

Faysal Funds

Asset Allocation Fund

Condensed Interim Financial Statements
For The Quarter Ended September 30, 2021 (Un-Audited)



CONTENTS

Fund Information	02
Mission Statement	03
Condensed Interim Statement of Assets and Liabilities	04
Condensed Interim Income Statement	05
Condensed Interim Statement of Comprehensive Income	06
Condensed Interim Statement of Movement in Unit Holders' Fund	07
Condensed Interim Cash Flow Statement	08
Notes to the Condensed Interim Financial Statements	09

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

Bank Alfalah Limited

Faysal Bank Limited

United Bank Limited

JS Bank Limited

Allied Bank Limited

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

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2021

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
Assets			
Balances with banks	5	90,267,960	53,545,737
Investments	6	275,258,968	282,086,279
Deposits, prepayments and other receivables	7	11,724,568	3,202,934
Receivable from the Management Company	8	750,000	-
Receivable against sale of investments		7,929,614	17,298,300
Receivable against sale of units		-	9,267,997
Total assets		385,931,110	365,401,247
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	9	3,980,773	3,290,912
Payable to Central Depository Company of Pakistan Limited - Trustee	10	69,088	59,081
Payable to the Securities and Exchange Commission of Pakistan	11	17,398	46,575
Accrued expenses and other liabilities	12	6,961,354	8,088,415
Payable against redemption of units		1,384,633	25,302,398
Payable against purchase of investments		19,094,551	6,636,165
Total liabilities		31,507,797	43,423,546
Net assets		354,423,313	321,977,701
Unit holders' fund (as per statement attached)		354,423,313	321,977,701
Contingencies and commitments	13		
		----- (Number of units) -----	
Number of units in issue		4,677,483	3,952,547
		----- (Rupees) -----	
Net asset value per unit		75.77	81.46

The annexed notes from 1 to 21 form an integral part of these 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	QUARTER ENDED SEPTEMBER 30,2020
Note	----- (Rupees) -----	
Income		
Dividend income from equity securities	4,011,950	22,760
Profit on balances with banks	702,688	486,823
Capital gain on sale of investments - net	1,565,292	18,916,799
	6,279,930	19,426,382
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	(30,302,899)	(8,213,431)
Total (loss) / Income	(24,022,969)	11,212,951
Expenses		
Remuneration of Faysal Asset Management Limited - Management Company	9.1 1,743,272	436,308
Sindh sales tax on remuneration of the Management Company	9.2 226,625	56,720
Allocated expenses	-	43,631
Selling and marketing expenses	2,106,114	436,308
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 174,327	87,262
Sindh sales tax on remuneration of the Trustee	10.2 22,663	11,344
Annual fee to the Securities and Exchange Commission of Pakistan	11.1 17,433	8,726
Transaction charges	399,654	1,171,791
Bank charges	482	2,924
Auditors' remuneration	166,980	166,980
Fee and subscription	-	43,859
Printing and other expenses	43,859	6,256
Reimbursement from the Management Company	8.1 (750,000)	(320,000)
Total expenses	4,151,409	2,152,109
Net (loss) / income from operating activities	(28,174,378)	9,060,842
Reversal / (Provision) for Sindh Workers Welfare Fund (SWWF)	12.1 2,745,118	(181,216)
Net (loss) / income for the period before taxation	(25,429,260)	8,879,626
Taxation	15 -	-
Net (loss) / income for the period after taxation	(25,429,260)	8,879,626
Earning per unit	16 -	-
Allocation of net income for the period		
Net (loss) / income for the period after taxation	(25,429,260)	8,879,626
Income already paid on units redeemed	-	(2,270,871)
	(25,429,260)	6,608,755
Accounting income available for distribution		
Relating to capital gains	-	10,703,368
Excluding capital gains	(25,429,260)	(4,094,613)
	(25,429,260)	6,608,755

The annexed notes from 1 to 21 form an integral part of these 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	QUARTER ENDED SEPTEMBER 30, 2020
	----- (Rupees) -----	
Net (loss) / income for the period after taxation	(25,429,260)	8,879,626
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	(25,429,260)	8,879,626

