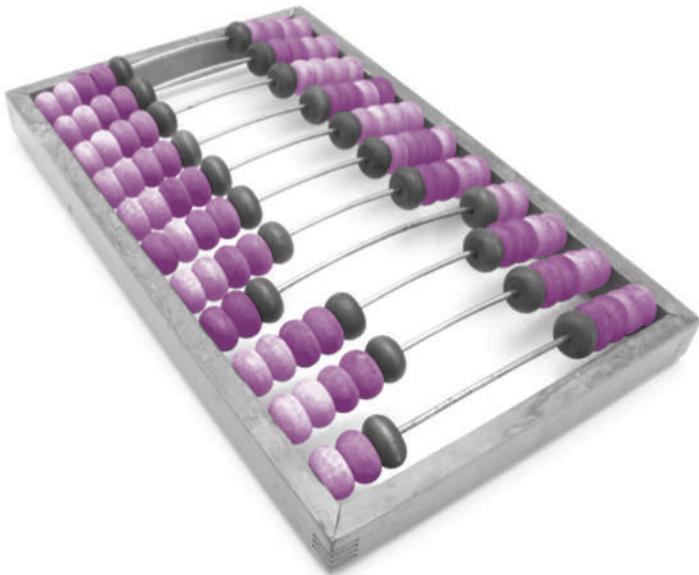


Faysal Asset Management

Money Market Fund

Condensed Interim Financial Statements for
For The Nine Months And Quarter Ended 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

Bank Alfalah Limited
Faysal Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Habib Bank Limited
Zarai Taraqiati 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 Money Market Fund endeavors to provide maximum possible preservation of capital and a reasonable rate of return via investing in money market securities having good credit quality rating and liquidity.

Condensed Interim Statement of Assets and Liabilities

As at March 31, 2021

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees) -----	
Assets			
Balances with banks	4	7,202,984,570	4,769,428,732
Investments	5	268,939,530	517,537,048
Deposits, advances, prepayments and other receivables		67,186,311	22,267,068
Receivable against sale of units		-	1,874,000
Total assets		<u>7,539,110,411</u>	<u>5,311,106,848</u>
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	6	6,723,996	7,660,062
Payable to Central Depository Company of Pakistan Limited - the Trustee		396,964	276,682
Payable to the Securities and Exchange Commission of Pakistan (SECP)		918,550	818,660
Accrued and other liabilities	7	66,185,108	44,061,987
Dividend Payable		3,169	-
Payable against redemption of units		-	1,104,998
Total liabilities		<u>74,227,787</u>	<u>53,922,389</u>
Net assets		<u>7,464,882,624</u>	<u>5,257,184,459</u>
Unit holders' fund (as per the statement attached)		<u>7,464,882,624</u>	<u>5,257,184,459</u>
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		<u>73,165,576</u>	<u>51,594,900</u>
		----- (Rupees) -----	
Net assets value per unit		<u>102.0273</u>	<u>101.8935</u>

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

	Nine months ended		Quarter ended	
	March 31,	2020	March 31,	2020
2021	2020	2021	2020	
Note ----- (Rupees) -----				
Income				
Profit on market treasury bills	132,292,038	139,891,137	32,025,226	66,370,372
Profit on balances with banks	145,894,906	195,148,979	65,721,749	77,681,041
Profit on money market placement	21,867,957	10,678,616	1,769,869	2,011,644
Profit on commercial papers	41,425,839	65,720,351	13,445,826	43,505,302
Profit on sukuk certificates	183,918	-	-	(12,503,134)
Realised (loss) / gain on sale of investments - net	(4,304,647)	(4,088,672)	313,569	190,649
Total income	337,360,011	407,350,411	113,276,239	177,255,874
Operating Expenses				
Remuneration of Faysal Asset Management Limited				
- Management Company	6.1	9,838,024	20,645,503	3,031,543
Sindh sales tax on remuneration of the Management Company	6.2	1,278,941	2,683,915	394,099
Remuneration of Central Depository Company of Pakistan Limited				
- Trustee		2,985,370	1,910,751	985,249
Sindh sales tax on remuneration of the Trustee		388,094	248,398	128,078
Transaction charges		472,439	437,882	111,998
Bank charges		20,218	32,452	(1)
Auditors' remuneration		513,750	340,856	168,750
Annual fee of the Securities and Exchange Commission of Pakistan (SECP)		918,573	587,922	303,151
Fees and subscriptions		265,749	242,527	87,289
Allocated expenses	6.3	2,459,395	-	-
Selling and marketing expenses	6.4	9,434,071	2,070,373	3,034,227
Legal and Professional Charges		262,260	-	224,560
Printing expenses		18,632	-	6,120
Total operating expenses		28,855,516	29,200,579	9,233,619
Net profit from operating activities		308,504,495	378,149,832	104,042,620
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	6,170,089	7,562,997	2,080,851
Net profit for the period before taxation		302,334,406	370,586,835	101,961,769
Taxation	9	-	-	-
Net profit for the period after taxation		302,334,406	370,586,835	101,961,769
Allocation of net profit for the period				
Net profit for the period		302,334,406	370,586,835	101,961,769
Income already paid on units redeemed		(28,886,757)	(117,205,745)	(11,366,087)
		273,447,649	253,381,090	90,595,682
Accounting income available for distribution				
- Relating to capital gains		-	-	-
- Excluding capital gains		273,447,649	253,381,090	90,595,682
		273,447,649	253,381,090	90,595,682

