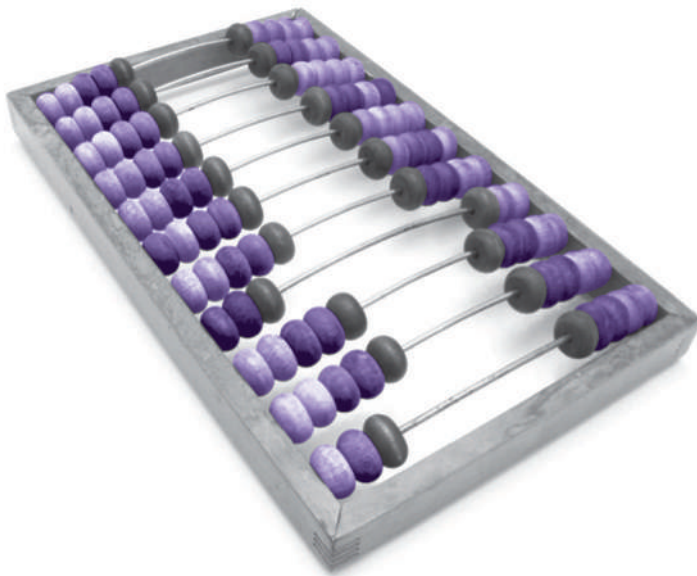


Faysal Funds

Cash 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

Faysal 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 Cash 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

| | Note | (Un-audited) September 30, 2020 (Rupees) | (Audited) June 30, 2021 (Rupees) |
|---|------|---|---|
| Assets | | | |
| Balances with banks | 4 | 231,609,583 | 16,040,745 |
| Investments - net | 5 | 24,239,992 | 98,626,298 |
| Advances, deposit and other receivables | 6 | 1,154,410 | 405,089 |
| Preliminary expenses and floatation costs | 7 | 428,100 | 453,400 |
| Total assets | | 257,432,085 | 115,525,532 |
| Liabilities | | | |
| Payable to Faysal Asset Management Limited - the Management Company | 8 | 597,489 | 597,489 |
| Payable to Central Depository Company of Pakistan - the Trustee | 9 | 14,216 | 6,866 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 8,893 | 23,745 |
| Accrued expenses and other liabilities | 11 | 1,831,033 | 1,305,032 |
| Total liabilities | | 2,451,631 | 1,933,132 |
| Net assets | | <u>254,980,454</u> | <u>113,592,400</u> |
| Unit holders' fund (as per the statement attached) | | <u>254,980,454</u> | <u>113,592,400</u> |
| Contingencies and commitments | 12 | (Number of units) | (Number of units) |
| Number of unit in issue | | <u>2,527,971</u> | <u>1,135,924</u> |
| | | (Rupees) | (Rupees) |
| Net assets value per unit | | <u>100.8637</u> | <u>100.0000</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 Income Statement

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

| | Note | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Rupees) |
|--|------|--|
| Income | | |
| Profit on balances with banks | | 1,079,784 |
| Interest on Market Treasury Bills | | 2,137,764 |
| Discount income on commercial papers | | 190,001 |
| Realised gain on sale of investments - net | | <u>20,578</u> |
| Total Income | | <u>3,428,127</u> |
| Operating expenses | | |
| Remuneration of Faysal Asset Management Limited - the Management Company | 8.1 | - |
| Sindh sales tax on remuneration of the Management Company | 8.2 | - |
| Allocated expenses | | - |
| Selling and marketing expenses | | - |
| Remuneration to Central Depository Company of Pakistan Limited - the Trustee | | 29,018 |
| Sindh sales tax on remuneration of the Trustee | | 3,772 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | 8,928 |
| Auditors' remuneration | | 205,804 |
| Fees and subscriptions | | 158,240 |
| Transaction charges | | 3,298 |
| Legal and Professional Charges | | 71,852 |
| Amortisation of preliminary expenses and floatation cost | | 25,300 |
| Bank charges | | 332 |
| Printing charges | | 14,812 |
| Total operating expenses | | <u>521,356</u> |
| Net income from operating activities | | <u>2,906,771</u> |
| Reversal of Sindh Workers' Welfare Fund (SWWF) | 11.1 | 140,947 |
| Net income for the period before taxation | | <u>3,047,718</u> |
| Taxation | 13 | - |
| Net income for the period after taxation | | <u>3,047,718</u> |
| Earning Per Unit | 14 | |
| Allocation of net income for the period | | |
| - Net income for the period after taxation | | 3,047,718 |
| - Income already paid on units redeemed | | <u>(313,583)</u> |
| Accounting income available for distribution | | <u>2,734,135</u> |
| - Relating to capital gains | | 20,578 |
| - Excluding capital gains | | <u>2,713,557</u> |
| | | <u>2,734,135</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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Rupees) |
|--|--|
| Net income for the period after taxation | 3,047,718 |
| Other comprehensive income for the period | - |
| Total comprehensive income for the period | <u>3,047,718</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)

| FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | | |
|--|----------------------|------------------|
| Capital value | Undistributed income | Total |
| (Rupees) | | |
| Net assets at the beginning of the period | 113,592,400 | 113,592,400 |
| Issuance of 2,488,446 units | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 248,844,627 | 248,844,627 |
| - Element of income | 446,992 | 446,992 |
| Total proceeds on issuance of units | 249,291,619 | 249,291,619 |
| Redemption of 1,096,399 units | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (109,639,911) | (109,639,911) |
| - Element of income | (14,986) | (328,569) |
| Total proceeds on issuance of units | (109,654,897) | (109,968,480) |
| Cash distributions during the period | - | (982,803) |
| Total comprehensive income for the period | - | 3,047,718 |
| Net assets at the end of the period | 253,229,122 | 1,751,332 |
| Accounting income available for distribution | | |
| - Relating to capital gains | 20,578 | |
| - Excluding capital gains | 2,713,557 | |
| | 2,734,135 | |
| Cash distributions during the period | (982,803) | |
| Undistributed income carried forward | 1,751,332 | - |
| | | (Rupees) |
| Net assets value per unit at beginning of the period | | 100 |
| Net assets value per unit at end of the period | | 100.86 |

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 | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Rupees) |
|---|------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | | 3,047,718 |
| Adjustments for: | | |
| Reversal of Sindh Workers' Welfare Fund (SWWF) | | (140,947) |
| Amortisation of preliminary expenses and floatation cost | | 25,300 |
| Cash generated from operations | | <u>2,932,071</u> |
| Increase in assets | | |
| Investments - net | | 74,386,306 |
| Advances, deposit and other receivables | | (749,321) |
| Preliminary expenses and floatation costs | | - |
| | | 73,636,985 |
| Increase in liabilities | | |
| Payable to Faysal Asset Management Limited - the Management Company | | - |
| Payable to Central Depository Company of Pakistan - the Trustee | | 7,350 |
| Payable to the Securities and Exchange Commission of Pakistan | | (14,852) |
| Accrued expenses and other liabilities | | 666,948 |
| | | <u>659,446</u> |
| Net cash generated in operating activities | | <u>77,228,502</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received against issue of units | | 249,291,619 |
| Amount paid against redemption of units | | (109,968,480) |
| Cash distributions | | (982,803) |
| Net cash generated from financing activities | | 138,340,336 |
| Net increase in cash and cash equivalents | | <u>215,568,838</u> |
| Cash and cash equivalents at the beginning of the period | | 16,040,745 |
| Cash and cash equivalents at the end of the period | 4 | <u><u>231,609,583</u></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

