------				---------- (Rupees) ----------			
Financial assets measured at fair value								
Investments - at fair value through profit or loss								
Listed equity securities	38,339,463	-	-	38,339,463	38,339,463	-	-	38,339,463
Financial assets not measured at fair value								
Bank balances	-	-	55,276,385	55,276,385	-	-	-	-
Deposits and other receivables	-	6,463,493	-	6,463,493	-	-	-	-
Receivable against sale of investment		-	-	-	-			
	38,339,463	6,463,493	55,276,385	100,079,341	38,339,463	-	-	38,339,463

	June 30, 2018							
	Carrying amount				Fair value			
	Investments	Deposits and other receivables	Bank balances	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------				---------- (Rupees) ----------			
Financial assets measured at fair value								
Investments - at fair value through profit or loss								
Listed equity securities	76,213,475	-	-	76,213,475	76,213,475	-	-	76,213,475
Financial assets not measured at fair value								
Bank balances	-	-	113,215,434	113,215,434	-	-	-	-
Deposits and other receivables	-	4,078,959	-	4,078,959	-	-	-	-
	76,213,475	4,078,959	113,215,434	193,507,868	76,213,475	-	-	76,213,475

NOTES TO THE FINANCIAL STATEMENTS

	June 30, 2019				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees)				
Financial liabilities not measured at fair value					
Payable to the Management Company	217,387	-	-	-	-
Remuneration payable to the Trustee	53,795	-	-	-	-
Accrued and other liabilities	1,139,358	-	-	-	-
	1,410,540	-	-	-	-

	June 30, 2018				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees)				
Financial liabilities not measured at fair value					
Payable to the Management Company	573,444	-	-	-	-
Remuneration payable to the Trustee	53,793	-	-	-	-
Accrued and other liabilities	2,323,010	-	-	-	-
	2,950,247	-	-	-	-

During the year ended June 30, 2019, 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.

17. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holdings', top ten brokers, members of the Investment Committee, performance table, fund manager, meetings of the Board of Directors of the Management Company and rating of the Fund and the Management Company has been disclosed in Annexure I to the financial statements.

18. GENERAL

18.1 Figures are rounded off to the nearest Rupee.

18.2 Expense ratio

As per Directive 23 of 2016 dated July 20, 2016 issued by SECP, the total expense ratio of the Fund is 4.27% as on June 30, 2019 which includes 0.49% representing Government Levies, Provision for SWWF and SECP fee.

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 12 Sep 2019 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 (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

Annexure I

(i) PATTERN OF UNIT HOLDING

Category	No. of investors	Units held	%
Associated company	-	-	-
Insurance company	-	-	-
Retirement funds	2	19,789	0.89
Individuals	202	1,021,302	45.73
Banks and DFIs	-	-	-
NBFCs	-	-	-
Other	10	1,191,813	53.38
	214	2,232,904	100.00

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name	June 30, 2019 %
Taurus Securities Limited	8.87%
Intermarket Securities Limited	8.75%
Arif Habib Securities Limited	7.84%
DJM Securities (Pvt.) Limited	7.81%
Khadim Ali Shah Bukhari Securities	7.46%
Shajar Capital Pakistan Limited	7.12%
Abbasi Securities (Pvt.) Limited	6.82%
Invest & Finance Securities	5.82%
Adam Securities (Pvt.) Limited	5.81%
Foundation Securities	5.71%

Name	June 30, 2018 %
Multiline Securities (Pvt.) Limited	10.92%
JS Global Capital Limited.	10.77%
BMA Capital	10.40%
Arif Habib Securities Limited	10.36%
Intermarket Securities Limited	10.01%
DJM Securities (Pvt.) Limited	9.31%
Foundation Securities	9.02%
Elixir Securities	8.06%
Top Line Securities (Pvt.) Limited	7.85%
Alfalah Securities	4.52%

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Qualification	Experience
Mr.Khaldoon Bin Latif	B.Sc. Economics	Over 15 years
Mr.Ayub Khuhro	B.Sc. Economics	Over 10 years
Mr.Mohammad Qasim	B. S. (Acturial Science & Risk Management) & MBA (Fin.)	Over 9 years
Mr.Furqan Miriwala	ACCA, B.com	Over 9 years

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(iv) PARTICULARS OF FUND MANAGERS

Name	Qualification	Other Collective Investment Schemes Managed
Mr.Ayub Khuhro	B.Sc. Economics	Faysal Stock Fund Faysal Islamic Asset Allocation Fund

