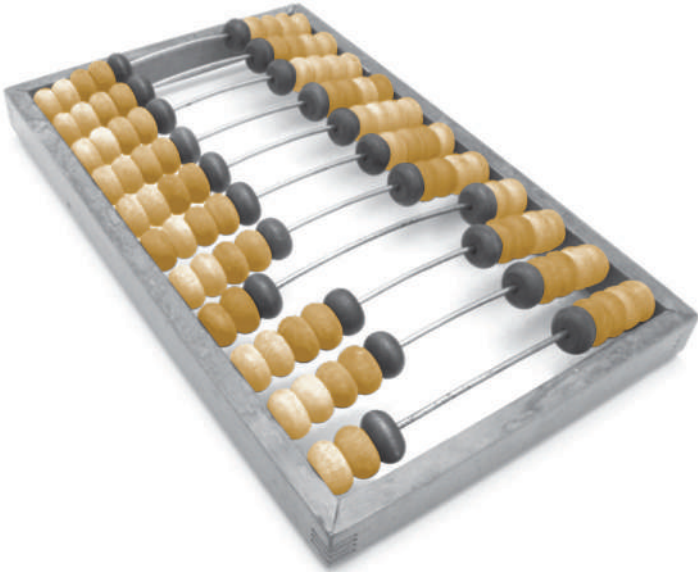


Faysal Funds

Islamic Asset Allocation Fund

Condensed Interim Financial Statements
For The Quarter Ended September 30, 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 Fraza 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

Mr. Faisal Ali Khan

Company Secretary of the Management Company

Muhammad Umer Ilyas

Audit Committee

Mr. Osman Asghar Khan, Chairman

Mr. Mian Salman Ali, Member

Syed Muhammad Fraza Zaidi, Member

HR Committee

Mr. Osman Asghar Khan, Member

Mr. Salman Ahmed Usmani, Member

Mr. Nadir Rehman, Chairman

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

Dubai Islamic Bank Pakistan Limited

Al-Baraka Bank Limited

Bank Islami Pakistan Limited

Faysal Bank Limited (Islamic Banking)

Meezan 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 STATMENT

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

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2021

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
Assets			
Balances with banks	5	448,711,691	420,327,933
Investments	6	2,259,195,617	2,203,842,022
Deposits and other receivables	7	40,410,657	50,610,438
Total assets		<u>2,748,317,965</u>	<u>2,674,780,393</u>
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	8	590,830	339,686
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	188,221	183,422
Payable to the Securities and Exchange Commission of Pakistan	10	135,956	466,455
Accrued expenses and other liabilities	11	1,947,768	8,327,580
Total liabilities		<u>2,862,775</u>	<u>9,317,143</u>
Net assets		<u>2,745,455,190</u>	<u>2,665,463,250</u>
Unit holders' fund (as per statement attached)		<u>2,745,455,190</u>	<u>2,665,463,250</u>
Contingencies and commitments	12	----- (Number of units) -----	
Number of units in issue		<u>37,860,390</u>	<u>37,665,254</u>
		----- (Rupees) -----	
Net assets value per unit		<u>72.52</u>	<u>70.77</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 Income Statement

For The Quarter Ended September 30, 2021 (Un-audited)

		Quarter Ended September 30	
		2021	2020
	Note	----- (Rupees) -----	
Income			
Dividend income		-	-
Profit on balances with banks		7,062,543	7,158,801
Profit on debt securities		49,861,973	38,338,448
Gain / (loss) on investments at fair value through profit or loss			
- Capital gain on sale of investments - net		383,562	537,941
- Unrealised gain on revaluation of investments classified as financial assets at fair value through profit or loss		4,661,075	1,654,158
		<u>5,044,637</u>	<u>2,192,099</u>
Total income		61,969,153	47,689,348
Expenses			
Remuneration of Faysal Asset Management Limited - the Management Company	8.1	680,078	521,792
Sindh sales tax on remuneration of the Management Company	8.2	88,411	67,834
Selling and Marketing Charges	0	340,039	-
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	510,059	773,847
Sindh sales tax on remuneration of the Trustee		66,309	135,667
Transaction charges		93,609	194,061
Bank charges		1,953	563
Annual fees to the Securities and Exchange Commission of Pakistan	10	136,016	104,358
Auditors' remuneration		218,040	218,040
Fees and subscription		6,931	6,931
Printing charges		6,222	19,263
Amortisation of preliminary expenses and floatation costs	8	-	73,301
Total operating expenses		2,147,667	2,115,657
Net profit from operating activities		59,821,486	45,573,691
Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF)	11	6,264,528	(911,473)
Net profit for the period before taxation		66,086,014	44,662,218
Taxation	14	-	-
Net profit for the period after taxation		66,086,014	44,662,218
Allocation of net profit for the period			
-Net profit for the period		66,086,014	44,662,218
-Income already paid on units redeemed		(4,076,384)	(240,779)
		<u>62,009,630</u>	<u>44,421,439</u>
Accounting income available for distribution			
-Relating to capital gains		5,044,637	2,192,099
-Excluding capital gains		56,964,993	42,229,340
		<u>62,009,630</u>	<u>44,421,439</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 Quarter Ended September 30, 2021 (Un-audited)

