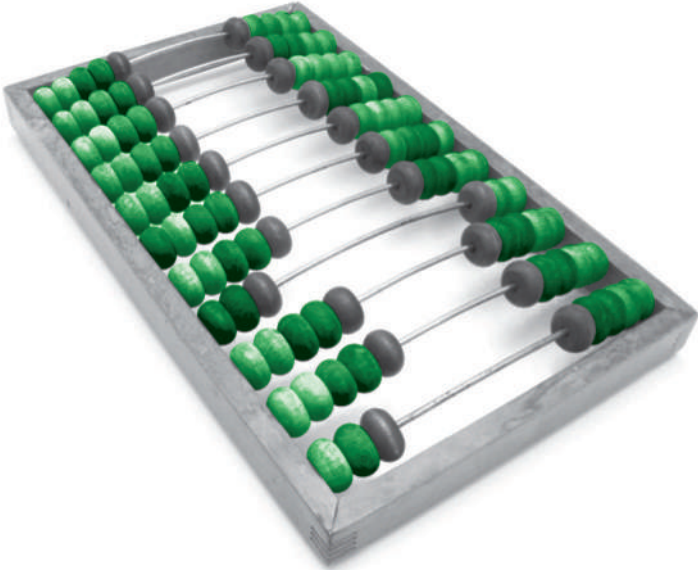


Faysal Funds

Islamic Savings Growth Fund

Condensed Interim Financial Statement
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 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

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 Fraz Zaidi, 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

Dubai Islamic Bank Pakistan Limited
Al-Baraka Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited (Islamic Banking)
Bank Al-Falah (Islamic Banking)
Habib Bank Limited (Islamic Banking)
United Bank Limited (Islamic Banking)
Silk Bank Limited (Islamic Banking)

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 Islamic Saving Growth Funds seeks to provide maximum possible preservation of capital and a responsible Shariah compliant return to its units holder.

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	
Assets			
Balances with banks	5	1,888,044,788	2,259,400,107
Investments	6	2,025,154,773	1,762,888,084
Receivable against sale of units		-	2,713,557
Deposits, prepayments and other receivables	7	95,064,381	56,590,610
Total assets		<u>4,008,263,942</u>	<u>4,081,592,358</u>
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	8	8,961,644	12,124,948
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	274,554	307,200
Payable to the Securities and Exchange Commission of Pakistan	10	199,127	699,604
Payable against redemption of units		19,395	2,462,176
Dividend payable		12,221,156	12,221,157
Accrued expenses and other liabilities	11	31,746,408	40,168,612
Total liabilities		<u>53,422,284</u>	<u>67,983,697</u>
Net assets		<u>3,954,841,658</u>	<u>4,013,608,661</u>
Unit holders' fund (as per the statement attached)		<u>3,954,841,658</u>	<u>4,013,608,661</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>37,482,241</u>	<u>38,803,673</u>
		----- (Rupees) -----	
Net asset value per unit		<u>105.51</u>	<u>103.43</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)

	Note	Quarter Ended September 30	
		2021	2020
		----- (Rupees) -----	
Income			
Profit on sukuk certificates		33,784,832	34,825,411
Profit on commercial papers		2,937,594	3,266,096
Profit on balances with banks		33,953,761	25,355,962
Profit on certificate of Musharikhah		4,253,436	3,280,534
Profit Receivable on Murabaha Share Financing		441,331	
Capital gain / (loss) on disposal of investments - net		29,011	(274,616)
Unrealised gain on re-measurement of investments classified as at fair value through profit or loss' - net		3,562,422	3,333,644
Total income		78,962,387	69,787,031
Expenses			
Remuneration of Faysal Asset Management Limited - the Management Company	8.1	9,959,446	4,552,947
Sindh sales tax on remuneration of the Management Company	8.2	1,294,728	591,883
Allocated expenses		-	591,679
Selling and marketing charges		550,982	3,233,223
Remuneration of Central Depository Company of Pakistan Limited - the trustee	9.1	746,958	649,881
Sindh sales tax on remuneration of trustee	9.2	97,602	84,485
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	199,188	173,302
Transaction Charges		16,340	154,717
Bank charges		109	2,172
Auditors' remuneration		186,300	186,300
Fees and subscriptions		6,931	6,931
Shariah Advisory Fee		81,512	
Printing and other expenses		6,256	8,802
Total Operating Expenses		13,146,352	10,236,322
Net profit from operating activities		65,816,035	59,550,709
Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF)	11.1	12,867,250	(1,191,013)
Net income for the year before taxation		78,683,285	58,359,696
Taxation	13	-	-
Net income for the year after taxation		78,683,285	58,359,696
Allocation of net income for the period			
- Net income for the period		78,683,285	58,359,696
- Income already paid on units redeemed		(4,951,908)	(10,718,999)
		73,731,377	47,640,697
Accounting income available for distribution			
- Relating to capital gains		3,591,433	3,059,028
- Excluding capital gains		70,139,944	44,581,669
		73,731,377	47,640,697
Earnings per unit	14		