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	----- (Rupees) -----			
Net profit for the period after taxation	302,334,406	370,586,835	101,961,769	161,942,634
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>302,334,406</u>	<u>370,586,835</u>	<u>101,961,769</u>	<u>161,942,634</u>

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

	Nine months ended March 31, 2021			Nine Months March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
Net assets at beginning of the period	5,225,638,871	31,545,588	5,257,184,459	2,745,678,284	23,102,608	2,768,780,892
Issuance of 196,150,429 (2020: 208,292,051) units						
- Capital value (at net assets value per unit at the beginning of the period)	19,986,454,298	-	19,986,454,298	21,185,107,930	-	21,185,107,930
- Element of income	39,986,210	-	39,986,210	1,168,054,300	-	1,168,054,300
Total proceeds on issuance of units	20,026,440,508	-	20,026,440,508	22,353,162,230	-	22,353,162,230
Redemption of 174,579,753 (2020: 181,383,221) units						
- Capital value (at net assets value per unit at the beginning of the period)	(17,788,542,092)	-	(17,788,542,092)	(18,448,287,915)	-	(18,448,287,915)
- Element of income	(20,254,634)	(28,886,757)	(49,141,391)	(878,723,765)	(117,205,745)	(995,929,510)
Total payments on redemption of units	(17,808,796,726)	(28,886,757)	(17,837,683,483)	(19,327,011,680)	(117,205,745)	(19,444,217,425)
Total comprehensive income for the period	-	302,334,406	302,334,406	-	370,586,835	370,586,835
First interim distribution of Rs. 0.4204 per unit (date of declaration: July 14, 2020)		(22,479,678)	(22,479,678)			
Second interim distribution of Rs. 0.5542 per unit (date of declaration: August 27, 2020)		(27,822,663)	(27,822,663)			
Third interim distribution of Rs. 0.5148 per unit (date of declaration: September 25, 2020)		(30,637,562)	(30,637,562)			
Fourth interim distribution of Rs. 0.5345 per unit (date of declaration: October 23, 2020)		(31,446,917)	(31,446,917)			
Fifth interim distribution of Rs. 0.5835 per unit (date of declaration: November 24, 2020)		(34,243,938)	(34,243,938)			
Sixth interim distribution of Rs. 0.6435 per unit (date of declaration: December 28, 2020)		(36,425,057)	(36,425,057)			
Sixth interim distribution of Rs. 0.5330 per unit (date of declaration: January 25, 2021)		(31,221,210)	(31,221,210)			
Sixth interim distribution of Rs. 0.5068 per unit (date of declaration: February 22, 2021)		(27,908,152)	(27,908,152)			
Sixth interim distribution of Rs. 0.5907 per unit (date of declaration: March 25, 2021)		(41,208,089)	(41,208,089)			
Net assets at end of the period	7,443,282,653	21,599,972	7,464,882,624	5,771,828,834	276,483,698	6,048,312,532
Undistributed income brought forward						
- Relates to capital gain		31,545,588			23,102,608	
- Excluding capital gain		-			-	
		<u>31,545,588</u>			<u>23,102,608</u>	
Distributions during the period		(283,393,265)				
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		273,447,649			253,381,090	
		<u>273,447,649</u>			<u>253,381,090</u>	
Undistributed income carried forward		<u>21,599,972</u>			<u>276,483,698</u>	
Undistributed income carried forward						
- Realised income		21,599,972			276,483,698	
- Unrealised income		-			-	
		<u>21,599,972</u>			<u>276,483,698</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>101.8935</u>			<u>101.7089</u>
Net assets value per unit at end of the period			<u>102.0273</u>			<u>111.7338</u>