	Quarter Ended September 30	
	2021	2020
	----- (Rupees) -----	
Net profit for the period after taxation	66,086,014	44,662,218
Other comprehensive income / (loss) for the year	-	-
Total comprehensive profit\ for the period	<u>66,086,014</u>	<u>44,662,218</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 Quarter Ended September 30, 2021 (Un-audited)

	Quarter Ended September 30					
	2021			2020		
	Capital value	Accumulated (loss) / income	Total	Capital value	Accumulated loss	Total
	----- (Rupees) -----					
Net assets at beginning of the period	2,828,995,921	(163,532,671)	2,665,463,250	1,991,737,112	(157,778,871)	1,833,958,241
Issuance of 3,433,396 units (2020: 10,124,347 units)						
- Capital value (at net assets value per unit at beginning of the period)	242,981,451	-	242,981,451	661,423,630	-	661,423,630
- Element of income / (loss)	4,204,677	-	4,204,677	6,337,037	-	6,337,037
Total proceeds on issuance of units	247,186,128	-	247,186,128	667,760,667	-	667,760,667
Redemption of 3,238,260 units (2020: 408,901 units)						
- Capital value (at net assets value per unit at beginning of the period)	(229,171,680)	-	(229,171,680)	(26,713,526)	-	(26,713,526)
- Element of (income) / loss	(32,138)	(4,076,384)	(4,108,522)	(44,198)	(240,779)	(284,977)
Total payments on redemption of units	(229,203,818)	(4,076,384)	(233,280,202)	(26,757,724)	(240,779)	(26,998,503)
Total comprehensive profit for the period	-	66,086,014	66,086,014	-	44,662,218	44,662,218
Cash distribution at Rs. 6.27 per unit declared on July 01, 2020	-	-	-	(152,550,750)	(8,059,723)	(160,610,473)
Net assets at end of the period	2,846,978,231	(101,523,041)	2,745,455,190	2,480,189,305	(121,417,155)	2,358,772,150
Accumulated loss brought forward						
- Realised		(164,605,991)			(156,874,065)	
- Unrealised		1,073,320			(904,806)	
		<u>(163,532,671)</u>			<u>(157,778,871)</u>	
Accounting income available for distribution						
- Relating to capital gains		5,044,637			2,192,099	
- Excluding capital gains		56,964,993			42,229,340	
		<u>62,009,630</u>			<u>44,421,439</u>	
Cash distribution at Rs. 6.27 per unit declared on July 01, 2020		-			(8,059,723)	
Accumulated loss carried forward		<u>(101,523,041)</u>			<u>(121,417,155)</u>	
Accumulated loss carried forward						
- Realised		(106,184,116)			(123,071,313)	
- Unrealised		4,661,075			1,654,158	
		<u>(101,523,041)</u>			<u>(121,417,155)</u>	
				-- (Rupees) --		-- (Rupees) --
Net assets value per unit at beginning of the period				<u>70.77</u>		<u>71.60</u>
Net assets value per unit at end of the period				<u>72.52</u>		<u>66.76</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 Cash Flows Statement

For The Quarter Ended September 30, 2021 (Un-audited)