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 income for the year after taxation	78,683,285	58,359,696
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>78,683,285</u>	<u>58,359,696</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	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees)						
Net assets at beginning of the period	3,976,563,415	37,045,246	4,013,608,661	2,211,878,655	29,369,646	2,241,248,301
Issuance of 6,739,885 units (2020: 78,984,796 units)						
- Capital value (at net asset value per unit at the beginning of the period)	697,106,371	-	697,106,371	8,149,651,276	-	8,149,651,276
- Element of income	6,007,214	-	6,007,214	42,160,001	-	42,160,001
Total proceeds on issuance of units	703,113,585	-	703,113,585	8,191,811,277	-	8,191,811,277
Redemption of 8,061,316 units (2020: 70,643,481 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(833,781,939)	-	(833,781,939)	(7,288,994,409)	-	(7,288,994,409)
- Element of income	(1,830,026)	(4,951,908)	(6,781,934)	(37,932,077)	(10,718,999)	(48,651,076)
Total payments on redemption of units	(835,611,965)	(4,951,908)	(840,563,873)	(7,326,926,486)	(10,718,999)	(7,337,645,485)
Total comprehensive income for the period	-	78,683,285	78,683,285	-	58,359,696	58,359,696
Net assets at end of the period	3,844,065,035	110,776,623	3,954,841,658	3,076,763,446	77,010,343	3,153,773,789
Undistributed income brought forward						
- Realized		33,933,258			31,568,089	
- Unrealized income / (loss)		3,111,988			(2,198,443)	
		37,045,246			29,369,646	
Accounting income available for distribution						
- Relating to capital gains		3,591,433			3,059,028	
- Excluding capital gains		70,139,944			44,581,669	
		73,731,377			47,640,697	
Undistributed income carried forward		110,776,623			77,010,343	
Undistributed income carried forward						
- Realized		107,214,201			73,676,699	
- Unrealized		3,562,422			3,333,644	
		110,776,623			77,010,343	
					(Rupees)	
Net asset value per unit at the beginning of the period				103.43		103.18
Net asset value per unit at the end of the period				105.51		104.90

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)

