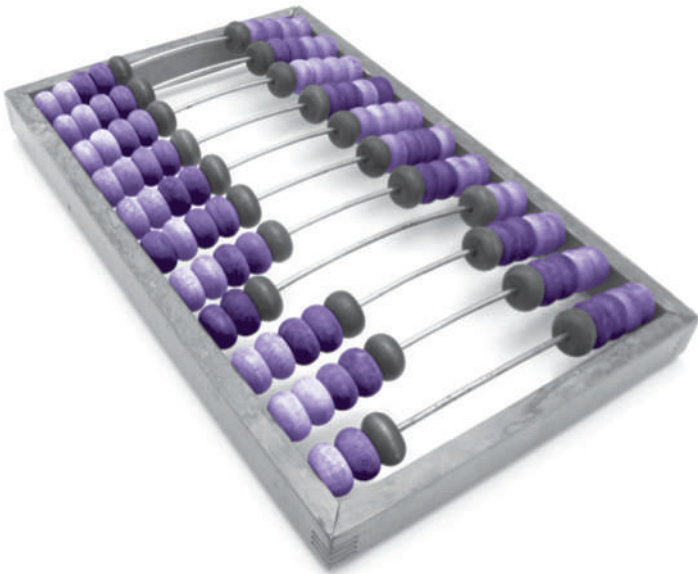


Faysal Asset Management

Faysal Cash Fund

Condensed Interim Financial Statements for
For The Period Ended January 07, 2021 to March 31 2021 (Un-audited)



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FUND INFORMATION

Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman

Mr. Osman Asghar Khan, Director

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Tahir Yaqoob Bhatti, Director

Mr. Nadir Rehman, Director

Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer

Mr. Khaldoon Bin Latif

Chief Financial Officer

Company Secretary of the

Management Company

Mr. Faisal Ali Khan

Audit Committee

Mr. Osman Asghar Khan, Chairman

Mr. Mian Salman Ali, Member

Syed Muhammad Fraz Zaidi, Member

HR Committee

Mr. Nadir Rehman, Chairman

Mr. Salman Ahmed Usmani, Member

Mr. Osman Asghar Khan, Member

Trustee to the Fund

Central Depository Company of Pakistan Limited,

CDC House, 99B, Block B, S.M.C.H.S.,

Main Shahrah-e-Faisal, Karachi.

Bankers to the Fund

Faysal Bank Limited

Allied Bank Limited

Auditors

A.F. Ferguson & Co. Chartered

Accountants

Legal Advisor

Mohsin Tayebaly & Co.

2nd Floor, Dime Centre,

BC-4 Block-9, KDA-5,

Clifton, Karachi.

Registrar

ITMinds Limited

Central Depository Company of Pakistan, Limited

CDC House, 99B, Block-B, S.M.C.H.S.,

Main Shahra-e-Faisal, Karachi.

MISSION AND VISION

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

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

MISSION STATEMENT

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

Condensed Interim Statement of Assets and Liabilities

As at March 31, 2021

		March 31, 2021
	Note	(Rupees)
Assets		
Balances with banks	4	202,386,967
Deposits and other receivables		2,025,386
Preliminary expenses and flotation costs	6	478,425
Total assets		204,890,778
Liabilities		
Payable to Faysal Asset Management Limited - Management Company	7	704,013
Payable to Central Depository Company of Pakistan Limited - Trustee	8	23,591
Payable to the Securities and Exchange Commission of Pakistan	9	16,779
Payable Against Redemption of Units		28,001
Accrued and other liabilities	10	1,250,166
Total liabilities		2,022,550
Net assets		202,868,228
Unit holders' fund (as per the statement attached)		202,868,228
Contingencies and commitments	11	(Number of units)
Number of unit in issue		2,028,683
		(Rupees)
Net asset value per unit		100.00