	Quarter Ended September 30	
Note	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period after taxation	66,086,014	44,662,218
Adjustments for non-cash and other items:		
Gain on investments		
- Capital gain on sale of investments - net	(383,562)	(537,941)
- Unrealised gain on revaluation of investments classified as	(4,661,075)	(1,654,158)
Amortisation of preliminary expenses and floatation costs	-	73,301
	<u>(5,044,637)</u>	<u>(2,118,798)</u>
(Increase) / decrease in assets		
Investments	(50,308,958)	(345,133,855)
Deposits and other receivables	10,199,781	(16,801,730)
	<u>(40,109,177)</u>	<u>(361,935,585)</u>
(Decrease) / increase in liabilities		
Payable to Faysal Asset Management Limited - the Management Company	251,144	105,422
Payable to Central Depository Company of Pakistan Limited - the Trustee	4,799	140,740
Payable to the Securities and Exchange Commission of Pakistan	(330,499)	16,093
Accrued expenses and other liabilities	(6,379,812)	1,018,576
	<u>(6,454,368)</u>	<u>1,280,831</u>
Net cash generated / (used in) from operating activities	<u>14,477,832</u>	<u>(318,111,334)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	247,186,128	667,760,667
Payments made against redemption of units	(233,280,202)	(26,998,503)
Cash distribution	-	(160,610,473)
Net cash generated from financing activities	<u>13,905,926</u>	<u>480,151,691</u>
Net increase in cash and cash equivalents during the period	<u>28,383,758</u>	<u>162,040,357</u>
Cash and cash equivalents at beginning of the period	<u>420,327,933</u>	<u>227,836,478</u>
Cash and cash equivalents at end of the period	<u>5</u> <u>448,711,691</u>	<u>389,876,835</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 Quarter Ended September 30, 2021 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Islamic Asset Allocation Fund (the Fund) is an open ended mutual fund constituted under a trust deed entered into on May 18, 2015 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.
- 1.2 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 Securities Exchange & Commission of Pakistan. 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 Mutua Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as a Shariah Compliant open-ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The principal activity of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments and to earn competitive riba free return by investing in various Shariah Compliant asset classes / instruments based on the market outlook.
- 1.5 The VIS Credit Rating Company Limited has awarded an "AM2+" asset manager rating to the Management Company as of August 10, 2021 (2020: "AM2" as of December 31, 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 "2-Star" rating to Faysal Islamic Asset Allocation Fund as of August 06, 2021 (2021: "2-Star" as of February 12, 2021).
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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 the Fund's affairs as at September 30, 2021.

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

3 BASIS OF PREPARATION

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2021.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at September 30, 2021 have been extracted from the annual published audited financial statements of the Fund for the year ended June 30, 2021, whereas, the comparatives to report for in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement extracted from the condensed interim financial statements of the fund for the quarter ended September 30, 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
5	BALANCES WITH BANKS		
	PLS savings account	448,711,691	420,327,933

- 5.1 These savings accounts carry profit at rates ranging from 2.50% to 7.25% (June 30, 2021: 2.50% to 7.00%) per annum. Deposits in savings accounts also include Rs. 306.04 million (June 30, 2021: Rs. 125.68 million) maintained with Faysal Bank Limited, a related party, and carry profit at the rate of 7.06% (June 30, 2021: 6.80%) per annum.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6	INVESTMENTS		
	At fair value through profit or loss		
	Listed equity securities	7,134	9,829
	Sukuk certificates	1,649,985,733	1,699,148,118
	GoP Ijara sukuk certificate	506,784,971	504,684,075
	Commercial Papers	102,417,779	-
		<u>2,259,195,617</u>	<u>2,203,842,022</u>

Notes to and forming part of the Condensed Interim Financial Statements For The Quarter Ended September 30, 2021 (Un-audited)

6.1 Listed equity securities

Shari'ah compliant listed equity securities

Name of investee company	Number of shares				As at September 30, 2021			Investment as percentage of		
	As at July 1, 2021	Purchased during the period	Bonus / right shares received	Disposed off during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain / (loss) on revaluation	Net assets	Total investments
Oil and gas marketing companies										
Hascal Petroleum Limited	1,100	-	-	-	1,100	9,829	7,134	(2,695)	0	0
	1,100	-	-	-	1,100	9,829	7,134	(2,695)	0	0
September 30, 2021						9,829	7,134	(2,695)	0	0
June 30, 2021						14,959	9,829	(5,130)	0	0

6.1.1 This investment includes 1,100 bonus shares having market value of Rs.0.0071 million as at September 30, 2021, which is equivalent to 5% (representing tax impact of a bonus announcement) that has been withheld by the investee company during a previous period.