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

	(Un-audited)	
	Nine months ended	
	March 31,	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before taxation	302,334,406	370,586,835
Adjustments for:		
Realized loss on sale of investments	4,304,647	4,088,672
Provision for Sindh Workers' Welfare Fund (SWWF)	6,170,089	7,562,997
	312,809,142	382,238,504
(Increase) / decrease in assets		
Investments - Net	244,292,871	(373,850,781)
Deposits, advances, prepayments and other receivables	(44,919,243)	(22,120,933)
Receivable against sale of units	1,874,000	-
	201,247,628	(395,971,714)
Increase / (decrease) in liabilities		
Payable to Faysal Asset Management Limited - the Management Company	(936,066)	2,662,433
Payable to Central Depository Company of Pakistan Limited - the Trustee	120,282	82,223
Payable to the Securities and Exchange Commission of Pakistan (SECP)	99,890	(1,335,218)
Accrued and other liabilities	15,953,032	(3,959,688)
Dividend Payable	3,169	-
Payable against redemption of units	(1,104,998)	-
	14,135,309	(2,550,250)
Net cash generated / (used in) from operating activities	528,192,079	(16,283,460)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units	20,026,440,508	22,353,162,230
Payments made against redemption of units	(17,837,683,483)	(19,444,217,425)
Dividend paid	(283,393,265)	(2,304,314)
Net cash generated from financing activities	1,905,363,760	2,906,640,491
Net increase in cash and cash equivalents during the period	2,433,555,838	2,890,357,031
Cash and cash equivalents at beginning of the period	4,769,428,732	2,483,369,195
Cash and cash equivalents at end of the period 4	7,202,984,570	5,373,726,226

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

- 1.2 The Fund has been categorised as a 'Money Market Scheme', by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from December 13, 2010 and are transferable and redeemable by surrendering them to the Fund
- 1.3 According to the Trust Deed, the objective of the Fund is to provide a reasonable rate of return along with maximum possible preservation of capital via investing in money market and debt securities having good credit quality rating and liquidity. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Management Company has been assigned a quality rating of 'AM2' by VIS Credit Rating Company Limited dated December 31, 2020 (2019: 'AM2' dated February 18, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA(f)" stability rating to Faysal Money Market Fund as of October 16, 2020 (2019: "AA(f)" as of April 17, 2020).
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

2 BASIS OF PREPARATION

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 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.

Wherever 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 the International Accounting Standard 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 and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020."

- 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies applied and the methods of computations of balances used in the preparation of these condensed interim financial statements are the same as

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of these condensed interim financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2020.

3.3 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 July 1, 2020. 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.

3.4 Standards, interpretations and 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.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees) -----	
4	BALANCES WITH BANKS		
	Savings accounts	4.1 <u>7,202,984,570</u>	<u>4,769,428,732</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

4.1 These savings accounts carry mark-up at rates ranging from 5.50% to 7.85% (June 30, 2020: 6.50% to 8.80%) per annum. Deposits in savings accounts also include Rs. 257.560 million (June 30, 2020: Rs. 11.89 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 5.50% (June 30, 2020: 6.50%) per annum.

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Note	----- (Rupees) -----	
5 INVESTMENTS		
At fair value through profit or loss		
Commercial papers	5.1 268,939,530	517,537,048
	<u>268,939,530</u>	<u>517,537,048</u>

5.1 Commercial papers

Name of the security	Profit rate	Face value				Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation / (diminution)	Maturity Date	Percentage in relation to	
		As at July 01, 2020	Purchased during the period	Matured during the period	As at March 31, 2021					Net assets of the Fund	Total market value of investment
		(Rupees)								%	
K-electric Limited - ICP 6		429,000,000	-	429,000,000	-	-	-				
K-electric Limited - ICP 7		100,000,000	-	100,000,000	-	-	-				
K-electric Limited - ICP 11		-	320,000,000	320,000,000	-	-	-				
K-electric Limited - ICP 12		-	220,000,000	220,000,000	-	-	-				
K-electric Limited - ICP 13		-	270,000,000	270,000,000	-	-	-				
Total as at March 31, 2021					<u>268,939,530</u>	<u>268,939,530</u>	-		<u>3.60</u>	<u>100.00</u>	
Total as at June 30, 2020					<u>517,537,048</u>	<u>517,537,048</u>	-		<u>9.84</u>	<u>100.00</u>	

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Note	----- (Rupees) -----	
6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		
Remuneration of the Management Company	6.1 1,080,928	1,883,466
Sindh sales tax on remuneration of the Management Company	6.2 140,519	244,851
Allocated expenses payable	6.3 2,459,395	541,499
Selling and marketing expenses payable	6.4 3,034,226	4,990,246
Sales load payable	8,928	-
	<u>6,723,996</u>	<u>7,660,062</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