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement

For The Period Ended January 07, 2021 to March 31 2021

For the period
from January
07, 2021 to
March 31, 2021

Note	(Rupees)	
Income		
		Profit on balances with banks
	2,251,502	
	3,993,639	Profit on market treasury bills
	(57,688)	Realised loss on sale of investments - net
	<u>6,187,452</u>	Total income
Expenses		
7.1	113,560	Remuneration of Faysal Asset Management Limited - Management Company
7.2	14,762	Sindh sales tax on remuneration of the Management Company
7.3	75,964	Allocated expenses
7.4	75,964	Selling and marketing expenses
8.1	54,532	Remuneration of Central Depository Company of Pakistan Limited - Trustee
8.2	7,089	Sindh sales tax on remuneration of the Trustee
9.1	16,779	Annual fee of the Securities and Exchange Commission of Pakistan
	187,908	Auditors' remuneration
	279,721	Fees and subscriptions
	23,749	Transaction charges
	113,184	Legal and professional charges
6.1	23,100	Amortisation of preliminary expenses and flotation cost
	6,737	Bank charges
	13,524	Printing charges
	<u>1,006,573</u>	Total expenses
	<u>5,180,879</u>	Net income from operating activities
10.1	(103,619)	Provision for Sindh Workers' Welfare Fund
	<u>5,077,260</u>	Net income for the period before taxation
13	-	Taxation
	<u>5,077,260</u>	Net income for the period after taxation
14		Earnings per unit
		Allocation of net income for the period
	5,077,260	Net income for the period after taxation
	-	Income already paid on units redeemed
	<u>5,077,260</u>	
		Accounting income available for distribution
	-	- Relating to capital gains
	5,077,260	- Excluding capital gains
	<u>5,077,260</u>	

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income

For The Period Ended January 07, 2021 to March 31 2021

For the period from January 07, 2021 to March 31, 2021

----- (Rupees) -----

Net income for the period after taxation	5,077,260
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>5,077,260</u></u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Movement in Unit Holders' Fund

For The Period Ended January 07, 2021 to March 31 2021

For the period from January 07, 2021 to March 31, 2021		
Capital value	Undistributed income	Total
----- (Rupees) -----		

Issuance of 15,999,050 units

- Capital value (at par value per unit at the beginning of the period)
- Element of income

1,599,904,921	-	1,599,904,921
-	-	-
1,599,904,921	-	1,599,904,921

Total proceeds on issuance of units

Redemption of 13,970,366 units

- Capital value (at par value per unit at the beginning of the period)
- Element of income

(1,397,036,693)	-	(1,397,036,693)
-	-	-
(1,397,036,693)	-	(1,397,036,693)

Total proceeds on issuance of units

Distribution during the period*

(5,077,260) (5,077,260)

Total comprehensive income for the period

- 5,077,260 5,077,260

Net assets at the end of the period

202,868,228 - 202,868,228

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

-

5,077,260

5,077,260

Distribution during the period

(5,077,260)

Undistributed income carried forward

-

(Rupees)

Net asset value per unit at end of the period

100.00

*Faysal Cash Fund has made dividend distributions on daily basis on each business day.

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Cash Flows Statement

For The Period Ended January 07, 2021 to March 31 2021

	Note	For the period from January 07, 2021 to March 31, 2021 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		5,077,260
Adjustments for:		
Provision for Sindh Workers' Welfare Fund		103,619
Amortisation of preliminary expenses and flotation cost		23,100
		<u>5,203,979</u>
Increase in assets		
Deposits and other receivables		(2,025,386)
Preliminary expenses and floatation costs paid		(501,525)
		<u>(2,526,911)</u>
Increase in liabilities		
Payable to Faysal Asset Management Limited - Management Company		704,013
Payable to Central Depository Company of Pakistan Limited - Trustee		23,591
Payable to the Securities and Exchange Commission of Pakistan		16,779
Payable Against Redemption of Units		28,001
Accrued and other liabilities		1,146,547
		<u>1,918,931</u>
Net cash generated in operating activities		<u>4,595,999</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units		1,599,904,921
Payments made against redemption of units		(1,397,036,693)
Dividend paid		(5,077,260)
Net cash generated from financing activities		<u>197,790,968</u>
Cash and cash equivalents at the end of the period	4	<u><u>202,386,967</u></u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Faysal Cash Fund (The Fund) is an open end fund constituted under a trust deed entered into on May 19, 2020 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

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

- 1.2** The Fund has been categorised as an open end 'money market scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from January 2021 and are transferable and redeemable by surrendering them to the Fund.
- 1.3** The investment objective of the fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market securities.
- 1.4** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5** The Management Company has been assigned a quality rating of 'AM2' by VIS Credit Rating Company Limited dated March 31, 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** These are the first condensed interim financial statements of the Fund for the period from January 2021 to March 31, 2021 therefore, comparative figures, have not been included.