The annexed notes from 1 to 21 form an integral part of these 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	Accumulat ed losses	Total	Capital value	Accumulat ed losses	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period	565,324,270	(243,346,569)	321,977,701	410,088,174	(296,393,535)	113,694,639
Issuance of 3,379,751 units (2020: 4,800,336 units)						
- Capital value (at ex-net assets value per unit at beginning of the period)	275,314,585	-	275,314,585	203,652,195	-	203,652,195
- Element of income	(829,803)	-	(829,803)	58,693,469	-	58,693,469
Total proceeds on issuance of units	274,484,782	-	274,484,782	262,345,664	-	262,345,664
Redemption of 2,654,819 units (2020: 1,462,904 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(216,261,560)	-	(216,261,560)	(61,939,367)	-	(61,939,367)
- Element of loss	(348,350)	-	(348,350)	(11,716,107)	(2,270,871)	(13,986,978)
Total payments on redemption of units	(216,609,910)	-	(216,609,910)	(73,655,474)	(2,270,871)	(75,926,345)
Total comprehensive income for the period	-	(25,429,260)	(25,429,260)	-	8,879,626	8,879,626
cash distribution at Rs. 1.01 per unit (declared on July 01, 2020)	-	-	-	(297,449)	(2,351,200)	(2,648,649)
Net assets at end of the period	623,199,142	(268,775,829)	354,423,313	598,480,915	(292,135,980)	306,344,935
Accumulated loss brought forward						
- Realised loss		(269,871,266)			(297,529,846)	
- Unrealised gain		26,524,697			1,136,311	
		(243,346,569)			(296,393,535)	
Distribution during the period		-			(2,351,200)	
Accounting income available for distribution						
- Relating to capital gains		-			10,703,368	
- Excluding capital gains		(25,429,260)			(4,094,613)	
		(25,429,260)			6,608,755	
Accumulated loss carried forward		(268,775,829)			(292,135,980)	
Accumulated loss carried forward						
- Realised loss		(238,472,930)			(283,922,549)	
- Unrealised income		(30,302,899)			(8,213,431)	
		(268,775,829)			(292,135,980)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		81.46			43.35	
Net asset value per unit at the end of the period		75.77			51.40	

The annexed notes from 1 to 21 form an integral part of these 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	QUARTER ENDED SEPTEMBER 30,2020
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period before taxation		(25,429,260)	8,879,626
Adjustments for:			
Capital gain on sale of investments - net		(1,565,292)	(18,916,799)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		30,302,899	8,213,431
		3,308,347	(1,823,742)
(Increase) / decrease in assets			
Investments- net		(21,910,296)	(215,612,920)
Deposits, prepayments and other receivables		(8,521,634)	(14,726,994)
Receivable against sale of investments		9,368,686	-
Receivable against sale of units		9,267,997	-
Receivable from the Management Company - net		(750,000)	(320,000)
		(12,545,247)	(230,659,914)
(Decrease) / Increase in liabilities			
Payable to Faysal Asset Management Limited - Management Company		689,861	718,848
Payable to Central Depository Company of Pakistan Limited - Trustee		10,007	36,114
Payable to the Securities and Exchange Commission of Pakistan		(29,177)	(9,252)
Payable against redemption of units		(23,917,765)	-
Payable against purchase of investments		12,458,386	-
Accrued expenses and other liabilities		(1,127,061)	45,582,719
		(11,915,749)	46,328,429
Net cash used in operating activities		(21,152,649)	(186,155,227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units - net of refund of capital		274,484,782	262,345,664
Payments made against redemption of units		(216,609,910)	(75,926,345)
Dividend paid		-	(2,648,649)
Net cash generated from financing activities		57,874,872	183,770,670
Net increase / (decrease) in cash and cash equivalents during the period		36,722,223	(2,384,557)
Cash and cash equivalents at the beginning of the period		53,545,737	49,778,998
Cash and cash equivalents at the end of the period	5	90,267,960	47,394,441

The annexed notes from 1 to 21 form an integral part of these 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 Asset Allocation Fund (the Fund) is an open ended asset allocation fund constituted under a Trust Deed entered into on January 31, 2006 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

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

1.2 The Fund has been categorised as an '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 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from July 24, 2006 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the fund is to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in constitutive documents and allowed by the SECP.