- 1.1** Faysal Cash Fund (the Fund) is an open end mutual fund constituted under a trust deed entered into between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was registered on June 9, 2020. 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 and 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 open end money market scheme by the Board of Directors of the Management Company pursuant to the provisions contained in circular 7 of 2009 issued by SECP. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from January 8, 2021 and are transferable and redeemable by surrendering them to the Fund.
- 1.3** The objective of the Fund is to seek maximum possible preservation of capital and a competitive rate of return via investing primarily in money market securities.
- 1.4** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5** The Management Company has been assigned a quality rating of AM2+ by VIS Credit Rating Company Limited dated August 10, 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"

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 statements 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,

Notes to and forming part of the Condensed Interim Financial Statements

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

whereas there are no the comparatives to report for 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 as these are the first condensed interim financial statement of the fund For The Quarter Ended September 30, 2021 (Un-Audited).

3 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) | (Rupees) |
| 4 BALANCES WITH BANKS | | | |
| Saving accounts | 4.1 | <u>231,609,583</u> | <u>16,040,745</u> |
| 4.1 These balances in savings accounts carry interest rates ranges between 5.50% to 8.10% per annum. Deposits in savings accounts also include Rs. 2.548 (June 30, 2021: 15.718) million maintained with Faysal Bank Limited, a related party, and carry interest at the rate of 5.50% per annum | | | |

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|---|------|---------------------------------------|-------------------------------|
| | Note | (Rupees) | (Rupees) |
| 5 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Government securities - Market Treasury Bills | | - | 98,626,298 |
| Commercial papers | 5.1 | <u>24,239,993</u> | - |
| | | <u>24,239,993</u> | <u>98,626,298</u> |

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

5.1 Government securities - Market Treasury Bills

Market Treasury Bills

| Particulars | 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 loss on revaluation | Total investments of the fund | Net assets of the fund |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

(Rupees) %

Market Treasury Bills

| | | | | | | |
|------------|-------------|-------------|-------------|---|---|---|
| - 6 Months | 100,000,000 | 190,000,000 | 290,000,000 | - | - | - |
|------------|-------------|-------------|-------------|---|---|---|

Total as at September 30, 2021

| | | | | | | |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|

5.2 Commercial papers

| Name of the security | Opening balance | Face value | | | Carrying value as at September 30, 2021 | Market Value as at September 30, 2021 | Unrealised loss on revaluation | Market value as percentage of | |
|---------------------------------------|-----------------|-----------------------------|----------------------------------|--------------------------|---|---------------------------------------|--------------------------------|-------------------------------|------------------|
| | | Purchased during the period | Matured / sold during the period | As at September 30, 2020 | | | | net assets | total investment |
| K-Electric Limited - Commercial Paper | - | 25,000,000 | - | 25,000,000 | 24,239,994 | 24,239,994 | - | 9.51% | 100.00% |
| Total | | | | | 24,239,994 | 24,239,994 | - | 9.51% | 100.00% |

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

6 ADVANCES, DEPOSIT & OTHER RECEIVABLES

| | | |
|---|------------------|----------------|
| Security deposits with Central Depository Company of Pakistan Limited | 100,000 | 100,000 |
| Profit receivable on bank balances | 996,952 | - |
| Advance tax | 57,458 | 305,089 |
| | <u>1,154,410</u> | <u>405,089</u> |

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

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

| | | |
|-----------------------------------|--------------------|----------------|
| Opening balance | 453,400 | 501,525 |
| Less: amortisation for the period | (25,300) | (48,125) |
| Closing balance | <u>7.1 428,100</u> | <u>453,400</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of five years in accordance with the Trust Deed of the Fund and the NBFC Regulations.

| 8 | PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY | Note | (Un-audited) | (Audited) |
|---|---|------|--------------------------------|---------------------------|
| | | | September 30, 2021 (Rupees) | June 30, 2021 (Rupees) |
| | Management fee payable | 8.1 | - | - |
| | Sindh sales tax payable on management fee | 8.2 | - | - |
| | Allocated expenses payable | | 75,964 | 75,964 |
| | Selling and marketing expenses payable | | - | - |
| | Preliminary expenses and floatation cost payable | | 501,525 | 501,525 |
| | Initial deposits paid on behalf of fund | 7.1 | 20,000 | 20,000 |
| | | | <u>597,489</u> | <u>597,489</u> |

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has not charged any remuneration during the period ended September 30, 2021.

8.2 During the period no amount was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.

| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE | Note | (Un-audited) | (Audited) |
|---|---|------|--------------------------------|---------------------------|
| | | | September 30, 2021 (Rupees) | June 30, 2021 (Rupees) |
| | Remuneration payable to the Trustee | 9.1 | 12,579 | 6,074 |
| | Sindh sales tax on remuneration of the Trustee | 9.2 | 1,637 | 792 |
| | | | <u>14,216</u> | <u>6,866</u> |

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate 0.065% per annum of average annual net assets.

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

| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | (Un-audited) | (Audited) |
|----|---|------|--------------------------------|---------------------------|
| | | | September 30, 2021 (Rupees) | June 30, 2021 (Rupees) |
| | Annual fee | 10.1 | <u>8,893</u> | <u>23,745</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

10.1 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.

| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note | (Un-audited) | (Audited) |
|----|---|------|--------------------------------|---------------------------|
| | | | September 30, 2021 (Rupees) | June 30, 2021 (Rupees) |
| | Auditors' remuneration | | 597,279 | 4,712 |
| | Legal & Professional Charges payable | | 201,210 | 391,475 |
| | Rating fee payable | | 182,896 | 129,358 |
| | Annual listing fee payable | | 558,095 | 119,876 |
| | Withholding tax payable | | 171,396 | 462,875 |
| | Capital Gain Tax | | 77,983 | - |
| | Printing charges payable | | 35,839 | 21,172 |
| | Shariah advisory fee payable | | - | 34,617 |
| | Transaction Charges Payable | | 6,335 | - |
| | Provision for Sindh Workers' Welfare Fund | 11.1 | - | 140,947 |
| | | | <u>1,831,033</u> | <u>1,305,032</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 December 19, 2019 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 & 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 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.

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

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.

15 EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended September 30, 2021 is 1.14% which includes 0.03% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund and annual fee payable 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 money market scheme.