	Note	Quarter Ended September 30 2021 2020 ----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		78,683,285	58,359,696
Adjustments for non-cash and other items			
(Reversal) / Provision against Sindh Workers Welfare Fund		(12,867,250)	1,191,013
Capital (gain) / loss on disposal of investments - net		(29,011)	274,616
Unrealised gain on re-measurement of investments classified as at fair value through profit or loss' - net		(3,562,422)	(3,333,644)
Other income		-	-
		<u>62,224,602</u>	<u>56,491,681</u>
Increase in assets			
Investments		(258,675,256)	(563,523,502)
Receivable against sale of units		2,713,557	-
Deposits, prepayments and other receivables		(38,473,771)	(43,544,385)
		<u>(294,435,470)</u>	<u>(607,067,887)</u>
(Decrease) / Increase in liabilities			
Payable to Faysal Asset Management Limited - the Management Company		(3,163,304)	6,502,916
Payable to Central Depository Company of Pakistan Limited - the Trustee		(32,646)	64,925
Payable to the Securities and Exchange Commission of Pakistan		(500,477)	(181,680)
Payable against redemption of units		(2,442,781)	(181,680)
Accrued and other liabilities		4,445,045	(5,259,515)
		<u>(1,694,163)</u>	<u>944,966</u>
Net cash used in from operating activities		<u>(233,905,031)</u>	<u>(549,631,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issue of units		703,113,585	8,191,811,277
Payments made against redemption of units		(840,563,873)	(7,337,257,625)
Dividend paid		-	-
Net cash (used in) generated from financing activities		<u>(137,450,288)</u>	<u>854,553,652</u>
Net (decrease) / increase in cash and cash equivalents during the period		(371,355,319)	305,104,092
Cash and cash equivalents at the beginning of the period		<u>2,259,400,107</u>	<u>1,009,936,498</u>
Cash and cash equivalents at the end of the period	5	<u><u>1,888,044,788</u></u>	<u><u>1,315,040,590</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 Quarter Ended September 30, 2021 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal Islamic Savings Growth Fund (the Fund) is an open-ended income fund constituted under a trust deed 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 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, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as a Shari'ah compliant open ended Islamic income 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.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from June 15, 2010 and are transferable and redeemable by surrendering them to the Fund.

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

The objective of the Fund is to provide a competitive rate of return to its investors by investing in Shari'ah compliant money market and debt instruments having good credit rating and liquidity.

The Management Company has been assigned a quality rating of AM2+ by VIS Credit Rating Company Limited dated August 10, 2021 (2020: AM2 dated December 31, 2020). Further, VIS Credit Rating Company Limited has assigned a "A+(f)" rating to Faysal Islamic Savings Growth Fund as of May 10, 2020 (2019: "A+(f)" dated May 13, 2019).

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 do 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 published audited 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			
Profit and loss saving accounts	5.1	<u>1,882,476,006</u>	<u>1,009,936,498</u>

5.1 These carry mark-up ranging between 5.5% to 7.2% (June 30, 2020: 6.5% to 7.00%) per annum and include balance of Rs. 328.610 million (June 30, 2021: Rs. 138.561 million) held with Faysal Bank Limited, a related party.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6 INVESTMENT			
At fair value through profit or loss			
Sukuk certificates	6.1	805,105,531	823,990,084
Government of Pakistan (GoP) - Ijarah Sukuks	6.2	764,906,000	713,898,000
Certificates of Musharika	6.3	232,443,513	225,000,000
Commercial Papers	6.4	204,748,014	-
Murabaha Share Financing		17,951,715	-
		<u>2,025,154,773</u>	<u>1,762,888,084</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

6.1 Sukuk certificates

Name of company	Number of certificates / face value					Balance as at September 30, 2021			Market value as a percentage of total investments	Market value as a percentage of total net assets
	Issue date	As at July 01, 2021	Purchased during the period	Sold / matured / redeemed during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain / (loss) on revaluation		
(Rupees)									%	
Listed Sukuk certificates										
BYCO Petroleum Pakistan Limited	18-Jan-17	500	-	-	500	25,011,621	25,037,735	26,114	1.24	0.63
Ghani Chemicals Industries Limited	2-Feb-17	564	-	-	564	20,471,744	21,619,976	1,148,231	1.07	0.55
Unlisted Sukuk certificates										
International Brands Limited	15-Nov-17	1,200	-	-	1,200	34,781,603	34,543,047	(238,556)	1.71	0.87
TPL Corporation Limited	13-Apr-16	100	-	-	100	50,000,000	50,000,000	-	2.47	1.26
Pakistan Energy Limited	21-May-20	20,000	-	-	20,000	100,800,000	101,500,000	700,000	5.01	2.57
The Hub Power Company Limited	19-Mar-20	2,500	-	-	2,500	256,000,000	256,634,750	634,750	12.67	6.49
Hub Power Holding Limited	12-Nov-2020	3,500	-	-	3,500	315,770,023	315,770,023	-	15.59	7.98
						802,834,992	805,105,531	2,270,539	39.76	20.36