1.4 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.

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). and the Pakistan Credit Rating Agency Limited (PACRA) has assigned a short term 5-Star rating to Faysal asset allocation Fund on August 6, 2021 (2020: 4-Star dated February 12, 2021).

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		
	Savings accounts	5.1 <u>84,756,820</u>	<u>53,545,737</u>

5.1 These carry mark-up at rates ranging from 5.50% to 7.04% (June 30, 2021: 5.50% to 7.04%) per annum and include balance of Rs. 8.435 million (June 30, 2021: Rs. 15.45 million) held with Faysal Bank Limited, a related party, and carry mark-up at the rate of 5.50% (June 30, 2021: 5.50%) 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	6.1 <u>275,258,968</u>	<u>282,086,279</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 - at fair value through profit or loss

Name of the Investee Company	As at July 01, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at September 30, 2021	Carrying Value as at September 30, 2021	Market Value as at September 30, 2021	Unrealised appreciation / (diminution) as at September 30, 2021	Percentage in relation to		
	----- Number of shares -----					----- (Rupees) -----			Net assets of the Fund	Total investments of the Fund	Investee company paid-up capital
									----- % -----		
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	-	-	-	-	-	-	-	-	-	0.00%	-
Hi-Tech Lubricants Limited	75,000	-	-	-	75,000	5,318,250	4,650,750	(667,500)	1.31%	1.69%	0.06%
						5,318,250	4,650,750	(667,500)	1.31%	1.69%	0.06%
POWER GENERATION AND DISTRIBUTION											
K-Electric Limited (note 6.1.1)	-	560,000	-	-	560,000	2,124,180	2,240,000	115,820	0.63%	0.81%	0.00%
						2,124,180	2,240,000	115,820	0.63%	0.81%	0.00%
COMMERCIAL BANKS											
MEEZAN BANK LIMITED	-	150,000	22,500	-	172,500	23,741,489	24,137,925	396,436	6.81%	8.77%	0.01%
						23,741,489	24,137,925	396,436	6.81%	8.77%	0.01%
FERTILIZER											
Fauji Fertilizer Bin Qasim Limited	250,000	-	-	250,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
CHEMICALS											
Engro Polymer & Chemicals Limited	411,000	75,000	-	6,000	480,000	22,716,929	26,433,600	3,716,671	7.46%	9.60%	0.05%
Ittehad Chemicals Limited	100,000	-	-	1,000	99,000	3,766,950	2,972,970	(793,980)	0.84%	1.08%	0.12%
						26,483,879	29,406,570	2,922,691	8.30%	10.68%	0.17%
ENGINEERING											
Agha Steel Industries Limited	400,000	-	-	400,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	50,000	-	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steels Industries Limited	195,000	-	-	5,500	189,500	19,783,800	18,498,990	(1,284,810)	5.22%	6.72%	0.06%
International Industries Limited	15,000	-	-	15,000	-	-	-	-	0.00%	0.00%	0.00%
						19,783,800	18,498,990	(1,284,810)	5.22%	6.72%	0.06%
CEMENT											
D.G.Khan Cement Company Limited (note 6.1.2)	2,250	-	-	-	2,250	265,320	198,945	(66,375)	0.06%	0.07%	0.001%
Pioneer Cement Limited (note 6.1.2)	190,500	11,700	-	-	202,200	26,320,145	17,856,281	(8,463,864)	5.04%	6.49%	0.09%
Lucky Cement Limited (note 6.1.2)	14,344	7,500	-	-	21,844	18,835,179	15,791,028	(3,044,151)	4.46%	5.74%	0.01%
Fauji Cement Company Limited	300,000	-	-	300,000	-	-	-	-	0.00%	0.00%	0.00%
Flying Cement Company Limited	590,000	-	-	-	590,000	12,555,200	8,118,400	(4,436,800)	2.29%	2.95%	0.16%
Cherat Cement Limited	103,600	36,100	-	-	139,700	24,880,067	20,007,834	(4,872,233)	5.65%	7.27%	0.07%
						82,855,911	61,972,488	(20,883,423)	17.49%	22.51%	0.33%