(v) PERFORMANCE TABLE

	June 30, 2019	June 30, 2018	June 30, 2017
	(Rupees)		
Net assets	95,053,545	186,778,965	702,210,143
Net assets value per unit	42.57	53.86	68.73
Offer price per unit	43.85	55.48	68.73
Repurchase price per unit	42.57	53.86	68.73
Highest offer price per unit	58.16	69.72	86.83
Highest repurchase price per unit	56.46	69.72	86.83
Lowest offer price per unit	43.36	51.73	64.43
Lowest repurchase price per unit	42.09	50.56	64.43
Total return:	-20.96%	-21.64%	4.67%
- capital growth	-20.96%	-21.64%	17.96%
- income distribution	-	-	0.05%
Average annual return: (Launch date: July 24, 2006)			
- one year	-20.96%	-21.64%	4.67%
- two years	-21.30%	-8.49%	1.11%
- three years	-12.64%	-6.48%	6.12%
Distribution per unit:			
- Interim distribution (% per unit)	-	-	3.50%
- Final distribution (% per unit)	-	-	-
	-	-	3.50%

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.

(vi) Responsibilities towards Proxy Voting as per Regulation 38A

Faysal Asset Management Limited (FAML) on behalf of Faysal Asset Allocation Fund (FAAF) a collective investment scheme (CIS) under its management did not participate in shareholders' meetings. Further, the proxy voting policy of the FAAF 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

(vii) Expense ratio from the July 01, 2018 to June 30, 2019

Faysal Asset Allocation Fund (FAAF) has total expense ratio (TER) of 4.27%, the TER inlcudes 0.49% representing government levy and SECP fee.

SUPPLEMENTARY NON FINANCIAL INFORMATION
DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(viii) MEETINGS OF THE BOARD OF DIRECTORS

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

Name of Director	Meetings attended	Meeting held on					
		Apr 24, 2019	Feb 26, 2019	Nov 22-11-2018	Oct 19, 2018	Sep 19, 2018	Jul 06, 2018
Mr.Salman Ahmed Usmani	6	1	1	1	1	1	1
Mr.Osman Asghar Khan	4	-	1	1	-	1	1
Mr.Farooq Hassan	6	1	1	1	1	1	1
Mr.Tahir Yaqoob Bhatti	5	1	1	1	1	1	-
Mr.Mian Salman Ali	1	-	1	-	-	-	-
Mr.Syed Muhammad Fraz Zaidi	2	1	1	-	-	-	-
Mr.Khaldoon Bin Latif	2	1	1	-	-	-	-
Mr.Syed Ibad ur Rehman Chishti	3	-	-	1	1	1	-
Mr.Razi-ur-Rahman Khan	4	-	-	1	1	1	1

(ix) 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			
		Apr 24, 2019	Feb 25, 2019	Oct 17, 2018	Sep 17-09-2018
Mr. Osman Asghar Khan	4	1	1	1	1
Mr.Mian Salman Ali	2	1	1	-	-
Mr.Syed Muhammad Fraz Zaidi	2	1	1	-	-
Mr. Farooq Hassan	2	-	-	1	1
Mr. Syed Ibad ur Rehman Chishti	2	-	-	1	1

(x) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "long term rating 1-Star" to Faysal Asset Allocation Fund as of February 28, 2019.

VIS Credit Rating Company Limited has awarded an "AM3+" asset manager rating to the Management Company as of June 24, 2019.

یونٹ ہولڈنگ کا طریقہ کار:

30 جون 2019ء کو ایف اے اے ایف کے یونٹ ہولڈنگ کا طریقہ کار سالانہ رپورٹ ہذا کا جزو ہے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز ڈیلائٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں، آڈٹ کمیٹی نے فنڈ کے آڈیٹرز کے لیے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے، بورڈ نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کے لیے کمیٹی کی سفارش کی توثیق کر دی ہے اور اس کی اہلیت کے حامل ہونے کی وجہ سے 30 جون 2020ء کو ختم ہونے والے سال کے لیے فنڈ کے قانونی آڈیٹرز کے طور پر کام کرنے پر اتفاق کیا گیا ہے۔

اعتراف:

مینجمنٹ کمپنی کا بورڈ آف ڈائریکٹرز یونٹ ہولڈرز کی جانب سے مینجمنٹ پر اعتماد کرنے، سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکس چینج کی مینجمنٹ کی قابل قدر مدد، معاونت اور رہنمائی پر ان سب کا شکر گزار ہے، بورڈ مینجمنٹ کمپنی کے تمام ملازمین اور ٹرسٹیز کی محنت اور لگن پر ان کا بھی شکر گزار ہے۔