6.2 Sukuk certificates

Name of investee company	Number of Certificates				As at September 30, 2021			Market value as percentage of	
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain / (loss) on revaluation	Net assets	Total investments
-----Rupees-----									
AGP Limited - Sukuk Certificates	2,071	-	-	2,071	31,284,152	31,344,958	60,805	1.14	1.39
Al-Baraka bank tier-II modaraba sukuk	100	-	-	100	100,831,100	101,457,300	626,200	3.70	4.49
Aspin pharma (private) limited - sukuk certificates	1,600	57	-	1,657	75,234,418	73,856,633	(1,377,786)	2.69	3.27
Byco petroleum pakistan limited - Sukuk certificates	1,125	-	-	1,125	56,275,770	56,334,904	59,134	2.05	2.49
Dubai islamic bank pakistan ltd-tier I capital sukuk cert.	29,000	-	-	29,000	145,000,000	145,000,000	-	5.28	6.42
Balance carried forward					408,625,440	407,993,794	(631,646)	-----Percentage-----	

Name of investee company	Number of Certificates				As at September 30, 2021			Market value as percentage of	
	Number of Certificates	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain / (loss) on revaluation	Net assets	Total investments
-----Rupees-----									
Balance brought forward					408,625,440	407,993,794	(631,646)	-----Percentage-----	
Dubai islamic bank pakistan ltd-tier II capital sukuk cert.	155	-	-	155	159,334,885	159,340,000	5,115	5.80	7.05
Engro Polymer & Chemicals Limited - Sukuk	770	-	-	770	78,617,000	79,352,273	735,273	2.89	3.51
International Brands Limited	970	-	-	970	28,115,129	27,922,296	(192,833)	1.02	1.24
K-Electric Sukuk	50,000	-	-	50,000	253,875,000	254,442,000	567,000	9.27	11.26
K-Electric Sukuk 4	21,250	-	-	21,250	16,083,221	16,074,643	(8,577)	0.59	0.71
Meezan Bank Limited - tier I modaraba sukuk certificates	261	-	-	261	261,000,000	261,000,000	-	9.51	11.55
Meezan bank limited - tier II modaraba sukuk certificates	76	-	-	76	78,707,272	78,657,112	(50,160)	2.86	3.48
SHAKARGANJ FOOD PRODUCTS LIMITED - SUKUK	50	-	-	50	40,153,958	40,309,400	155,442	1.47	1.78
The Hub Power Company Limited (2nd issue)	1,710	-	-	1,710	174,410,595	174,462,579	51,984	6.35	7.72
TPL CORP LIMITED - SUKUK	95	-	-	95	47,500,000	47,500,000	-	1.73	2.10
TPL Trakker Sukuk Tier 2	100	-	-	100	100,000,000	102,931,635	2,931,635	3.75	4.56
September 30, 2021					1,646,422,500	1,649,985,733	3,563,232	60.10	73.03
June 30, 2021					4,110,095,881	4,115,959,054	5,863,172		

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

6.3 GoP Ijara sukuk certificate

Particular	Number of Certificates			As at September 30, 2021			--- Market value as percentage of ---		
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain on revaluation	Net assets	Total investments
Government of Pakistan Ijarah Sukuk September 30, 2021	5,075	-	-	5,075	504,858,849	506,784,971	1,926,122	18.46	22.43
					504,858,849	506,784,971	1,926,122	18.46	22.43

6.4 Commercial Papers

Name of security	Number of Certificates				Carrying Value as at September 30, 2021	Market Value as at September 30, 2021
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021		
Mughal Iron & Steel Industries Limited September 30, 2021	-	110	-	110	102,417,779	102,417,779
	-	110	-	110	102,417,779	102,417,779

6.5 Non-Compliance

Faysal Islamic Asset Allocation Fund holds below mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

Name of non-Compliant investment	Rating Required	Current Rating
Shukergang Foods Product Limited	A-	BBB+

7 DEPOSITS AND OTHER RECEIVABLES

Security deposits

- National Clearing Company of Pakistan Limited
- Central Depository Company of Pakistan Limited

Profit receivable on bank balances

Advance tax

Dividend receivable

Prepaid Rating Fee

Profit receivable on debt securities

Other receivables

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
Note	----- (Rupees) -----	

	2,500,000	2,500,000
	100,000	100,000
	2,600,000	2,600,000
7.1	4,148,418	2,474,618
	582,093	582,095
	391,800	391,800
	28,251	-
	32,308,715	43,917,178
	351,380	644,747
	<u>40,410,657</u>	<u>50,610,438</u>

7.1 This includes profit receivable amounting to Rs.2.547 million (June 30, 2021: Rs.0.502 million) on bank balance held with Faysal Bank Limited, a related party.