Notes to and forming part of the Condensed Interim Financial Statements

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

Name of the Investee Company	As at	Purchased	Bonus /	Sold	As at	Carrying	Market Value	Unrealised	Percentage in relation to		
	July 01, 2021	during the period	right shares received during the period	during the period	September 30, 2021	Value as at September 30, 2021	as at September 30, 2021	appreciation / (diminution) as at September 30, 2021	Net assets of the Fund	Total investments of the Fund	Investee company paid-up capital
	Number of shares					(Rupees)			%		
GLASS & CERAMICS											
Tariq Glass Industries Limited	96,000	-	-	-	96,000	10,212,480	9,739,200	(473,280)	2.75%	3.54%	0.07%
						10,212,480	9,739,200	(473,280)	2.75%	3.54%	0.07%
FOOD AND PERSONAL CARE PRODUCTS											
Fauji Foods Limited	350,000	-	-	350,000	-	-	-	-	-	-	-
Frieslandcampina Engro Pakistan Limited	-	85,000	-	85,000	-	-	-	-	-	-	-
Unity Foods Limited	663,000	-	-	-	663,000	29,516,760	20,698,860	(8,817,900)	5.84%	7.52%	0.07%
						29,516,760	20,698,860	(8,817,900)	5.84%	7.52%	0.07%
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited	8,940	-	-	8,940	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
PHARMACEUTICALS											
Ferozsons Laboratories Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION											
Systems Limited	26,050	26,500	-	11,000	41,550	26,991,627	30,228,040	3,236,413	8.53%	10.98%	0.03%
Avanceon Limited	101,000	146,000	-	129,000	118,000	13,686,680	14,556,480	869,800	4.11%	5.29%	0.05%
Telecard Limited	50,000	200,000	-	129,000	121,000	4,218,390	4,385,000	166,610	1.24%	1.59%	0.04%
Worldcall Telecom Limited	-	200,000	-	-	200,000	678,375	544,000	(134,375)	0.15%	0.20%	0.01%
NetSol Technologies Limited	-	-	-	-	-	-	-	-	-	-	-
Hum Network Limited (note 6.1.1)	400,000	-	-	-	400,000	3,208,000	2,392,000	(816,000)	0.67%	0.87%	0.42%
TRG Pakistan Limited - Class 'A'	104,500	100,000	-	-	204,500	33,967,889	33,061,515	(906,374)	9.33%	12.01%	0.04%
						82,750,961	85,167,035	2,416,074	24.03%	30.94%	0.58%
AUTOMOBILE PARTS & ACCESSORIES											
Panther Tyres Limited	100,000	-	20,000	-	120,000	6,913,000	5,935,200	(977,800)	1.67%	2.16%	0.09%
						6,913,000	5,935,200	(977,800)	1.67%	2.16%	0.09%
SYNTHETIC & RAYON											
Image Pakistan Limited	-	175,000	-	175,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
LEATHER & TANNERIES											
Service Global Footwear Limited	101,952	-	-	-	101,952	5,895,882	4,576,625	(1,319,257)	1.29%	1.66%	0.05%
						5,895,882	4,576,625	(1,319,257)	1.29%	1.66%	0.05%
PAPER & BOARD											
Century Paper & Board Mills Limited	60,000	-	7,695	58,700	8,995	954,800	673,995	(280,805)	0.19%	0.24%	0.01%
						954,800	673,995	(280,805)	0.19%	0.24%	0.01%
REFINERY											
National Refinery Limited	-	2,000	-	2,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
MISCELLANEOUS											
Synthetic Products Enterprises Limited	45,000	-	-	-	45,000	1,935,450	1,800,450	(135,000)	0.51%	0.65%	0.05%
Tpi Properties Limited	-	107,000	-	-	107,000	7,075,025	5,760,880	(1,314,145)	1.63%	2.09%	0.03%
						9,010,475	7,561,330	(1,449,145)	2.13%	2.75%	0.08%
Total as at September 30, 2021						<u>305,561,867</u>	<u>275,258,968</u>	<u>(30,302,899)</u>			
Total as at June 30, 2021						<u>255,561,582</u>	<u>282,086,279</u>	<u>26,524,697</u>			

Notes to and forming part of the Condensed Interim Financial Statements

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

6.1.1 All shares have a face value of Rs. 10 each except for the shares of Hum Network Limited & K Electric Limited which have a face value of Rs. 1 & Rs. 3.5 respectively.