6.2 Government of Pakistan (GoP) - Ijarah Sukuks

Name of company	Number of certificates / face value				Balance as at September 30, 2021			Market value as a percentage of total investments	Market value as a percentage of total net assets	
	As at July 01, 2021	Purchased during the period	Sold / matured / redeemed during the period	As at September 30, 2021	Carrying value	Market value	Unrealised loss on revaluation			
(Rupees)									%	
Government of Pakistan Ijarah Sukuks	710,000,000	50,000,000	-	760,000,000	763,410,521	764,906,000	1,495,479	37.77	19.34	
						763,410,521	764,906,000	1,495,479	37.77	19.34

6.3 Certificates of Musharika

Name of investee company	Face value				Carrying value as at September 30, 2021	Carrying value as a percentage of total investment	Carrying value as a percentage of total net assets
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021			
(Rupees)							percentage
Orix Modaraba	225,000,000	-	-	225,000,000	232,443,513	11.11	5.88
					232,443,513	11.11	5.88

6.4 Commercial Papers

Name of investee company	Face value				Carrying value as at September 30, 2021	Carrying value as a percentage of total investment	Carrying value as a percentage of total net assets
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021			
(Rupees)							percentage
K-Electric Limited - ICP-20	-	210,000,000	-	210,000,000	204,748,014	10.11	5.18
					204,748,014	10.11	5.18

Notes to and forming part of the Condensed Interim Financial Statements

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

		(Un-audited)	(Audited)
	Note	September 30, 2021	June 30, 2021
----- (Rupees) -----			
7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		154,004	154,004
Security Deposits		8,749,409	9,569,229
Profit receivable on Investments		25,162,316	21,496,927
Profit receivable on balances	7.1	36,507,988	24,190,951
Advance tax		770,138	929,613
Prepaid Rating / Ranking Agency		283,155	-
Other Receivable		23,437,371	249,886
		<u>95,064,381</u>	<u>56,590,610</u>

7.1 This includes profit receivable amounting to Rs. 2,226,605 on balance held with Faysal Bank Limited, a related party.

		(Un-audited)	(Audited)
	Note	September 30, 2021	June 30, 2021
----- (Rupees) -----			
8. PAYABLE TO FAYSAL ASSET MANAGEMENT COMPANY LIMITED - THE MANAGEMENT COMPANY			
Remuneration of the management company	8.1	3,239,710	913,508
Sindh sales tax on remuneration of the management company	8.2	421,162	118,756
Sales load payable		3,361,796	3,465,358
Allocated expenses		1,556,833	558,850
Selling and marketing charges		382,143	3,355,881
		<u>8,961,644</u>	<u>8,412,353</u>

8.1 The Management Company has charged remuneration at the rate of 1% of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company 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)	(Audited)
	Note	September 30, 2021	June 30, 2021
----- (Rupees) -----			
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to the Trustee	9.1	242,496	137,026
Sales tax on Trustee fee	9.2	32,058	17,813
		<u>274,554</u>	<u>154,839</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

- 9.1** The trustee is entitled to monthly remuneration for services rendered to the Fund under the revisions of the Trust Deed.
- 9.2** The Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (June 30, 2020: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

		(Un-audited)	(Audited)
	Note	September 30, 2021	June 30, 2021
----- (Rupees) -----			
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	10.1	199,127	354,982

- 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)	(Audited)
	Note	September 30, 2021	June 30, 2021
----- (Rupees) -----			
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors remuneration		783,591	486,271
Transaction charges payable		974,402	210,078
Withholding tax and Zakat payable		17,276,302	6,075,113
Provision for Sindh Worker's Welfare Fund	11.1	-	8,161,353
Provision for indirect taxes and duties		5,271,869	5,271,869
Other accrued liabilities		7,440,244	578,175
		<u>31,746,408</u>	<u>20,782,859</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 May 21, 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 were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

13. 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

Notes to and forming part of the Condensed Interim Financial Statements

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

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 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.