16 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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions carried out by the Fund with connected persons and related parties and balances with them at period 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) September 30, 2021 (Rupees) | |
|--|---|---|
| 16.1 Transactions during the period: | | |
| Faysal Asset Management Limited (the Management Company)* | | |
| Units issued: 776,603 units | 77,660,253 | |
| Units Redeemed: 1,046,892 units | 105,000,000 | |
| Dividend | 660,253 | |
| Faysal Bank Limited (Group company / Associated Company) | | |
| Return on PLS savings accounts | 211,431 | |
| Central Depository Company of Pakistan Limited (the Trustee) | | |
| Remuneration of the Trustee | 29,018 | |
| Sindh sales tax on remuneration of the Trustee | 3,772 | |
| CDC-Trustee Faysal Financial Planning Fund- Faysal Active Principal Preservation Plan | | |
| Issuance of 496,624 units | 50,080,499 | |
| Dividend | 80,499 | |
| Unitholders having holding of 10% or more | | |
| Units issued: 2,439,256 units | 244,343,682 | |
| Units Redeemed: 1,046,892 units | 105,000,000 | |
| Dividend | 847,399 | |
| | (Un-audited) September 30, 2021 (Rupees) | (Audited) June 30, 2021 (Rupees) |
| 16.2 Amounts / balances outstanding as at period end: | | |
| Faysal Asset Management Limited (Management Company)* | | |
| Allocated expenses payable | 75,964 | 75,964 |
| Initial deposits paid on behalf of fund | - | 20,000 |
| Preliminary expenses and flotation costs | 20,000 | 501,525 |
| Outstanding Units : 764,531 (June 30, 2021 : 1,034,821 Units) | 77,113,457 | 103,482,100 |
| Central Depository Company of Pakistan Limited (the Trustee) | | |
| Remuneration to the Trustee | 12,579 | 6,074 |
| Sindh sales tax on remuneration of the Trustee | 1,637 | 792 |
| Security deposits | 100,000 | 100,000 |
| Faysal Bank Limited (Group company / Associated Company) | | |
| Balance in PLS savings accounts | 2,548,432 | 15,718,115 |
| Return on PLS savings accounts | 133,016 | - |
| Faysal Active Principal Preservation Plan (fund managed by the management company) | | |
| Outstanding 100,778 (June 30, 2021: 100,778) units | 60,256,237 | 10,077,800 |
| This unit holder also holds more than 10% units at period end. | | |
| Outstanding 2,527,963 units | 254,979,723 | - |

Notes to and forming part of the Condensed Interim Financial Statements

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

17 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.

17.1 Fair value hierarchy

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

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

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

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

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

| ----- September 30, 2021 ----- | | | | |
|--|---------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| ----- Rupees ----- | | | | |
| ASSETS | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Government securities - Market Treasury Bills | - | - | - | - |
| Commercial Papers | - | 24,239,993 | - | 24,239,993 |
| | - | 24,239,993 | - | 24,239,993 |
| ----- | | | | |
| ----- June 30, 2021 ----- | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| ----- Rupees ----- | | | | |
| ASSETS | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Government securities - Market Treasury Bills | - | 98,626,298 | - | 98,626,298 |
| Commercial Papers | - | - | - | - |
| | - | 98,626,298 | - | 98,626,298 |
| ----- | | | | |

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

18 GENERAL

18.1 Figures are 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.

Karachi

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F 92 21 38657800

Lahore

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Islamabad

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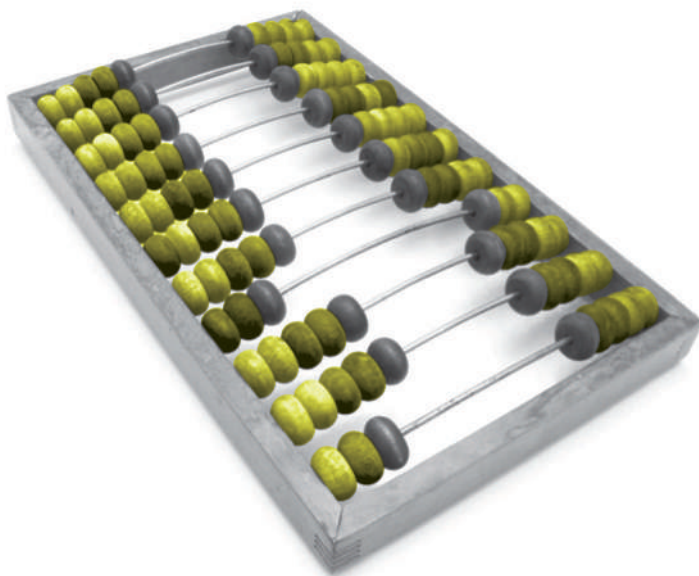
twitter.com/faysalasset

Faysal Funds

Islamic Cash 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

Faysal Bank Limited
Habib Bank Limited
Meezan Bank Limited
Zarai Tarquati 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 Islamic Cash Fund (FICF) endeavors to provide maximum possible preservation of capital and a reasonable rate of return via investing in Shariah Compliant money market securities having good credit quality rating and liquidity.

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 | 4 | 15,258,420,564 | 9,635,299,980 |
| Investments - net | 5 | 1,961,475,399 | 1,698,228,362 |
| Advances, deposit and other receivables | 6 | 130,804,084 | 51,224,037 |
| Preliminary expenses and floatation costs | 7 | 377,941 | 402,597 |
| Total assets | | 17,351,077,988 | 11,385,154,976 |
| Liabilities | | | |
| Payable to Faysal Asset Management Limited - the Management Company | 8 | 7,806,715 | 10,772,653 |
| Payable to Central Depository Company of Pakistan - the Trustee | 9 | 843,369 | 546,232 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 662,230 | 977,743 |
| Payable against redemption of units | | - | 6,286,254 |
| Accrued expenses and other liabilities | 11 | 7,172,968 | 15,642,688 |
| Total liabilities | | 16,485,282 | 34,225,570 |
| Net assets | | 17,334,592,706 | 11,350,929,406 |
| Unit holders' fund (as per the statement attached) | | 17,334,592,706 | 11,350,929,406 |
| Contingencies and commitments | 12 | (Number of units) | (Number of units) |
| Number of unit in issue | | 173,345,924 | 113,509,291 |
| | | (Rupees) | (Rupees) |
| Net assets value per unit | | 100.00 | 100.00 |

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)