6.1.2 Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	(Un-audited)		(Audited)	
	September 30, 2021		June 30, 2021	
	Number of shares	Market value in Rupees	Number of shares	Market value in Rupees
	------(Rupees)-----			
Lucky Cement Limited	4,000	2,891,600	4,000	3,453,760
Pioneer Cement Limited	76,500	6,755,715	76,500	10,026,855
D.G. Khan Cement Company Limited	2,250	198,945	2,250	51,750
	<u>82,750</u>	<u>9,846,260</u>	<u>82,750</u>	<u>13,532,365</u>

6.1.3 Faysal Asset Allocation Fund holds below mentioned non-compliant investment.

Name of non-compliant Investment	Tyep	Expousre Limit	Value of investment before provisioning
Trust Investment Bank Limited	TFC	10%	13,137,042

7	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Un-audited)	(Audited)
			September 30, 2021	June 30, 2021
			----- Rupees -----	
	Security deposit with National Clearing Company of Pakistan Limited		2,500,000	2,500,000
	Profit receivable on balances with banks	7.1	323,104	-
	Dividend receivable		4,012,703	-
	Prepaid rating fees		109,389	-
	Advance tax		703,173	702,934
	Advance against book building		4,076,199	-
			<u>11,724,568</u>	<u>3,202,934</u>

7.1 This includes profit receivable amounting to Rs. 48,026 (June 30, 2021: Rs. Nil) on balance held with Faysal Bank Limited, a related party.

8	RECEIVABLE FROM THE MANAGEMENT COMPANY	Note	(Un-audited)	(Audited)
			September 30, 2021	June 30, 2021
			----- Rupees -----	
	Reimbursement from the Management Company	8.1	<u>750,000</u>	<u>-</u>

8.1 The Total Expense Ratio (TER) of the Fund shall be within the maximum limit of 4.5% as prescribed under the NBFC Regulations for a collective investment scheme recognised as an asset allocation scheme. However the TER of the fund exceeded the above limit as at September 30, 2021. As a result, the Fund has recorded reimbursement from the Management Company to comply with the TER.

Notes to and forming part of the Condensed Interim Financial Statements

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

9	PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Un-audited)	(Audited)
			September 30, 2021	June 30, 2021
			----- Rupees -----	
	Management remuneration payable	9.1	611,276	522,713
	Sindh sales tax payable on management remuneration	9.2	79,466	67,952
	Allocated expenses payable		184,039	184,039
	Selling and marketing expenses payable		2,106,115	935,248
	Sales load payable		999,877	1,580,960
			<u>3,980,773</u>	<u>3,290,912</u>

9.1 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 currently charged remuneration at the rate of 2% (June 30, 2021: 2 %) of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company monthly in arrears.

9.2 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.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	(Un-audited)	(Audited)
			September 30, 2021	June 30, 2021
			----- Rupees -----	
	Remuneration of the Trustee	10.1	61,142	52,286
	Sindh sales tax payable on remuneration of the trustee	10.2	7,946	6,795
			<u>69,088</u>	<u>59,081</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net Assets (Rs.)	Remuneration
up to Rs. 1,000 million	0.20% per annum of net assets.
over Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

10.2 Sindh sales tax at the rate of 13 % is charged on the Trustee Fee.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Un-audited)	(Audited)
			September 30, 2021	June 30, 2021
			----- (Rupees) -----	
	Annual fee payable	11.1	17,398	46,575

11.1 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.