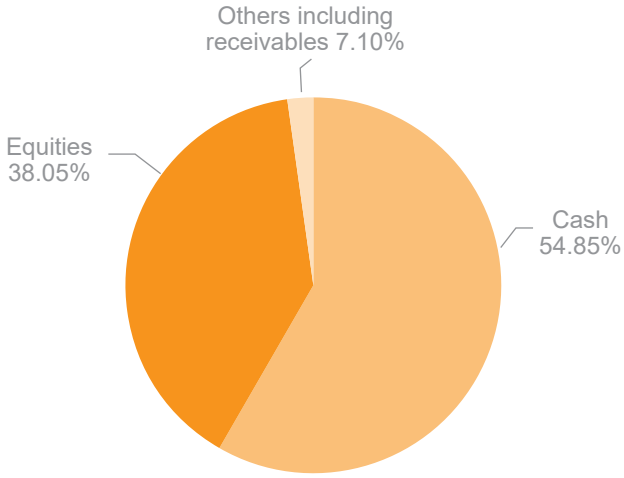
برائے اور منجانب بورڈ

چیف ایگزیکیوٹو آفیسر

ڈائریکٹر

کراچی: 12 ستمبر 2019ء

سفارش کردہ اسٹرکچرل تبدیلیوں پر عملدرامد کے خوف اوران سیکٹرز کے کمزور نتائج کی وجہ سے بہتر ییلڈ کی توقعات کی وجہ سے ایکویٹی سے فکسڈ انکم سیکیورٹیز کی جانب شفٹ بھی اس کی اہم وجہ رہے۔آئی ایم ایف پروگرام کے حتمی مراحل میں داخل ہونے اور دوست ممالک کی جانب سے دی جانے والی ممکنہ مدد کے بعد بہتر فوائد حاصل کرنے کی توقعات پر سرگرم عمل رہتے ہوئے آپ کے فنڈ کا اوسط ایکیویٹی ایکسپوزر 79.8 فیصد پر برقرار رہا،آپ کا فنڈ سرگرم سرمایہ کاری حکمت عملی کے ذریعے سرمایہ کاری کے بہترین ایونیوز کی تلاش کے لیے مسلسل سرگرم عمل رہے گا۔



سفارش کردہ اسٹرکچرل تبدیلیوں پر عملدرامد کے خوف اوران سیکٹرز کے کمزور نتائج کی وجہ سے بہتر ییلڈ کی توقعات کی وجہ سے ایکویٹی سے فکسڈ انکم سیکیورٹیز کی جانب شفٹ بھی اس کی اہم وجہ رہے۔آئی ایم ایف پروگرام کے حتمی مراحل میں داخل ہونے اور دوست ممالک کی جانب سے دی جانے والی ممکنہ مدد کے بعد بہتر فوائد حاصل کرنے کی توقعات پر سرگرم عمل رہتے ہوئے آپ کے فنڈ کا اوسط ایکیویٹی ایکسپوزر 79.8 فیصد پر برقرار رہا،آپ کا فنڈ سرگرم سرمایہ کاری حکمت عملی کے ذریعے سرمایہ کاری کے بہترین ایونیوز کی تلاش کے لیے مسلسل سرگرم عمل رہے گا۔

آمدنی کی تقسیم:

بورڈ آف ڈائرکٹرز نے 30 جون 2019ء کو مکمل ہونے والے سال میں نقصان کی وجہ سے حتمی تقسیم کا کوئی فیصلہ نہیں کیا۔

میوچل فنڈ کی درجہ بندی:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آر اے) نے 28 فروری 2019ء کو ایف اے اے ایف کو لانگ ٹرم ریٹنگ 1-اسٹار ریٹنگ تجویز کی ہے۔

موجودہ معاشی صورتحال میں یقینی اکنامک ڈیٹا پوائنٹ اہم ہے اور ہم معاشی صحت کا جائزہ لینے کے لیے ڈیٹا پوائنٹ کی فراہمی جاری رکھیں گے۔

ایکویٹی مارکیٹ کا جائزہ:

مالی سال 19 بڑھتے ہوئے ادائیگیوں کے توازن کے بحران اور مالیاتی کمزوریوں کی وجہ سے غیر یقینی کے ساتھ پریشان کن رہا جس نے انویسٹرز کے رجحانات کو بری طرح متاثر کیا، معاشی نمو ابتدائی اندازوں کے مطابق گزشتہ سال کے 5.2 فیصد کے مقابلے میں کم ہو کر اس سال 3.3 فیصد رہی۔

بنچ مارک کے ایس ای 100 انڈیکس صرف جون کے مہینے میں منفی 5.8 فیصد گر گیا جبکہ مالی سال 19 کے دوران انڈیکس کا مجموعی ریٹرن منفی 19 فیصد رہا، اس طرح مقامی اسٹاک مارکیٹ نے غیر ملکی سرمایہ کاروں کی جانب سے 366 ملین ڈالر کی فروخت جاری رہنے اور کمزور مقامی لیکیوڈیٹی صورتحال کی وجہ سے مسلسل دوسرے سال منفی ریٹرن دیے، اس پورے سال کے دوران یہاں تک کہ بجٹ کے اعلان سے پہلے اور بعد میں بھی اسٹاک مارکیٹ دباؤ میں رہی، ریونیو کی وصولیوں میں اضافے اور اخراجات کو کنٹرول کرنے کے لیے بجٹ میں اعلان کردہ تکلیف دہ لیکن ضروری اقدامات کے اسٹاک مارکیٹ پر منفی اثرات رہے، لسٹڈ سیکٹرز کے لیے اقدامات سے کاروباری لاگت میں اضافے اور معاشی سرگرمیوں میں کمی کی وجہ سے کاروباری حجم اور مارجن میں کمی آ گئی، اس لیے تمام اہم سیکٹرز کسی اہم سپورٹ کی عدم موجودگی میں منفی زون میں رہے۔

ہم اس بات پر یقین رکھتے ہیں کہ ایکیویٹی مارکیٹ معاشی صورتحال کی عکاسی ہوتی ہے اور یہ اس لیے اہمیت رکھتی ہے کہ اس کے ذریعے معاشی ترقی کے مثبت یا منفی ہونے کا پتا چلتا ہے۔ اس لیے یونیورس کمپنیوں کی مجموعی ویلیوایشن اور فنڈ امینٹلز انتہائی اہم کردار ادا کرتے ہیں، اس سال کے دوران بڑھتے ہوئے افراط زر کو کنٹرول کرنے اور گرتی ہوئی پاکستانی کرنسی کو سپورٹ کرنے کے لیے ڈسکاؤنٹ ریٹ میں 575 بیسز پوائنٹس کے اضافے کی وجہ سے ویلیوایشن میں کمی آ گئی۔

کارکردگی کا جائزہ:

فیصل ایسیٹ ایلوکیشن فنڈ نے سال کے دوران 20.96 فیصد کی کمی ہوگئی جبکہ بنچ مارک میں 7.32 فیصد کی کمی ہوئی، فنڈ کی گرتی ہوئی کارکردگی کی بنیادی وجہ افراط زر کا بڑھتا ہوا دباؤ اور انٹرسٹ ریٹ میں تیزی سے اضافہ تھا اس کے ساتھ ہی آئی ایم ایف کی جانب سے

وزیراعظم کے مسلسل غیر ملکی دوروں اور مفاہمت کی متعدد یادداشتوں پر دستخط کرنے کے باوجود ملک کا صنعتی شعبہ ہنوز کمزور ہے، مالی سال 2019ء میں براہ راست بیرونی سرمایہ کاری 1.7 ارب ڈالر تھی جو جی ڈی پی کا 0.8 فیصد ہے جبکہ گزشتہ سال کے اس عرصے میں ایف ڈی آئی 3.4 ارب ڈالر تھی جو جی ڈی پی کا 1.4 فیصد تھا۔ ٹریکٹرز کی فروخت 50,405 تک گرگئی جو گزشتہ سال کے اس عرصے کے مقابلے میں 29 فیصد کم تھی جبکہ گزشتہ سال کے اس عرصے میں اس میں 29 فیصد اضافہ ہوا تھا۔ سیمنٹ کی فروخت 39.7 ملین ٹن ہوگئی جو گزشتہ سال کے اس عرصے کے مقابلے میں 4.9 فیصد کم تھی جبکہ گزشتہ سال کے اس عرصے میں اس میں 11.2 فیصد اضافہ ہوا تھا۔ مستقبل میں پاکستان میں براہ راست بیرونی سرمایہ کاری میں اضافے کی توقع ہے جس سے بیرونی کھاتوں میں معاونت فراہم ہو سکے گی۔