14. EARNINGS PER UNIT

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

EXPENSE RATIO

The total expense ratio (TER) of the Fund as at September 30, 2021 is 1.32% which includes 0.16% 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a income scheme.

15. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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.

Transactions with 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.

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

Notes to and forming part of the Condensed Interim Financial Statements

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

	(Un-audited)	
	Quarter Ended September 30	
	2021	2020
	----- (Rupees) -----	
Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of Management Company	9,959,446	4,552,947
Sales tax on management fee	1,294,728	591,883
Allocated expenses	-	591,679
Selling and marketing charges	550,982	3,233,223
Issue of 1,493 units (2020 : 3,137,256 units)	155,582	325,948,836
Redemption of 1,493 units (2020 : 3,137,256 units)	156,644	326,465,382
Faysal Bank Limited (Group company / Associated Company)		
Return on PLS savings accounts	3,072,980	3,967,790
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of Trustee	746,958	649,881
Sales tax on Trustee fee	97,602	84,485
CDC-Trustee Faysal Islamic Financial Planning Fund-Faysal Shariah Capital Preservation Plan III		
Issue of Nil units (2020 : 6,015,978 units)	-	625,000,000
Redemption of Nil units (2020 : 6,015,978 units)	-	625,601,598
Directors, their close family members and Key Management Personnel of the Management Company		
Issue of 5,705 units (2020 : Nil Units)	595,115	-
Redemption of 23,885 units (2020 : Nil Units)	2,503,892	-

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) -----	
Outstanding balances at period / year end		
Faysal Asset Management Limited (Management Company)		
Management fee payable	3,239,710	3,329,465
Sindh sales tax on management fee payable	421,162	432,831
Selling and marketing expenses payable	382,143	2,387,945
Allocated expenses payable	1,556,833	1,556,833
Sales load payable	3,361,796	4,417,874
Faysal Bank Limited (Group company / Associated Company)		
Balance in PLS saving accounts	328,610,289	138,561,363
Return receivable on PLS saving account	2,226,605	317,956
Units in issue 1,821,335 (June 30, 2021: 1,821,335 units)	192,169,037	188,380,679
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration payable to the Trustee	242,496	271,827
Sales tax on trustee fee payable	32,058	35,373
Security deposit	100,000	100,000
FBL Staff Provident Fund*		
Units in issue 4,508,466 units (June 30, 2021: 4,508,466 units)	475,688,242	466,310,638
FBL Staff Gratuity Fund		
Units in issue 2,337,460 units (June 30, 2021 : 2,337,460)	246,625,405	241,763,488
Directors, their close family members and Key Management Personnel of the Management Company		
Outstanding units Nil (2021: 18,182)	-	1,880,564
Unit Holders Holding 10% or more units		
Outstanding 9,390,172 units (2021: 9,390,172)	990,757,008	971,225,490

Notes to and forming part of the Condensed Interim Financial Statements

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

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

- Level 1: quoted prices in active markets for identical assets;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at reporting date, the Fund held the following financial instruments which were measured at fair value:

	As at September 30, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	805,105,531	-	805,105,531
GOP Ijara sukuk certificates	-	764,906,000	-	764,906,000
Certificates of musharakah	-	232,443,513	-	232,443,513
Commercial Papers	-	204,748,014	-	204,748,014
Murabaha Share Financing	-	17,951,715	-	17,951,715
	-	2,025,154,773	-	2,025,154,773

Notes to and forming part of the Condensed Interim Financial Statements

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

	As at June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificate	-	823,990,084	-	823,990,084
GoP Ijara Sukuk Certificate	-	713,898,000	-	713,898,000
Certificate of Musharika	-	225,000,000	-	225,000,000
	<u>-</u>	<u>1,762,888,084</u>	<u>-</u>	<u>1,762,888,084</u>

*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.

17. GENERAL

17.1 Figures are rounded off to the nearest Rupee.

18. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized 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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