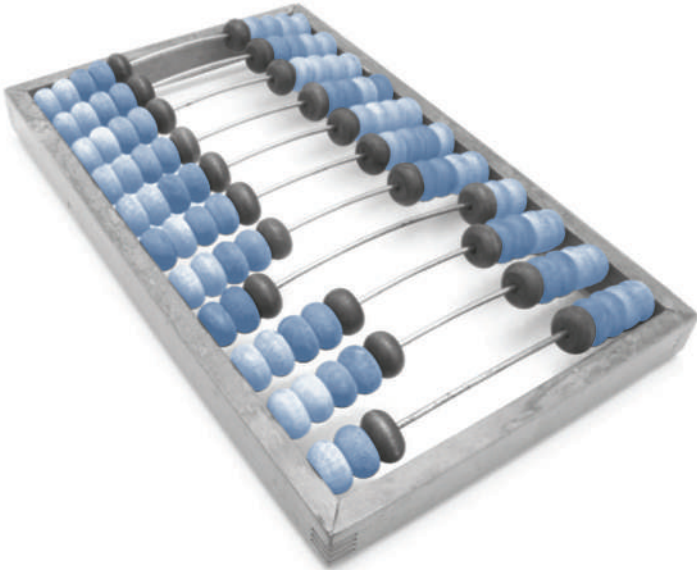


Faysal Funds

MTS 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 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

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

Soneri Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
Zarai Taraqiati Bank Limited
Allied Bank Limited

Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisor

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

Registrar

ITMinds Limited
Central Depository Company of Pakistan, Limited
CDC House, 99B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal MTS Fund (FMTSF) endeavours to provide investors competitive returns primarily through investment into MTS market.

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
----- (Rupees) -----			
Assets			
Bank balances	5	606,778,008	1,992,306,197
Investments	6	495,142,227	540,808,589
Receivable against Margin Trading System (MTS)	7	3,485,419,275	2,710,237,865
Prepayments, deposits and other receivables	8	26,770,520	25,698,109
Receivable against sale of units		-	279,079,485
Total assets		4,614,110,029	5,548,130,245
Liabilities			
Payable to the Management Company	10	12,721,285	19,475,542
Payable to Trustee	11	329,314	345,567
Payable to the Securities and Exchange Commission of Pakistan		261,009	749,048
Accrued and other liabilities	12	11,318,235	34,182,734
Payable against redemption of units		650,399	12,493,821
Dividend payable		17,641,160	19,402,434
Total liabilities		42,921,401	86,649,146
Net assets		4,571,188,628	5,461,481,099
Unit holders' fund (as per statement attached)		4,571,188,628	5,461,481,099
Contingencies and commitments	13		
----- (Number of units) -----			
Number of units in issue		44,201,346	53,907,494
----- (Rupees) -----			
Net assets value per unit		103.42	101.31

The annexed notes from 1 to 19 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
Income		(Rupees)	
Profit earned on government securities		23,252,317	4,297,200
Income from Margin Trading System (MTS)		82,944,645	37,666,465
Return on bank balances		12,750,369	7,486,971
Net (loss) / gain on investments - at fair value through profit or loss			
- Net capital gain / (loss) on sale of investments		1,337,848	(196,338)
- Net unrealised gain / (loss) on revaluation of investments		4,778	(80,662)
		<u>1,342,626</u>	<u>(277,000)</u>
Total income		<u>120,289,957</u>	<u>49,173,636</u>
Expenses			
Remuneration of the Management Company	10.1	10,996,574	3,939,095
Sales tax on Management fee	10.2	1,434,560	511,237
Selling and marketing expenses		-	1,005,486
Allocated expenses		-	502,744
Remuneration of the Trustee	11.1	979,019	355,061
Sales tax on Trustee fee	11.2	127,925	46,041
Bank charges		6,761	10,563
Auditors' remuneration		90,068	90,068
SECP annual fee	12.1	261,072	94,530
Fees and subscription		80,019	80,018
Transaction charges		8,593,472	3,510,520
Printing charges		-	6,256
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)		(10,265,471)	779,357
Amortisation of preliminary expenses and floatation costs	9	-	54,180
Total expenses		<u>12,303,999</u>	<u>10,985,156</u>
Net income for the period before taxation		<u>107,985,959</u>	<u>38,188,480</u>
Taxation	15	-	-
Net income for the period after taxation		<u>107,985,959</u>	<u>38,188,480</u>
Allocation of net income for the period			
Net income for the period		107,985,959	38,188,480
Income already paid on units redeemed		(10,457,916)	(10,457,916)
		<u>97,528,043</u>	<u>27,730,564</u>
Accounting income available for distribution			
Relating to capital gains		1,342,626	-
Excluding capital gains		96,185,416	27,730,564
		<u>97,528,043</u>	<u>27,730,564</u>