حکومت کی آمدنی گزشتہ سال میں جی ڈی پی کا 18 فیصد کے مقابلے میں اس سال کم ہوکر جی ڈی پی کا 8.2 فیصد ہونے سے حکومت کے مالیاتی خسارے کی وجہ سے ڈیولپمنٹ پر اخراجات جی ڈی پی کا 2.7 فیصد ہوگئے جو کہ گزشتہ سال کے اس عرصے میں جی ڈی پی کا 5.9 فیصد تھے۔ دوسری جانب، اس طرح کی خبریں آرہی ہیں کہ حکومت ڈیولپمنٹ اخراجات/مالیاتی محرک کو بہتر بنانے کے لیے درج ذیل اقدامات کررہی ہے:

* ملک کے 20 شہروں میں جائیدادوں کی مالیت میں اضافہ کرکے ان کو اصل مارکیٹ ویلیو کے برابر لانا
* 500 گز سے زائد رقبے کا مکان یا 1000 سی سی سے بڑی گاڑی رکھنے والے 100,000 کے قریب نان فائلرز کو نوٹس جاری کرنا
* لگژری شاپنگ مال میں 1000 مربع فٹ سے زائد رقبے پر کاروبار کرنے والے ریٹیلرز کو 17 فیصد جنرل سیلز ٹیکس کے معیار کے درجے پر لانا۔

حکومت اور مرکزی بینک کی جانب سے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور مانیٹری کی سختی کی وجہ سے جاری کھاتوں کے خسارے میں کمی ہوئی اور یہ مالی سال 2019ء میں 13.6 ارب ڈالر ہوگیا جو جی ڈی پی کا 4.9 فیصد ہے جبکہ گزشتہ سال کے اس عرصے میں یہ خسارہ 19.8 ارب ڈالر تھا جو جی ڈی پی کا 6.3 فیصد تھا۔ تاہم یہ اب بھی کمزور حالت میں ہے اور پاکستان کرنسی کی قدر میں 31 فیصد کی نمایاں کمی بھی برآمدات میں اضافے کا ابھی تک سبب نہیں بنیں، مالی سال **2019**ء کے دوران برآمدات **29.4** ارب ڈالر تھیں جو کہ گزشتہ سال کے اس عرصے میں **30.6** ارب ڈالر تھیں۔ مالیاتی اور زری سختی کی وجہ سے درآمدات میں کمی کی وجہ سے جاری کھاتوں کے خسارے میں بہتری آئی ہے تاہم برآمدات میں مزید اضافے کی ضرورت ہے تاکہ جاری کھاتوں کے خسارے کو مزید بہتر کرتے ہوئے اسے رسک زون سے نیچے لایا جاسکے یا اسے کرنسی کے قدر میں کمی اور پالیسی ریٹ سے اوپر قابل اطمینان سطح پر رکھا جاسکے۔ عالمی معاشی شرح نمو میں مندی کا رجحان بھی پاکستان کی برآمدات میں اضافے کی راہ میں رکاوٹ ہے۔

اقتصادی جائزہ:

زوال پذیر کھپت، سرمایہ کاری میں کمی، مالیاتی سختی اور بیرونی کھاتوں میں بگاڑ کی وجہ سے پاکستان کی معیشت کو مسلسل مشکلات کا سامنا ہے، مالی سال 2018ء اور مالی سال 2019ء میں پاکستان کی حقیقی نمو بالترتیب 5.5 فی صد اور 3.3 فی صد رہی جبکہ مالی سال 2020ء کے لیے آئی ایم ایف نے یہ شرح نمو 2.5 رہنے کی توقع ظاہر کی ہے۔

مرکزی بینک نے پالیسی ریٹ میں 100 بی پی ایس کا اضافہ کر کے 13.25 فیصد کر دیا ہے جو گزشتہ سال کے اس عرصے میں 6.50 فیصد تھا، مرکزی بینک کا کہنا ہے کہ یہ فیصلہ مئی 2019ء میں ایم پی سی کے آخری اجلاس کے بعد ایکسچینج ریٹ میں کمی، بڑھتے ہوئے افراط زر کے دباؤ اور مالی سال 2020ء کے بجٹ میں یوٹیلیٹی کی قیمتوں میں حالیہ ایڈجسٹمنٹ اور دیگر اقدامات کی وجہ سے افراط زر پر ہونے والے یک بارگی اثرات کی وجہ سے کیا گیا ہے۔ ثانوی مارکیٹ گزشتہ سال کے اسی عرصے کے مقابلے میں موجودہ پیداوار کے تناسب میں کمی کا اشارہ کر رہی ہے۔