| | For the quarter ended September 30, 2021 | For the period from August 11, 2020 to September 30, 2020 |
|--|---|---|
| | ----- (Rupees) ----- | |
| Income | | |
| Profit on balances with banks | 197,046,600 | 10,853,909 |
| Profit on commercial papers | 45,698,445 | 2,982,670 |
| Total Income | <u>242,745,045</u> | <u>13,836,579</u> |
| Operating expenses | | |
| Remuneration of Faysal Asset Management Limited - the Management Company 8.1 | 9,267,560 | 224,486 |
| Sindh sales tax on remuneration of the Management Company 8.2 | 1,204,783 | 29,192 |
| Allocated expenses | - | 173,107 |
| Selling and marketing expenses | 475,269 | 91,113 |
| Remuneration to Central Depository Company of Pakistan Limited - the Trustee 9.1 | 2,152,361 | 112,520 |
| Sindh sales tax on remuneration of the Trustee 9.2 | 279,807 | 14,627 |
| Annual fee to the Securities and Exchange Commission of Pakistan 10.1 | 662,265 | 34,607 |
| Auditors' remuneration | 148,672 | 80,800 |
| Fees and subscriptions | 158,884 | 86,350 |
| Transaction charges | 31,776 | 2,825 |
| Sharia Advisory Fee | 20,516 | 10,200 |
| Legal and Professional Charges | 57,500 | 31,250 |
| Amortisation of preliminary expenses and floatation cost 7 | 24,656 | 25,764 |
| Bank charges | 387 | 6,409 |
| Printing charges | 7,084 | 3,850 |
| Total operating expenses | <u>14,491,520</u> | <u>927,100</u> |
| Net income from operating activities | <u>228,253,525</u> | <u>12,909,479</u> |
| Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF) 11.1 | 6,331,971 | (258,190) |
| Net income for the period before taxation | <u>234,585,496</u> | <u>12,651,289</u> |
| Taxation 13 | - | - |
| Net income for the period after taxation | <u>234,585,496</u> | <u>12,651,289</u> |
| Earning Per Unit | 14 | |
| Allocation of net income for the period | | |
| - Net income for the period after taxation | 234,585,496 | 12,651,289 |
| - Income already paid on units redeemed | - | - |
| | <u>234,585,496</u> | <u>12,651,289</u> |
| Accounting income available for distribution | | |
| - Relating to capital gains | - | - |
| - Excluding capital gains | 234,585,496 | 12,651,289 |
| | <u>234,585,496</u> | <u>12,651,289</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)

| | For the quarter ended September 30, 2021 | For the period from August 11, 2020 to September 30, 2020 |
|--|---|---|
| | ----- (Rupees) ----- | |
| Net income for the period after taxation | 234,585,496 | 12,651,289 |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | 234,585,496 | 12,651,289 |

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)

| | For the quarter ended September 30, 2021 | | | For the period from August 11, 2020 to September 30, 2020 | | |
|--|--|----------------------|-----------------------|---|----------------------|----------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at the beginning of the period | 11,350,929,406 | - | 11,350,929,406 | - | - | - |
| Issuance of 495,588,299 units (2020: 19,863,588) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 49,558,829,900 | - | 49,558,829,900 | 14,360,627,834 | - | 14,360,627,834 |
| - Element of income | - | - | - | - | - | - |
| Total proceeds on issuance of units | 49,558,829,900 | - | 49,558,829,900 | 14,360,627,834 | - | 14,360,627,834 |
| Redemption of 435,751,666 units (2020: 81,734,922 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (43,575,166,600) | - | (43,575,166,600) | (8,173,492,212) | - | (8,173,492,212) |
| - Element of income | - | - | - | - | - | - |
| Total proceeds on issuance of units | (43,575,166,600) | - | (43,575,166,600) | (8,173,492,212) | - | (8,173,492,212) |
| Cash distributions during the period | - | (234,585,496) | (234,585,496) | - | (12,651,289) | (12,651,289) |
| Total comprehensive loss for the period | - | 234,585,496 | 234,585,496 | - | 12,651,289 | 12,651,289 |
| Net assets at the end of the period | 17,334,592,706 | - | 17,334,592,706 | 6,187,135,622 | - | 6,187,135,622 |
| Undistributed income brought forward | | | | | | |
| - Realised income | - | - | - | - | - | - |
| - Unrealised income | - | - | - | - | - | - |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | - | - | - | - | - | - |
| - Excluding capital gains | 234,585,496 | - | 234,585,496 | 12,651,289 | - | 12,651,289 |
| Cash distributions during the period | (234,585,496) | - | (234,585,496) | (12,651,289) | - | (12,651,289) |
| Undistributed income carried forward | - | - | - | - | - | - |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the period | | | 100.00 | | | - |
| Net assets value per unit at end of the period | | | 100.00 | | | 100.00 |

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)

| | For the quarter ended September 30, 2021 | For the period from August 11, 2020 to September 30, 2020 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 234,585,496 | 12,651,289 |
| Adjustments for: | | |
| (Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF) | (6,331,971) | 258,190 |
| Amortisation of preliminary expenses and floatation cost | 24,656 | 25,764 |
| Cash generated from operations | <u>228,278,181</u> | <u>12,935,243</u> |
| Increase in assets | | |
| Investments - net | (263,247,037) | (503,809,924) |
| Advances, deposit and other receivables | (79,580,047) | (8,088,256) |
| Preliminary expenses and floatation costs | - | (501,525) |
| | <u>(342,827,084)</u> | <u>(512,399,705)</u> |
| (Decrease) / increase in liabilities | | |
| Payable to Faysal Asset Management Limited - the Management Company | (2,965,938) | 971,127 |
| Payable to Central Depository Company of Pakistan - the Trustee | 297,137 | 104,309 |
| Payable to the Securities and Exchange Commission of Pakistan | (315,513) | 34,607 |
| Payable against redemption of units | (6,286,254) | - |
| Accrued expenses and other liabilities | (2,137,749) | 479,779 |
| | <u>(11,408,317)</u> | <u>1,589,822</u> |
| Net cash used in operating activities | <u>(125,957,220)</u> | <u>(497,874,640)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received against issue of units | 49,558,829,900 | 14,360,627,834 |
| Amount paid against redemption of units | (43,575,166,600) | (8,173,492,212) |
| Cash distributions | (234,585,496) | (12,651,289) |
| Net cash generated from financing activities | <u>5,749,077,804</u> | <u>6,174,484,333</u> |
| Net increase in cash and cash equivalents | <u>5,623,120,584</u> | <u>5,676,609,693</u> |
| Cash and cash equivalents at the beginning of the period | 9,635,299,980 | - |
| Cash and cash equivalents at the end of the period | <u>4</u> <u>15,258,420,564</u> | <u>5,676,609,693</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

1.1 Faysal Islamic Cash Fund (The Fund) is an open end fund constituted under a trust deed entered into on May 19, 2020 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 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 open end Shari'ah compliant money market scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. 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 August 11, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.3 The investment objective of the fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in shariah compliant money market securities.

1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

1.5 The Management Company has been assigned a quality rating of 'AM2+' by VIS Credit Rating Company Limited dated August 10, 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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 period from August 11, 2020 to 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) ----- | |
| 4 | BALANCES WITH BANKS | | |
| | Saving accounts | 4.1 <u>15,258,420,564</u> | <u>9,635,299,980</u> |
| 4.1 | These savings accounts carry profit at rates ranging from 2.50% to 6.80% (June 30, 2021: 2.50% to 6.90%) per annum. Deposits in savings accounts also include Rs.8,572.70 million (June 30, 2021: Rs. 6,675.15 million) maintained with Faysal Bank Limited, a related party, and carry profit at the rate of 6.80% (June 30, 2021: 6.80%) per annum. | | |

| | | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
|----------|---|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 5 | INVESTMENTS | | |
| | At fair value through profit or loss | | |
| | Commercial papers | 5.1 1,352,783,959 | 1,398,228,362 |
| | Sukuk certificates | 5.2 300,000,000 | 300,000,000 |
| | Bai muajjal | 5.3 308,691,440 | - |
| | | <u>1,961,475,399</u> | <u>1,698,228,362</u> |