2 BASIS OF PREPARATION

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim financial reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements

- 2.2** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on January

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

07, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.4 Amendments to the published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.5 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on these condensed interim financial statements of the Fund relate to classification, valuation and impairment of financial assets and financial liabilities (note 3.2 and 3.3).

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed financial statements are set out below.

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

based on the business model of the entity.

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

3.2.2 Impairment

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

- a - An unbiased and probability weighted amount that is determined by evaluating range of possible outcomes;
- The time value of money; and

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.3 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.4 Regular way contracts

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

3.2.5 Initial recognition and measurement

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

3.2.6 Subsequent measurement

a) At amortised cost:

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

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

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

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

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

3.2.7 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

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

3.6 Net Asset Value per unit

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

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

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

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- "Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on savings accounts is recognised on an accrual basis.
- Income on sukuk certificates, commercial paper is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

3.11 Expenses

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

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

3.13 Foreign currency translation

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

3.14 Taxation**Current**

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

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

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

Deferred

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

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

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

		March 31, 2021 (Un-audited) (Rupees)
	Note	
4 BALANCES WITH BANKS		
PLS savings accounts	4.1	<u>202,386,967</u>
4.1 This carries profit rate at 5.50% to 7.5% per annum. Deposits in PLS savings accounts also include Rs. 5.903 million maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 6.50% per annum.		
		March 31, 2021 (Un-audited) (Rupees)
	Note	
5 INVESTMENTS		
At fair value through profit or loss		
Treasury Bills	5.1	- <u>-</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

5.1 Market Treasury Bills

Name of security	Issue Date	As at July 1, 2020	Purchased during the	Sold during the period	As at March 31, 2021	Carrying value as at	Market value as at March	Unrealised appreciation /	Market value as percentage of	Market value as
		----- Face value (Rupees) -----					----- (Rupees) -----		----- % -----	
Market Treasury Bills - 3 months	July 16, 2020	-	1,370,000,000	1,370,000,000	-	-	-	-	0.00%	0.00%
Total as at March 31, 2021						-	-	-	-	-

**March 31,
2021
(Un-audited)
Note (Rupees)**

6 PRELIMINARY EXPENSES AND FLOTATION COSTS

Preliminary expenses and flotation costs incurred	501,525
Less: amortisation for the period	23,100
Closing balance	6.1 <u>478,425</u>

- 6.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over five years commencing from January 07, 2021 as per the requirements set out in the Trust Deed of the Fund and the NBFC Regulations, 2008.

		March 31, 2020 (Un-audited) Note (Rupees)
7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management remuneration payable	7.1	35,894
Sindh Sales Tax on remuneration of the Management Company	7.2	4,666
Allocated expenses payable	7.3	75,964
Selling and marketing expenses payable	7.4	75,964
Preliminary expenses and flotation cost payable	6	501,525
Other payable		10,000
		<u>704,013</u>

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

The Management Company has determined the maximum rate to be 1% and is charging the remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

During the period, the Management Company has charged remuneration at the following rates:

From January 07, 2021 to March 23, 2021

0.15% of average annual net assets

From March 24, 2021 to March 31, 2021

Nil

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

7.2 During the period, an amount of Rs. 0.015 million was charged on account of sales tax @ 13% on management fee levied through the Sindh Sales Tax on Services Act, 2011.

7.3 In accordance with Regulation 60 of the NBFC Regulations, 2008, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses to the funds (existing and to be launched). Accordingly, the Management Company has charged allocated expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From January 07, 2021 to March 23, 2021

0.1% of average annual net assets

From March 24, 2021 to March 31, 2021

Nil

7.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

The Board of Directors of the Management Company approved the annual plan for charging of selling and marketing expenses to the funds (existing and to be launched) through a circular resolution dated December 16, 2019. Furthermore, the Board, through the same circular resolution, had given discretion to the Management Company for charging selling and marketing expenses on the Fund. The Management Company has, therefore, charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From January 07, 2021 to March 23, 2021

0.1% of average annual net assets

From March 24, 2021 to March 31, 2021

Nil

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

		March 31, 2021 (Un-audited) (Rupees)
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note
	Trustee fee payable	8.1 20,877
	Sindh Sales Tax on remuneration of the Trustee	8.2 <u>2,714</u>
		<u>23,591</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at 0.065% of average annual net assets.