Notes to and forming part of the Condensed Interim Financial Statements

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

	Note	(Un-audited)	(Audited)
		September 30, 2021	June 30, 2021
		----- (Rupees) -----	-----
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Transaction Charges Payable		1,544,466	366,943
Auditors' remuneration payable		697,610	530,630
Printing charges payable		156,882	155,890
Zakat payable		37,159	9,753
Capital Gain Tax & Withholding tax payable		682,542	397,470
Provision for Sindh Workers' Welfare Fund	12.1	-	2,761,301
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee		3,497,459	3,497,459
Accrued & Other liabilities		<u>345,236</u>	<u>368,969</u>
		<u>6,961,354</u>	<u>8,088,415</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 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

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments 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 4.76% (June 30, 2021: 5.46%) which includes 0.36% (2021: 0.56%) 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.

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. 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.

Notes to and forming part of the Condensed Interim Financial Statements

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

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.

16 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.

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** 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 their close family members 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 year end.
- 17.2** 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 transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 17.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them as 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	QUARTER ENDED SEPTEMBER 30,2020
	----- (Rupees) -----	
Transactions during the year		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	1,743,272	436,308
Sindh sales tax on management remuneration	226,625	56,720
Issue of 653,473 units (2020: 15,777 units)	53,376,661	668,006
Redemption of 464,961 units (2020: Nil units)	35,000,000	-
Selling and marketing expenses	2,106,114	436,308
Allocated expenses	-	43,631
Reimbursement from the Management Company	750,000	320,000
Faysal Bank Limited (Group / Associated Company)		
Profit on balances with banks	214,607	32,276
Bank charges	423	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	174,327	87,262
Sindh sales tax on trustee fee	22,663	11,344
Directors, their close family members and Key Management Personnel of the Management Company		
Issue of 1,781 units (2020: 241 units)	147,173	10,211
Redemption of 10,549 units (2020: Nil units)	850,227	-
	Un-Audited	
	QUARTER ENDED SEPTEMBER 30,2021	QUARTER ENDED SEPTEMBER 30,2020
	----- (Rupees) -----	
Unit holders holding 10% or more units		
Issuance of 653,473 units (2020: 3,468,480)	53,376,661	190,540,891
Redemption of Nil units(2020: 1,278,963 units)	-	65,000,000

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		
Faysal Asset Management Limited - (Management Company)		
Remuneration payable to the Management Company	611,276	522,713
Sindh sales tax payable on management remuneration	79,466	67,952
Allocated expenses payable	184,039	184,039
Selling and marketing expenses payable	2,106,115	935,248
Sales load payable	999,877	1,580,960
Receivable from the Management Company	750,000	-
Outstanding units 982,396 (June 30, 2021: 328,923 units)	74,436,180	26,794,068
Faysal Bank Limited		
Balance in savings account	8,435,177	15,452,907
Profit receivable on savings account	48,027	-
Central Depository Company of Pakistan Limited - (Trustee)		
Remuneration of the Trustee	61,142	52,286
Sindh sales tax payable on remuneration of the trustee	7,946	6,795
Directors, their close family members and Key Management Personnel of the Management Company		
Outstanding units 25,422 (June 30, 2021: 34,190)	1,926,252	2,785,117
Unit holders holding 10% or more units		
Outstanding 1,511,450 units (June 30, 2021: 971,420 units)	114,522,592	79,131,873

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are traded in an open market are revalued at the market prices prevailing on the reporting date.

The fair value of all financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

18.1 Fair value hierarchy

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities;

Notes to and forming part of the Condensed Interim Financial Statements

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

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

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

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

As At September 30, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets 'At fair value through profit or loss	----- Rupees -----			
Listed Equity Securities	275,258,968	-	-	275,258,968
	<u>275,258,968</u>	<u>-</u>	<u>-</u>	<u>275,258,968</u>
As At September 30, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets 'At fair value through profit or loss	----- Rupees -----			
Listed Equity Securities	282,086,279	-	-	282,086,279
	<u>282,086,279</u>	<u>-</u>	<u>-</u>	<u>282,086,279</u>

19 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications have been made in these financial statements during the current period.

20 GENERAL

20.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

21 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

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