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

5.1 Commercial papers

| Name of the security | Face value | | | | Carrying value as at September 30, 2021 | Market Value as at September 30, 2021 | Date of Maturity | Market value as percentage of | |
|--|--------------------|-----------------------------------|--|--------------------------------|---|---|------------------|----------------------------------|--------------------------|
| | Opening balance | Purchased during the period | Matured / sold during the period | As at September 30, 2021 | | | | net assets | total invest- ment |
| K-Electric Limited - Islamic Commercial Paper (ICP-15) | 325,000,000 | - | 325,000,000 | - | - | - | 2-Sep-21 | - | - |
| K-Electric Limited - Islamic Commercial Paper (ICP-16) | 600,000,000 | - | 600,000,000 | - | - | - | 16-Sep-21 | - | - |
| K-Electric Limited - Islamic Commercial Paper (ICP-18) | 500,000,000 | - | - | 500,000,000 | 498,030,643 | 498,030,643 | 19-Oct-21 | 4.39% | 25.39% |
| K-Electric Limited - Islamic Commercial Paper (ICP-19) | 375,000,000 | - | 375,000,000 | 375,000,000 | 366,754,928 | 366,754,928 | 12-Jan-22 | 3.23% | 18.70% |
| K-Electric Limited - Islamic Commercial Paper (ICP-20) | 270,000,000 | - | 270,000,000 | 270,000,000 | 263,247,412 | 263,247,412 | 27-Jan-22 | 2.32% | 13.42% |
| K-Electric Limited - Islamic Commercial Paper (ICP-17) | 225,000,000 | - | 225,000,000 | 225,000,000 | 224,750,976 | 224,750,976 | 6-Oct-21 | 1.98% | 11.46% |
| Total | | | | | 1,352,783,959 | 1,352,783,959 | | 11.92% | 68.97% |

5.2 Sukuk certificates

| Name of the security | Profit payments / principal redemptions | Profit rate | Maturity date | As at July 1, 2021 | Purchases during the period | Sales / redemptions 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) on remeasurement as at September 30, 2021 | Market value as a percentage of | |
|--|---|---|---------------|---------------------------------|-----------------------------|---------------------------------------|--------------------------|---|---------------------------------------|--|---------------------------------|------------------------|
| | | | | | | | | | | | Total Investments of the Fund | Net Assets of the Fund |
| | | | | ----- Face value (Rupees) ----- | | | | ----- Rupees ----- | | ----- % ----- | | |
| The Hub Power Company Limited At maturity (A1+, PACRA) | | 6 months KIBOR plus November 5, base rate of 1.1% | | 300,000,000 | - | - | 300,000,000 | 300,000,000 | 300,000,000 | - | 17.67% | 2.64% |
| | | | | | | | | 300,000,000 | 300,000,000 | | | |

5.3 Bai muajjal

| Particulars | Number of certificates | | | | Carrying value as at 30 September 2021 | Market value as at 30 September 2021 | Unrealised appreciation as at 30 September 2021 | Profit Rate |
|--------------------------|------------------------|----------------------------|----------------------------|-------------------------|--|--------------------------------------|---|-------------|
| | As at 01 July 2021 | Acquired during the period | Disposed during the period | As at 30 September 2021 | | | | |
| Bai Muajjal (02-09-2021) | - | 308,691,440 | - | 308,691,440 | 308,691,440 | 308,691,440 | - | 7.2500% |
| | - | 308,691,440 | - | 308,691,440 | 308,691,440 | 308,691,440 | - | |

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

6 ADVANCES, DEPOSIT & OTHER RECEIVABLES

| | | | |
|---|-----|--------------------|-------------------|
| Security deposits with Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| Profit receivable on debt securities | | 12,369,256 | 4,036,316 |
| Profit receivable on balances with banks | 6.1 | 117,829,118 | 46,582,011 |
| Advance tax | | 505,710 | 505,710 |
| | | <u>130,804,084</u> | <u>51,224,037</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

- 6.1 This includes return receivable amounting to Rs. 34.571 million (June 30,2021: Rs. 29.651 million) on balance held with Faysal Bank Limited, a related party.

| | | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
|-----------------------------------|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 7 | PRELIMINARY EXPENSES AND FLOATATION COSTS | | |
| Opening balance | | 402,597 | 501,525 |
| Less: amortisation for the period | | (24,656) | (98,928) |
| Closing balance | 7.1 | <u>377,941</u> | <u>402,597</u> |

- 7.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from August 11, 2020 in accordance with the trust deed of the Fund and the NBFC Regulations.

| | | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
|---|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 8 | PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY | | |
| Management fee payable | 8.1 | 3,282,337 | 2,463,354 |
| Sindh sales tax payable on management fee | 8.2 | 426,664 | 320,196 |
| Allocated expenses payable | | 3,041,088 | 3,090,920 |
| Selling and marketing charges payable | | 525,101 | 4,366,658 |
| Preliminary expenses and flotation cost payable | 7.1 | 501,525 | 501,525 |
| Other payable | | 30,000 | 30,000 |
| | | <u>7,806,715</u> | <u>10,772,653</u> |

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. The Management Company has determined the maximum rate to be 1% and is charging the remuneration variably keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 as per below details which is payable monthly in arrears.

| From July 01, 2021 to August 10, 2021 | From August 11, 2021 to September 30, 2021 |
|---------------------------------------|--|
| 0.25% of average annual assets | 0.3% of average annual assets |

- 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.

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 |
|----------|--|---------------------------------------|-------------------------------|
| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE | Note ----- (Rupees) ----- | |
| | Remuneration payable to the Trustee | 9.1 746,303 | 483,350 |
| | Sindh sales tax on remuneration of the Trustee | 9.2 97,066 | 62,882 |
| | | <u>843,369</u> | <u>546,232</u> |

9.1 The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed.

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

| | | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
|-----------|--|---------------------------------------|-------------------------------|
| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note ----- (Rupees) ----- | |
| | Annual fee | 10.1 662,230 | 977,743 |

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.

| | | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
|-----------|---|---------------------------------------|-------------------------------|
| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note ----- (Rupees) ----- | |
| | Auditors' remuneration | 551,840 | 403,168 |
| | Legal & Professional Charges payable | 309,375 | 251,875 |
| | Rating fee payable | 321,210 | 250,002 |
| | Annual listing fee payable | 395,495 | 307,819 |
| | Withholding tax payable | 5,284,817 | 1,345 |
| | Printing charges payable | 13,542 | 67,545 |
| | Shariah advisory fee payable | 88,061 | 8,028,926 |
| | Provision for Sindh Workers' Welfare Fund | 11.1 - | 6,332,008 |
| | Transaction Charges Payable | 14,805 | |
| | Other payable | 193,823 | - |
| | | <u>7,172,968</u> | <u>15,642,688</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

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 August 11, 2020 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its letter dated August 30, 2021.

12 CONTINGENCIES AND COMMITMENTS

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

13 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 required minimum percentage of income earned by the Fund for the period ending September 30, 2021 to the unit holders in the manner explained above, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance, 2001.