The annexed notes from 1 to 19 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 period after taxation	107,985,959	38,188,480
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>107,985,959</u>	<u>38,188,480</u>

The annexed notes from 1 to 19 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			Quarter Ended September 30, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period	5,451,499,319	9,981,780	5,461,481,099	1,001,998,213	(1,362,867)	1,000,635,346
Issuance of 24,178,892 (2020: 45,764,837) units						
- Capital value (at net assets value per unit at beginning of the period)	2,449,563,542		2,449,563,542	4,622,248,567	-	4,622,248,567
- Element of income		23,130,782	23,130,782	50,630,920	-	50,630,920
Total proceeds on issuance of units	2,449,563,542	23,130,782	2,472,694,324	4,672,879,487	-	4,672,879,487
Redemption of 33,885,039 (2020: 27,471,678) units						
- Capital value (at net assets value per unit at beginning of the year)	(3,432,893,393)		(3,432,893,393)	(2,774,639,510)	-	(2,774,639,510)
- Element of income	(9,430,216)	(28,649,145)	(38,079,361)	(23,289,330)	(10,457,916)	(33,747,246)
Total payments on redemption of units	(3,442,323,609)	(28,649,145)	(3,470,972,754)	(2,797,928,840)	(10,457,916)	(2,808,386,756)
Total comprehensive income for the period	-	107,985,959	107,985,959	-	38,188,480	38,188,480
Net assets at the end of the period	4,458,739,252	112,449,376	4,571,188,628	2,876,948,860	26,367,697	2,903,316,557
Undistributed income / (loss) brought forward						
- Realised		9,742,389			(1,407,705)	
- Unrealised gain		239,391			44,838	
		9,981,780			(1,362,867)	
Accounting income available for distribution						
- Relating to capital gains		1,342,626			-	
- Excluding capital gains		96,185,416			-	
		97,528,043			27,730,564	
Undistributed income carried forward		107,509,823			26,367,697	
- Realised		107,505,045			26,448,359	
- Unrealised gain / (loss)		4,778			(80,662)	
		107,509,823			26,367,697	
		-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at the beginning of the period		101.31			101.00	
Net assets value per unit at the end of the period		103.42			102.95	

The annexed notes from 1 to 19 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	107,985,959	38,188,480
Adjustments for non-cash and other items:		
Net (Gain) / loss on investments - at fair value through profit or loss		
- Net unrealised (gain) / loss on revaluation of investments	(4,778)	80,662
- Net capital (Gain) / loss on sale of investments	(1,337,848)	196,338
Provision for Sindh Workers' Welfare Fund (SWWF)	(10,265,471)	779,357
Amortisation of preliminary expenses and floatation costs	-	54,180
	96,377,861	39,299,017
(Increase) / Decrease in assets		
Investments - net	47,008,988	(497,594,850)
Receivable against Margin Trading System	(775,181,410)	(966,975,782)
Receivable against sale of units	279,079,485	-
Prepayments, deposits and other receivables	(1,072,411)	(9,911,797)
	(450,165,347)	(1,474,482,429)
(Decrease) / Increase in liabilities		
Payable to the Management Company	(6,754,257)	7,181,787
Payable to Trustee	(16,253)	101,525
Payable to the Securities and Exchange Commission of Pakistan	(488,039)	(109,175)
Payable against purchase of investments	-	299,593,200
Accrued and other liabilities	(12,599,028)	(9,433,302)
	(19,857,577)	297,334,035
Net cash used in from operating activities	(373,645,063)	(1,137,849,377)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	2,472,694,324	4,672,879,487
Payments made against redemption of units	(3,482,816,176)	(2,808,386,756)
Dividend paid	(1,761,274)	-
Net cash (used in) / generated from financing activities	(1,011,883,127)	1,864,492,731
Net (decrease) / increase in cash and cash equivalents during the period	(1,385,528,189)	726,643,354
Cash and cash equivalents at beginning of the period	1,992,306,197	92,091,386
Cash and cash equivalents at end of the period	5 <u>606,778,008</u>	<u>818,734,740</u>

The annexed notes from 1 to 19 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 MTS Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 16, 2015. It has been constituted under a Trust Deed, dated November 17, 2015 between Faysal Asset Management Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017).

The Fund is an open-ended income fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis and the units are transferable and can be redeemed by surrendering them to the Fund. Title to the assets of the fund are held in the name of CDC as a Trustee of the Fund. The Fund was launched on April 08, 2016.

The objective of the Fund is to provide competitive returns primarily through investment in Margin Trading System (MTS) market.