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
8	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		
Management fee payable	8.1	221,939	216,276
Sindh sales tax payable on management fee	8.2	28,852	28,116
Selling and marketing charges payable		340,039	92,973
Sales load payable		-	2,321
		<u>590,830</u>	<u>339,686</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.10% per annum of the average annual net assets of the Fund for the period ended September 30, 2021 (June 30, 2021: 0.10%) which is payable monthly in arrears.

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Trustee fee payable	9.1	166,454	162,207
Sales tax on Trustee fee payable		21,767	21,215
		<u>188,221</u>	<u>183,422</u>

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

9.2 During the period, amount charged at 13% on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee	10.1	<u>135,956</u>	<u>466,455</u>

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For The Quarter Ended September 30, 2021 (Un-audited)

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

Securities and Exchange Commission of Pakistan (SECP).

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees) -----	-----
Transaction charges payable		328,902	295,848
Auditors' remuneration payable		861,115	643,075
Shariah advisory fee payable		77,082	77,082
Accrued liabilities		-	366,376
Provision for Sindh workers' welfare fund (SWWF)	11.1	-	6,264,530
Provision for federal excise duty (FED) and related Sindh sales tax on management remuneration		680,669	680,669
		<u>1,947,768</u>	<u>8,327,580</u>

11.1 SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institution / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP. All the Asset Management Companies in consultation with SECP have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from September 9, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its letter dated August 30, 2021.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at September 30, 2021 is 0.32% which includes 0.04% representing government levies on the Fund such as provision for Sindh workers' welfare fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

14 TAXATION

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the income earned by the Fund during the period ending June 30, 2021 to the unit holders in the manner as explained above, accordingly, 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.

15 TRANSACTIONS WITH CONNECTED PERSONS / 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% units of the Fund at period end.

15.2 Connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons.

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

	(Un-audited)	
	September 30, 2021	September 30, 2020
	----- (Rupees) -----	
15.3.1 Transactions during the period		
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited - the Management Company	680,078	521,792
Sindh sales tax on remuneration of the Management Company	88,411	67,834
Selling and Marketing Charges	340,039	-
Faysal Bank Limited (group / associated Company)		
Profit on balances with banks	2,581,851	3,903,577
Directors and Key Management Personnel of the Management Company		
Issue of 16,758 units (2020: 2,341 units)	1,205,097	152,940
Redemption of 21,464 units (2020: Nil units)	1,551,818	158,829
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the trustee	510,059	773,847
Sindh sales tax on remuneration of the Trustee	66,309	135,667
Unit holder holding 10% or more units		
Issue of 2,426,848 units (2020: 34,096,810 units)	175,000,000	2,385,661,291
Redemption of 3,123,265 units (2020: 24,215,504 units)	225,000,000	1,733,830,081
Dividend	-	151,831,210

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
15.3.2 Outstanding balances		
Faysal Asset Management Limited (the Management Company)		
Management fee payable	221,939	216,276
Sindh sales tax payable on management fee	28,852	28,116
Selling and marketing charges payable	340,039	92,973
Sales load payable		2,321
Faysal Bank Limited (group / associated Company)		
Balance in savings account	306,042,143	125,680,086
Return receivable on bank balance	2,546,518	501,892
	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
Directors and Key Management Personnel of the Management Company		
Units in issue 71 units (June 30, 2021: 4,777 units)	5,129	338,068
Central Depository Company of Pakistan Limited - (the Trustee)		
Security deposit	100,000	100,000
Trustee fee payable	166,454	162,207
Sales tax on Trustee fee payable	21,767	21,215
Unit holder holding 10% or more units		
Units in issue 36,235,677 units (June 30, 2020: 36,932,094 units)	2,627,811,303	2,613,684,292

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 on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

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:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss				
- Listed equity securities	7,134	-	-	7,134
- Sukuk certificates	-	1,649,985,733	-	1,649,985,733
- GoP Ijara sukuk certificate	-	506,784,971	-	506,784,971
- Commercial Papers	-	102,417,779	-	102,417,779
	<u>7,134</u>	<u>2,259,188,483</u>	<u>-</u>	<u>2,259,195,617</u>

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through profit or loss				
- Listed equity securities	9,829	-	-	9,829
- Sukuk certificates	-	1,699,148,118	-	1,699,148,118
- GoP Ijara sukuk certificate	-	504,684,075	-	504,684,075
	<u>9,829</u>	<u>2,203,832,193</u>	<u>-</u>	<u>2,203,842,022</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Quarter Ended September 30, 2021 (Un-audited)

17. GENERAL

17.1 Figures are rounded off to the nearest Rupee.

18 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 22, 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.

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