14 EARNINGS PER UNIT

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

15 EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period from July 1, 2021 to September 30, 2021 is 0.45% which includes 0.07% representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund and annual fee payable 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 money market scheme.

16 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

Notes to and forming part of the Condensed Interim Financial Statements

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

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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the trust deed.

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

| | (Un-audited) September 30, 2021 | (Un-audited) September 30, 2020 |
|--|---------------------------------------|---------------------------------------|
| | ----- (Rupees) ----- | |
| 16.1 Transactions during the period: | | |
| Faysal Asset Management Limited (the Management Company)* | | |
| Remuneration of the Management Company | 9,267,560 | 224,486 |
| Sales tax on remuneration of the Management Company | 1,204,783 | 29,192 |
| Allocated expenses | - | 173,107 |
| Selling and marketing expenses | 475,269 | 91,113 |
| Units issued: Nil units (2020: 21,139,212 units) | - | 2,113,921,230 |
| Units redeemed: Nil units (2020: 16,509,212 units) | - | 1,650,921,230 |
| Dividend | - | 756,646 |
| Faysal Bank Limited (Group company / Associated Company) | | |
| Return on PLS savings accounts | 78,884,633 | 10,853,909 |
| Central Depository Company of Pakistan Limited (the Trustee) | | |
| Remuneration of the Trustee | 2,152,361 | 112,520 |
| Sindh sales tax on remuneration of the Trustee | 279,807 | 14,627 |
| CDC Trustee Faysal Shariah Planning Fund- Faysal Shariah Capital Preservation Plan II | | |
| Issuance of 30,215,124 units (2020: 23,022,785 units) | 3,021,512,433 | 2,302,278,457 |
| Redemption of 30,215,124 units (2020: 16,722,785 units) | 3,021,512,433 | 1,672,278,457 |
| Dividend | 1,512,433 | 540,162 |
| CDC Trustee Faysal Shariah Planning Fund- Faysal Shariah Capital Preservation Plan I | | |
| Issuance of 11,405,960 units (2020: 14,209,712 units) | 1,140,595,966 | 1,770,971,228 |
| Redemption of 11,405,960 units (2020: 17,709,712 units) | 1,140,595,966 | 1,420,971,228 |
| Dividend | 595,966 | 417,919 |
| CDC - Trustee FFPF-Faysal Active Principal Preservation Plan | | |
| Issuance of 3,201,683 units (2020: Nil units) | 320,168,350 | - |
| Redemption of 3,201,683 units (2020: Nil units) | 320,168,350 | - |
| Dividend | 168,350 | - |

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 | (Un-audited) September 30, 2020 |
|--|---------------------------------------|---------------------------------------|
| | ----- (Rupees) ----- | |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan III | | |
| Issuance of 38,869,275 units (2020: 19,238,154 units) | 3,886,927,468 | 1,923,815,444 |
| Redemption of 38,869,275 units (2020: 12,838,154 units) | 3,886,927,468 | 1,283,815,444 |
| Dividend | 1,927,468 | 370,627 |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan IV | | |
| Issuance of 18,508,432 units (2020: Nil units) | 1,850,843,165 | - |
| Redemption of 18,508,432 units (2020: Nil units) | 1,850,843,165 | - |
| Dividend | 843,165 | - |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan V | | |
| Issuance of 30,014,889 units(2020: 17,420,000 units) | 3,001,488,877 | 1,742,000,000 |
| Redemption of 30,014,889 units (2020: 10,422,382 units) | 3,001,488,877 | 1,042,238,198 |
| Dividend | 1,488,877 | 335,848 |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VI | | |
| Issuance of 61,627,916 units(2020: Nil units) | 6,162,791,638 | - |
| Redemption of 52,224,912 units (2020: NIL units) | 5,222,491,237 | - |
| Dividend | 2,791,638 | - |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VII | | |
| Issuance of 131,909,836 units(2020: Nil units) | 13,190,983,571 | - |
| Redemption of 111,553,482 units (2020: Nil units) | 11,155,348,192 | - |
| Dividend | 5,983,571 | - |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VIII | | |
| Issuance of 106,312,690 units(2020: Nil units) | 10,631,269,042 | - |
| Redemption of 96,055,705 units (2020: Nil units) | 9,605,570,537 | - |
| Dividend | 6,955,048 | - |
| Unit holders with 10% or more unit holding | | |
| Issuance of 257,448,919 units(2020: Nil units) | 25,744,891,863 | - |
| Redemption of 217,509,187 units (2020: Nil units) | 21,750,918,729 | - |
| Dividend | 101,052,563 | - |

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 Amounts / balances outstanding as at period end: | | |
| Faysal Asset Management Limited (the Management Company) | | |
| Management fee payable | 3,282,337 | 2,463,354 |
| Sindh sales tax payable on management fee | 426,664 | 320,196 |
| Allocated expenses payable | 3,041,088 | 3,090,920 |
| Selling and marketing charges payable | 525,101 | 4,366,658 |
| Preliminary expenses and floatation cost payable | 501,525 | 501,525 |
| Other payable | 30,000 | 30,000 |
| Central Depository Company of Pakistan Limited (the Trustee) | | |
| Remuneration to the Trustee | 746,303 | 483,350 |
| Sindh sales tax on remuneration of the Trustee | 97,066 | 62,882 |
| Security deposits | 100,000 | 100,000 |
| Faysal Bank Limited (group company / associated company) | | |
| Balance with bank | 8,572,697,644 | 6,675,151,031 |
| Profit receivable on balance with bank | 34,571,158 | 29,650,501 |
| | (Un-audited) September 30, 2021 | (audited) June 30, 2021 |
| | ----- (Rupees) ----- | |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VI | | |
| Outstanding Units : 9,403,004 (2020: Nil) | 940,300,401 | - |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VII | | |
| Outstanding Units: 20,356,354 (2020: Nil) | 2,035,635,380 | - |
| CDC-Trustee Faysal Islamic Financial Planning Fund- Faysal Shariah Capital Preservation Plan VIII | | |
| Outstanding Units: 25,009,419 (2020: 14,752,434) | 2,500,941,880 | 1,475,243,400 |
| Unitholders having holding of 10% or more | | |
| Outstanding Units: 101,489,243 (2020: 61,499,348) | 10,148,924,337 | 6,149,934,800 |

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

17 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.