8.2 During the period, an amount of Rs. 0.007 million was charged on account of sales tax @ 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

		March 31, 2021 (Un-audited) (Rupees)
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	
	Annual fee payable	9.1 <u>16,779</u>

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of average annual net assets of the Fund.

		March 31, 2021 (Un-audited) (Rupees)
10	ACCRUED AND OTHER LIABILITIES	Note
	Payable to auditors	187,908
	Rating fee payable	57,541
	Legal & Professional Charges	58,287
	Printing charges payable	13,524
	Annual listing fee payable	222,180
	Transaction Charges Payable	18,794
	Sales Tax Withheld & Withholding tax payable	588,315
	Provision for Sindh Workers Welfare Fund	10.1 <u>103,617</u>
		<u>1,250,166</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Since the Fund has started operations with effect from January 2021 therefore, the provision has been recognised from January 2021 till March 31, 2021.

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from January 2021 till March 31, 2021, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.0511 per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021.

12 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period from January 2021 till March 31, 2021 is 1.35% which includes 0.18% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund and annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

13 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

14 EARNINGS PER UNIT

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

15 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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

15.2 Transactions with connected persons are executed on an arm's length basis essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

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

	For the period from January 07, 2021 to March 31, 2021 (Un-audited) (Rupees)
Transactions during the period:	
Faysal Asset Management Limited (the Management Company) *	
Remuneration of the Management Company	113,560
Sales tax on remuneration of the Management Company	14,762
Allocated expenses	75,964
Selling and marketing expenses	75,964
Units issued: 10,973,665 units	1,097,366,549
Units redeemed: 9,950,000 units	995,000,000
Dividend paid	2,081,164
Faysal Bank Limited (Group company / Associated Company)	
Profit on bank balance	600,720
Central Depository Company of Pakistan Limited (the Trustee)	
Remuneration of the Trustee	54,532
Sindh sales tax on remuneration of the Trustee	7,089

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

	For the period from January 07, 2021 to March 31, 2021 (Un-audited) (Rupees)
CDC Trustee Faysal Financial Planning Fund- Faysal Active Principal Preservation Plan	
Issuance of 2,220,000 units	220,000,000
Redemption of 2,220,000 units	220,000,000
 Unit holderhaving holding of 10% or more	
Issuance of 1,004,735 units	100,473,484
Dividend paid	557,039
 * Faysal Assets Managements also holds 10% or more units.	
	March 31, 2021 (Un-audited) (Rupees)
Amounts / balances outstanding as at period end:	
Faysal Asset Management Limited (the Management Company) *	
Management remuneration payable	35,894
Sindh Sales Tax on remuneration of the Management Company	4,666
Allocated expenses payable	75,964
Selling and marketing expenses payable	75,964
Preliminary expenses and flotation cost payable	501,525
Other payable	10,000
Outstanding units: 1,023,665	102,366,549
 Central Depository Company of Pakistan Limited (the Trustee)	
Trustee fee payable	20,877
Sindh Sales Tax on remuneration of the Trustee	2,714
 Unit holderhaving holding of 10% or more	
Outstanding units : 1,004,735	100,473,484

* Faysal Assets Managements also holds 10% or more units.

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

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

16 FAIR VALUE MEASUREMENT

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

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

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

16.1 Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at the reporting date, the Fund held the following financial instruments measured at fair values:

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

Un-audited			
As at March 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees)			

Financial assets 'at fair value through profit or loss'

Treasury Bills	-	-	-	-
	-	-	-	-

* The valuation of commercial papers and bai muajjal receivable has been done based on amortisation of commercial papers and the sale price under bai muajjal to their fair values as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investment is less than six months and they are placed with counterparties which have high credit rating.

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

17 GENERAL

17.1 Figures have been rounded off to the nearest rupee.

17.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The

Notes to and forming part of the Condensed Interim Financial Statements

For The Period Ended January 07, 2021 to March 31 2021

- * The valuation of commercial papers and bai muajjal receivable has been done based on amortisation of commercial papers and the sale price under bai muajjal to their fair values as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investment is less than six months and they are placed with counterparties which have high credit rating.
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18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 19 April, 2021 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

West wing, 7th Floor, Faysal House, ST-02,
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