تازہ ترین حساب کتاب کے مطابق جاری کھاتوں میں بہتری، جولائی 2019ء میں ڈالر کی قدر میں 161 روپے تک کے حالیہ اضافے، جو کہ گزشتہ سال کے اس عرصے میں 124 روپے تھا، کی وجہ سے اوور ویلیوایشن 5 فیصد سے کم ہو کر منفی 8 فیصد تک ہو گئی ہے، مرکزی بینک کے پاس غیر ملکی زرمبادلہ کے ذخائر جولائی 2019ء میں 7.7 ارب امریکی ڈالر ہو گئے ہیں جو 1.4 مہینے کی درآمدات کے لیے کافی ہو سکتے ہیں جبکہ گزشتہ سال کے اس عرصے میں یہ ذخائر 10.2 ارب امریکی ڈالر تھے جو 1.6 ماہ کی درآمدات کے لیے کافی تھے۔ تاہم طویل مذاکرات کے بعد آئی ایم ایف نے 39 مہینے کے ای ایف ایف انتظامات کے لیے 6.0 ارب ڈالر کی منظوری دی ہے۔

گزشتہ سال جولائی میں 4.2 فیصد کی شرح سے بڑھتے ہوئے جولائی 2019ء میں 7.7 فیصد تک ٹی ٹی ایم افراط زر میں اضافے اور مرکزی بینک کی جانب سے مالیاتی سختی کی وجہ سے مقامی کھپت میں کمی ہو رہی ہے۔ مزید برآں ٹی ٹی ایم نمو میں کمی (آٹو فنانسنگ مالی سال 2019ء میں 18 فیصد جو کہ گزشتہ سال کے اس عرصے میں 34 فیصد تھی اور پٹرول کی کھپت میں جولائی 2019ء میں صفر فی صد جبکہ گزشتہ سال کے اس عرصے میں 9 فیصد) ہماری رائے کی تصدیق کر رہی ہے۔ اس کے ساتھ ہی کچھ منفی اثرات مثال کے طور پر پانی کی کمی اور اخراجات میں اضافے کی وجہ سے زرعی شعبے کی کارکردگی کو بری طرح متاثر کر رہی ہے جس کی وجہ سے دیہی کھپت میں کمی ہو رہی ہے۔ تاہم مرکزی بینک کے مطابق "اکنامک منیجرز زرعی/مالیاتی سختی کے ذریعے درآمدات میں کمی اور برآمدات میں اضافے کے ذریعے طلب اور رسد میں توازن پیدا کرنے کی کوشش کر رہے ہیں۔

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

فیصل ایسٹ مینجمنٹ کے ڈائریکٹرز فیصل ایسٹ الوکیشن فنڈ (ایف اے اے ایف) کی مینجمنٹ کمپنی 30 جون 2019ء کو مکمل ہونے والے سال کے لیے ایف اے اے ایف کی سالانہ کارکردگی کی رپورٹ مع آڈٹ شدہ اکاؤنٹس اور ٹرسٹی اور آڈیٹرز کی رپورٹس بخوشی یونٹ ہولڈرز کو پیش کرتے ہیں۔

یونٹس کی فروخت اور ریڈمشن

زیرِ جائزہ سال کے دوران 29.597 ملین روپے کے یونٹس جاری کیے گئے اور 90.804 ملین روپے مالیت کے یونٹس کی ریڈمشن کی گئی۔

یونٹ ہولڈرز

30 جون 2019ء کو 95.04 ملین روپے کی مالیت کے 2,232,904 یونٹس قابل ذکر تھے (30 جون 2018ء کو 186.779 ملین روپے مالیت کے 3,467,838 یونٹس تھے)

یونٹ کی قیمتیں

مروجہ پورٹ فولیو کے این اے وی (NAV) کی بنیاد پر یونٹ نرخوں کا روزانہ اعلان کیا جاتا ہے زیادہ سے زیادہ اور کم از کم پیش کردہ نرخ / ریڈمشن نرخ اور 30 جون 2019ء کو رائج نرخ حسبِ ذیل تھے۔

	پیش کردہ نرخ	ریڈمشن نرخ
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کم از کم	43.36	42.09
30 جون 2019ء	43.85	42.57

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