17.1 Fair value hierarchy

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

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

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

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

Notes to and forming part of the Condensed Interim Financial Statements

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

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

| September 30, 2021 (Un-audited) | | | |
|---------------------------------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |

----- (Rupees in '000) -----

Financial assets 'at fair value through profit or loss'

| | | | | |
|----------------------|---|----------------------|---|----------------------|
| Commercial papers* | - | 1,352,783,959 | - | 1,352,783,959 |
| Sukuk certificates** | - | 300,000,000 | - | 300,000,000 |
| Bai muajjal** | - | 308,691,440 | - | 308,691,440 |
| | - | <u>1,961,475,399</u> | - | <u>1,961,475,399</u> |

| June 30, 2021 (Audited) | | | |
|-------------------------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |

-----Rupees-----

Financial assets 'at fair value through profit or loss'

| | | | | |
|----------------------|---|----------------------|---|----------------------|
| Commercial papers* | - | 1,398,228,362 | - | 1,398,228,362 |
| Sukuk certificates** | - | 300,000,000 | - | 300,000,000 |
| | - | <u>1,698,228,362</u> | - | <u>1,698,228,362</u> |

* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

18 GENERAL

18.1 Figures are 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.

Karachi

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Lahore

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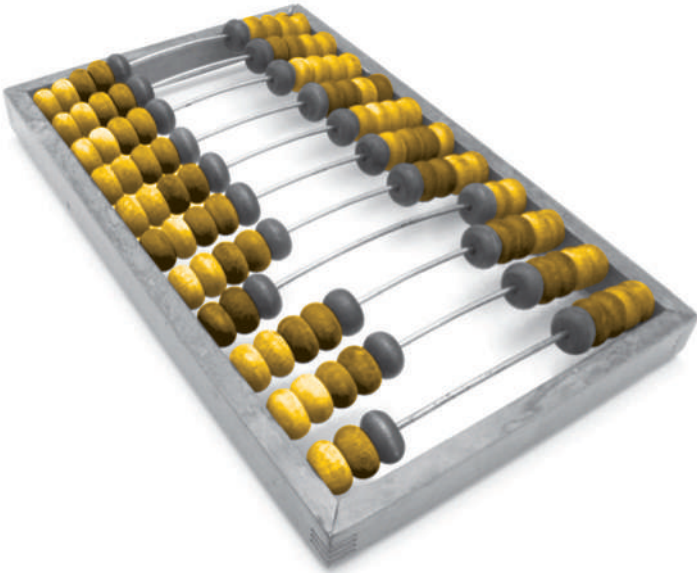
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Faysal Funds

Financial Value 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. Nadir Rehman, Chairman

Mr. Salman Ahmed Usmani, Member

Mr. Osman Asghar Khan, Member

Trustee to the Fund

Central Depository Company of Pakistan Limited,

CDC House, 99B, Block B, S.M.C.H.S.,

Main Shahrah-e-Faisal, Karachi.

Bankers to the Fund

Faysal Bank Limited

Soneri 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 Financial Value Fund is to seek long term capital appreciation by investing in money market and debt instrument with major exposure in financial sector.

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2021

| | (Un-audited) | (Audited) |
|---|-------------------------------|----------------------|
| Note | September 30, 2021 | June 30, 2021 |
| | ----- (Rupees) ----- | |
| Assets | | |
| Balances with banks | 5 540,590,029 | 390,956,700 |
| Investments | 6 1,325,932,631 | 1,427,464,737 |
| Advances, deposits and other receivables | 105,266,321 | 97,057,388 |
| Preliminary expenses and floatation costs | 7 648,278 | 698,602 |
| Total assets | 1,972,437,259 | 1,916,177,427 |
| Liabilities | | |
| Payable to Faysal Asset Management Limited - Management Company | 8 2,411,429 | 2,301,404 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 133,915 | 130,351 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 96,067 | 348,560 |
| Accrued expenses and other liabilities | 11 15,638,528 | 20,590,837 |
| Payable against purchase of investments | 8,265,008 | 23,946,651 |
| Total liabilities | 26,544,947 | 47,317,803 |
| Net assets | <u>1,945,892,312</u> | <u>1,868,859,624</u> |
| Unit holders' fund (as per the statement attached) | <u>1,945,892,312</u> | <u>1,868,859,624</u> |
| Contingencies and commitments | 12 | |
| | ----- (Number of units) ----- | |
| Number of units in issue | <u>16,289,414</u> | <u>16,030,950</u> |
| | ----- (Rupees) ----- | |
| Net asset value per unit | <u>119.46</u> | <u>116.58</u> |

The annexed notes from 1 to 20 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)

| | | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|--|------|--|--|
| | Note | ----- (Rupees) ----- | |
| Income | | | |
| Profit on balances with banks | | 9,844,784 | 5,253,444 |
| Interest income from debt securities | | 30,265,038 | 33,664,360 |
| Net realised gain on sale / maturity of investments | | 1,187,064 | 14,531,040 |
| | | 41,296,886 | 53,448,844 |
| Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | 3,122,697 | (932,624) |
| Total income | | 44,419,583 | 52,516,220 |
| Expenses | | | |
| Remuneration of Faysal Asset Management Limited - Management Company | 8.1 | 1,201,585 | 647,160 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 179,618 | 81,973 |
| Allocated Expenses | | - | 431,440 |
| Selling and marketing expenses | | 480,634 | 431,440 |
| Remuneration to Central Depository Company of Pakistan Limited - Trustee | 9.1 | 360,475 | 683,495 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 47,102 | 90,602 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10.1 | 96,127 | 86,288 |
| Transaction charges | | 37,111 | 431,104 |
| Auditors' remuneration | | 124,476 | 124,476 |
| Fees and subscriptions | | 75,747 | 75,747 |
| Amortisation of preliminary expenses and floatation cost | 7 | 50,324 | 50,324 |
| Bank charges | | 678 | 623 |
| Printing charges and other expenses | | 6,260 | 6,256 |
| Total expenses | | 2,660,137 | 3,140,928 |
| Net income from operating activities | | 41,759,446 | 49,375,292 |
| Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF) | 11.1 | 4,917,528 | (987,507) |
| Net income for the period before taxation | | 46,676,974 | 48,387,785 |
| Taxation | 13 | - | - |
| Net income for the period after taxation | | 46,676,974 | 48,387,785 |
| Earnings per unit | 14 | - | - |
| Allocation of net income for the period | | | |
| Net income for the period after taxation | | 46,676,974 | 48,387,785 |
| Income already paid on units redeemed | | (1,009,065) | (226,498) |
| | | 45,667,909 | 48,161,287 |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 4,309,761 | 13,598,416 |
| - Excluding capital gains | | 41,358,148 | 34,562,871 |
| | | 45,667,909 | 48,161,287 |

The annexed notes from 1 to 20 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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|--|--|--|
| | ----- (Rupees) ----- | |
| Net income for the period after taxation | 46,676,974 | 48,387,785 |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | 46,676,974 | 48,387,785 |