The Fund is categorised as an "Income Scheme" as per the Circular No. 7 of 2009 issued by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA-(f)" stability rating to Faysal MTS Fund as of April 16, 2021 (2020 "AA-(f)" April 17, 2020).

The Management Company has been assigned a quality rating of AM2+ by VIS dated August 10, 2021 (2020: AM2 dated December 31, 2020).

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.

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.

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

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. BANK BALANCES			
Cash at bank - PLS savings accounts	5.1	<u>596,112,278</u>	<u>1,992,306,197</u>

5.1 These carry mark-up ranging between 5.50% to 8.40% (June 30, 2021: 5.5% and 7.8%) per annum and include a balance of Rs.15.504 million (June 30, 2021: Rs. 56.028 million) held with Faysal Bank Limited (a related party).

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
6. INVESTMENTS			
At fair value through profit or loss			
Government securities - Market Treasury Bills	6.1	495,142,500	395,603,604
Government securities - Pakistan Investment Bonds	6.1	-	145,204,985
		<u>495,142,500</u>	<u>540,808,589</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

6.1 Government securities - Market Treasury Bills

Particulars	Rate of return per annum	Face value -----				- Balance 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	Total net assets	Total Investments
----- (Rupees) -----										
Market Treasury Bills - 03 Months	7.28%	400,000,000	2,850,000,000	3,250,000,000	-	-	-	-	-	-
Market Treasury Bills - 06 Months	6.46% to 7.78	-	3,000,000,000	2,500,000,000	500,000,000	495,137,429	495,142,500	5,071	10.83	100.00
Total as at September 30, 2021					500,000,000	495,137,429	495,142,500	5,071	10.83	100.00
Total as at June 30, 2021					400,000,000	395,593,043	395,603,604	10,561		

6.1.1 The above investments have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

6.2 Government securities - Pakistan Investment Bonds

Particulars	Rate of return per annum	Face value -----				- Balance 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	Total net assets	Total Investments
----- (Rupees) -----										
Pakistan Investment Bonds - 03 year@6.47% - 6.70%		150,000,000	150,000,000	300,000,000	-	-	-	-	-	-
Total as at September 30, 2021					-	-	-	-	-	-
Total as at June 30, 2021					150,000,000	144,976,155	145,204,985	228,830		

6.3 Non-Compliance

Faysal MTS 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	Exposure Limite Range	Actual Holding
Margin Trading System*	70%-100%	63.31%
Cash & Cash Equivalents**	25%-100%	18.92%

*Minimum 70% has to be maintained based on quarterly average investment calculated on daily basis

**Investment in Cash & Cash Equivalents has to be maintained on a monthly average at a minimum level of 25%

7. RECEIVABLE AGAINST MARGIN TRADING SYSTEM (MTS)

As per the offering document the total exposure of the Fund's net assets in MTS or any other similar instruments will range between 70% to 90%. Furthermore, a minimum exposure of 70% will be maintained based on quarterly average investment calculated on daily basis. In lieu of above, the Fund held an average exposure of 76.25% (June 30, 2021: 61.84%) during the Quarter ended September 30, 2021.

Notes to and forming part of the Condensed Interim Financial Statements

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

	(Un-audited) Note September 30, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	305,003	368,017
Margin deposits		
- National Clearing Company of Pakistan Limited	8.1	-
Security deposits		
- National Clearing Company of Pakistan Limited	250,000	250,000
- Central Depository Company of Pakistan Limited	100,000	100,000
	350,000	350,000
Income receivable on Margin Trading System (MTS)	22,045,821	17,237,827
Income receivable on Pakistan Investment Bonds	41,277	3,841,001
Return receivable on bank balances	8.2 3,393,002	2,753,471
Advance tax	635,417	1,147,793
	<u>26,770,520</u>	<u>25,698,109</u>

8.1 This includes margin deposits maintained with National Clearing Company of Pakistan Limited against MTS losses for regular exposure margin by the Fund in addition to Market Treasury Bills pledged

8.2 This includes profit receivable amounting to Rs. 0.129 million (2021: Rs. 0.300 million) on bank balance held with Faysal Bank Limited, a related party.

	(Un-audited) Note September 30, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
9. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Opening balance	-	169,022
Less: amortisation during the year	9.1	(169,022)
Closing balance	<u>-</u>	<u>-</u>

9.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from the end of the initial offering period in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

Notes to and forming part of the Condensed Interim Financial Statements

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

		(Un-audited) Note September 30, 2021	(Audited) June 30, 2021
----- (Rupees) -----			
10. PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	10.1	2,740,210	4,213,095
Sindh sales tax on remuneration of the Management Company	10.2	333,978	520,448
Sales load payable		5,874,876	5,119,202
Selling and marketing expenses payable		-	5,850,576
Allocated expenses payable		3,772,221	3,772,221
		<u>12,721,285</u>	<u>19,475,542</u>

10.1 The Management Company has charged remuneration at the rate of 1% from 01 July 2021 to 10 August 2021, 0.75% from 11 August 2021 to 06 September 2021 and 0.65% from 07 September 2021 to 30 September 2021 (June 30, 2021: 0.7% from 01 July 2020 to 21 July 2020 0.85% from 22 July 2020 to 18 February 2021 and 1% from 19 February 2021 to 30 June 2021) of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company monthly in arrears.value of the Fund.