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

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

From July 01, 2020 to July 07, 2020	From July 08, 2020 to August 23, 2020	From August 24, 2020 to March 31, 2021
0.50% of average annual net assets	0.25% of average annual net assets	0.20% of average annual net assets

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

- 6.2** During the period, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2020: 13%).
- 6.3** 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore, charged allocated expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From July 1, 2020 to July 21, 2020	From July 22, 2020 to March 31, 2021
0.1% of average annual net assets	0.05% of average annual net assets

- 6.4** 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.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From July 1, 2020 to July 21, 2020	From July 22, 2020 to August 23, 2020	From August 24, 2020 to March 31, 2021
0.20% of average annual net assets	0.25% of average annual net assets	0.20% of average annual net assets

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

	Note	(Un-audited)	(Audited)
		March 31, 2021	June 30, 2020
		----- (Rupees) -----	
7 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	24,354,898	18,184,808
Accrued liabilities		13,586,069	1,029,980
Fees and subscription payable		-	206,777
Auditor's remuneration		422,073	424,808
Transaction charges payable		697,220	668,832
Legal and professional charges		309,199	135,779
Printing charges payable		111,777	115,111
Withholding and capital gain tax payable		12,543,959	9,135,980
Provision for Federal excise duty and related Sindh sales tax on management fee	7.2	14,159,913	14,159,912
		<u>66,185,108</u>	<u>44,061,987</u>

7.1 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, was 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 had taken up the matter with the Sindh Finance Ministry to have mutual funds / CISs excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on mutual funds / CISs, 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).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at March 31, 2020 would have been higher by Re. 0.3329 per unit (June 30, 2020: Re 0.3525 per unit).

7.2. The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax,

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For The Nine Months And Quarter Ended March 31, 2021

further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 14.16 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund would have been higher by Re. 0.1935 per unit (June 30, 2020: Re. 0.2744 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

9 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 unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute at least 90 percent of the net accounting income other than capital gains to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner 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.

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10 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 cumulative weighted average number of outstanding units for calculating EPU is not practicable.

11 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.76% which includes 0.19% representing representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. This ratio is within the maximum limit of 2% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

12 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

12.1 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 units / net assets of the Fund.

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

12.3 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:

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For The Nine Months And Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Amounts / balances outstanding as at period / year end	----- (Rupees) -----	
Faysal Asset Management Limited (the Management Company)		
Management remuneration payable	1,080,928	1,883,466
Sindh sales tax on remuneration of the Management Company	140,519	244,851
Allocated expenses payable	2,459,395	541,499
Selling and marketing expenses payable	3,034,226	4,990,246
Sales load payable	8,928	-
Units in issue: 4,213,871 units (June 30, 2020: 4,298,163 units)	429,929,830	437,954,916
Faysal Bank Limited (Group company / Associated company)		
Balance in PLS savings accounts	257,560,820	11,889,967
Profit receivable on balance with bank	993,411	825,018
Units in issue: 10,476,130 units (June 30, 2020 : 4,537,778 units)	1,068,851,224	462,370,077
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	351,299	244,851
Sindh sales tax on remuneration payable	45,665	31,831
Security deposit	100,000	100,000
Directors and key management personnel of the Management Company		
Units in issue: 23 units (June 30, 2020: 14,834 Units)	2,318	1,511,463
CDC Trustee Faysal Financial Planning Fund - Faysal Active Principal Preservation Plan		
Units in issue: 3,017,068 units (June 30, 2020: 83,386 units)	307,823,324	8,496,491
Unit holder with more than 10% unit holding		
Units in issue: 31,361,302 units (June 30, 2020: 22,306,413 units)	3,199,708,956	2,272,878,487

*Faysal Bank Limited also hold 10% or more units

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For The Nine Months And Quarter Ended March 31, 2021

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

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

13.1 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended March 31, 2021

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

ASSETS

(Rupees)

Financial assets 'at fair value through profit or loss'

Commercial papers*

-	268,939,530	-	268,939,530
-	268,939,530	-	268,939,530

(Audited)			
As at June 30, 2020			
Level 1	Level 2	Level 3	Total

(Rupees)

Financial assets 'at fair value through profit or loss'

Commercial papers*

-	517,537,048	-	517,537,048
-	517,537,048	-	517,537,048

* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this 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 counter parties which have high credit ratings.

14 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

15 GENERAL

15.1 Figures have been rounded off to the nearest rupee.

15.2 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 expired on March 31, 2021.

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Months And Quarter Ended 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 remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

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

16 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,
Shahrah-e-Faisal, Karachi, Pakistan.

Karachi

U 92 21 111329725
F 92 21 38657800

Lahore

T 92 42 35785558
F 92 42 35755196

Islamabad

T 92 51 2605721 / 23
F 92 51 2275252

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