10.2 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) Note September 30, 2021	(Audited) June 30, 2021
----- (Rupees) -----			
11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	11.1	289,382	304,343
Sindh sales tax on remuneration of the Trustee	11.2	39,931	41,224
		<u>329,314</u>	<u>345,567</u>

11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.075% per annum of net assets (June 30, 2021: 0.075%).

11.2 During the year, an amount of Rs. 0.1279 million (2021: Rs. 0.365 million) was charged 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
----- (Rupees) -----			
12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	12.1	<u>261,009</u>	<u>749,048</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

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

	(Un-audited)	(Audited)
Note	September 30, 2021	June 30, 2021
	----- (Rupees) -----	
12. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration payable	348,949	258,880
Brokerage expenses payable	-	90,254
Settlement charges payable	4,219,249	3,797,983
Withholding tax payable	5,405,947	18,767,397
Provision for Sindh Workers Welfare Fund	12.1 -	10,265,472
Accrued liabilities	234,884	936,510
Provision for indirect taxes and duties	66,238	66,238
Other Payables	1,042,968	-
	<u>11,318,235</u>	<u>34,182,734</u>

- 12.1** "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 April 08, 2016 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.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2021 and June 30, 2021.

14. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at September 30, 2021 is 1.74 which includes 0.14 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 an income scheme.

15. 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 than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

Notes to and forming part of the Condensed Interim Financial Statements

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

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.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / 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.

The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

	(Un-audited)	
	Quarter Ended September 30	
	2021	2020
	----- (Rupees) -----	
16.1 Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	10,996,574	3,939,095
Sales tax on Management fee	1,434,560	511,237
Selling and marketing charges	-	1,005,486
Allocated expenses	-	502,744
Issue of 3,402,984 units (2020: 5,717,837 units)	350,473,184	584,820,872
Redemption of 3,399,858 units (2020: 5,964,702 units)	350,422,976	611,393,893
Faysal Bank Limited (Group / Associated Company)		
Return on PLS savings account	966,292	2,182,215
Issue of Nil units (2020: 1,953,507 units)	-	200,000,000
Redemption of Nil units (2020: 1,952,172 units)	-	200,000,000
Directors and Key Management Personnel of the Management Company		
Issue of units 275 (2020: 17,324 units)	28,236	1,769,053
Redemption of 45 units (2020: 17,324 units)	4,631	1,771,716
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration of the Trustee	979,019	355,061
Sales tax on Trustee fee	127,925	46,041
Settlement charges	1,501,400	827,847

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) -----	
16.2 Outstanding balances		
Faysal Asset Management Limited (Management Company)		
Management fee payable	2,740,210	4,213,095
Sales tax payable on Management fee	333,978	520,448
Sales load payable	5,874,876	5,119,202
Selling and marketing expenses	-	5,850,576
Allocatd expenses	3,772,221	3,772,221
Outstanding Balance: 3,126 (June 30, 2021: Nil) units	323,268	-
Faysal Bank Limited (Group / Associated Company)		
Balance in PLS saving accounts	-	56,028,225
Profit receivable on saving account	-	299,839
Outstanding Balance: 1,353 (June 30, 2021: 1,353) units	139,885	137,072
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Security deposit	100,000	100,000
Remuneration payable to the Trustee	289,382	304,343
Sales tax payable on Trustee fee	39,931	41,224
Holding more than 10%		
Outstanding Balance: 7,940,885 (June 30, 2021: Nil) units	821,246,344	-

17. 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

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

- Level 1: quoted prices in active markets for identical assets or liabilities;
- 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).

Notes to and forming part of the Condensed Interim Financial Statements

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

As at September 30, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at September 30, 2021 (Un-audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
- Market Treasury Bills	495,142,500	-	495,142,500
- Pakistan Investment Bonds	-	-	-
-	495,142,500	-	495,142,500
As at June 30, 2021 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
ASSETS			
Financial assets 'at fair value through profit or loss'			
- Market Treasury Bills	395,603,604	-	395,603,604
- Pakistan Investment Bonds	145,204,985	-	145,204,985
-	540,808,589	-	540,808,589

18. GENERAL

Figures have been rounded off to the nearest rupee.

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim 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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