The annexed notes from 1 to 20 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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | | | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 | | |
|---|---|--------------------------|----------------------|---|--------------------------|----------------------|
| | Capital value | Undistribut ed income | Total | Capital value | Undistribut ed income | Total |
| | ------(Rupees)----- | | | ------(Rupees)----- | | |
| Net assets at the beginning of the period | 1,862,889,068 | 5,970,556 | 1,868,859,624 | 1,688,467,449 | 3,190,924 | 1,691,658,373 |
| Issuance of 755,470 units (2020: 47,935,410 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 88,072,640 | - | 88,072,640 | 45,484,318 | - | 45,484,318 |
| - Element of income | 1,233,074 | - | 1,233,074 | 1,247,511 | - | 1,247,511 |
| Total proceeds on issuance of units | 89,305,714 | - | 89,305,714 | 46,731,829 | - | 46,731,829 |
| Redemption of 497,006 units (2020: 32,043,068 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (57,940,935) | | (57,940,935) | (13,773,502) | - | (13,773,502) |
| - Element of income | - | (1,009,065) | (1,009,065) | - | (226,498) | (226,498) |
| Total payments on redemption of units | (57,940,935) | (1,009,065) | (58,950,000) | (13,773,502) | (226,498) | (14,000,000) |
| Total comprehensive income for the period | - | 46,676,974 | 46,676,974 | - | 48,387,785 | 48,387,785 |
| Distribution for the period @ Re. 0.1248 per unit on January 03, 2020 | - | - | - | - | - | - |
| Net assets at the end of the period | 1,894,253,847 | 51,638,465 | 1,945,892,312 | 1,721,425,776 | 51,352,211 | 1,772,777,987 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 1,131,014 | | | 437,782 | |
| - Unrealised income | | 4,839,542 | | | 2,753,142 | |
| | | 5,970,556 | | | 3,190,924 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | 4,309,761 | | | 13,598,416 | | |
| - Excluding capital gains | 41,358,148 | | | 34,562,871 | | |
| | 45,667,909 | | | 48,161,287 | | |
| Distribution for the period @ Re. 0.1248 per unit on January 03, 2020 i.e. 0.12% of the par value of Rs. 100/- each | | - | | | - | |
| Undistributed income carried forward | | 51,638,465 | | | 51,352,211 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 48,515,768 | | | 52,284,835 | |
| - Unrealised income | | 3,122,697 | | | (932,624) | |
| | | 51,638,465 | | | 51,352,211 | |
| | | (Rupees) | | | (Rupees) | |
| Net assets value per unit at the beginning of the period | | 116.58 | | | 106.44 | |
| Net assets value per unit at the end of the period | | 119.46 | | | 109.50 | |

The annexed notes from 1 to 20 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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30 2020 |
|--|--|---|
| Note | | |
| | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 46,676,974 | 48,387,785 |
| Adjustments for: | | |
| Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | (3,122,697) | 932,624 |
| Net capital gain on sale / maturity of investments | (1,187,064) | (14,531,040) |
| (Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF) | (4,917,528) | 987,507 |
| | <u>37,449,685</u> | <u>35,776,876</u> |
| Decrease / (Increase) in assets | | |
| Investments | 105,841,867 | (65,717,489) |
| Advances, deposits and other receivables | (8,208,933) | 565,907 |
| Preliminary expenses and floatation costs | 50,324 | 50,324 |
| | <u>97,683,258</u> | <u>(65,101,258)</u> |
| Increase / (decrease) in liabilities | | |
| Payable to Faysal Asset Management Limited - Management Company | 110,025 | 873,905 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 3,564 | 10,788 |
| Payable to the Securities and Exchange Commission of Pakistan | (252,493) | (43,542) |
| Payable against purchase of investments | (15,681,643) | - |
| Accrued expenses and other liabilities | (34,781) | (5,708,782) |
| | <u>(15,855,328)</u> | <u>(4,867,631)</u> |
| Net cash generated from / (used in) operating activities | <u>119,277,615</u> | <u>(34,192,013)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts against issuance of units net of refund of capital | 89,305,714 | 46,731,829 |
| Payments made against redemption of units | (58,950,000) | (14,000,000) |
| Net cash generated from financing activities | <u>30,355,714</u> | <u>32,731,829</u> |
| Net increase / (decrease) in cash and cash equivalents during the period | <u>149,633,329</u> | <u>(1,460,184)</u> |
| Cash and cash equivalents at the beginning of the period | 390,956,700 | 314,921,664 |
| Cash and cash equivalents at the end of the period | <u>540,590,029</u> | <u>313,461,480</u> |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Financial Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on October 29, 2019 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 and 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 open ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from December 27, 2019 and are transferable and redeemable by surrendering them to the Fund.

1.3 The investment objective of the Fund is to seek long term capital appreciation through investments in equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in Constitutive documents of the Fund 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). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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>540,590,029</u> | <u>390,956,700</u> |

- 5.1 These savings accounts carry mark-up at rates ranging from 5.50% to 7.8% (June 30, 2021: 5.50% to 7.35%) per annum. Deposits in savings accounts also include Rs. 21.604 million (June 30, 2021: Rs. 1.081 million) maintained 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 | | |
| | Term Finance Certificates (TFCs) | 6.1 1,287,979,742 | 1,286,953,591 |
| | Sukuk certificates | 6.3 11,147,859 | 14,871,741 |
| | Commercial Papers | 6.4 18,442,480 | - |
| | Listed equity securities | 6.4 8,516,665 | 123,429,875 |
| | Future stock contracts | 6.5 (154,115) | 2,209,530 |
| | | <u>1,325,932,631</u> | <u>1,427,464,737</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

6.1 Term Finance Certificates (TFCs)

| Name of the investee company | As at July 1, 2021 | Purchased during the period | Sold / redeemed during the period | As at September 30, 2021 | Carrying value as at September 30, 2021 | Market value as at September 30, 2021 | Unrealised diminution as at September 30, 2021 | Percentage in relation to | |
|---|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|---|---------------------------------------|--|---------------------------|--------------|
| | ----- (Number of certificates) ----- | | | ----- (Rupees) ----- | | | ----- % ----- | | |
| COMMERCIAL BANKS | | | | | | | | | |
| Askari Bank Limited (AA-, PACRA, non-traded) (Face value of 1,000,000 per certificate) | 243 | - | - | 243 | 243,000,000 | 243,000,000 | - | 12.49 | 18.33 |
| Bank Al Habib Limited (AA-, PACRA, non-traded) (Face value of 5,000 per certificate) | 30,000 | - | - | 30,000 | 150,000,000 | 150,000,000 | - | 7.71 | 11.31 |
| Bank Alfalah Limited (AA+ , VIS, non-traded) (Face value of 5,000 per certificate) | 56,000 | - | - | 56,000 | 280,000,000 | 280,000,000 | - | 14.39 | 21.12 |
| JS Bank Limited (A+ , PACRA, non-traded) (Face value of 4,991 per certificate) | 24,000 | - | - | 24,000 | 122,308,240 | 124,275,900 | 1,967,660 | 6.39 | 9.37 |
| Soneri Bank Limited (A+ , PACRA, non-traded) (Face value of 4,989 per certificate) | 53,300 | - | - | 53,300 | 265,860,400 | 266,923,842 | 1,063,442 | 13.72 | 20.13 |
| United Bank Limited (AA+ , VIS, non-traded) (Face value of 5,000 per certificate) | 44,756 | - | - | 44,756 | 223,780,000 | 223,780,000 | - | 11.50 | 16.88 |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | |
| Pakistan Water And Power Development Authority (AAA, PACRA, non-traded) (Face value of 357 per certificate) | 5,500 | - | 5,500 | - | - | - | - | - | - |
| Total as at September 30, 2021 | | | | | 1,284,948,640 | 1,287,979,742 | 3,031,102 | 66.20 | 97.14 |
| Total as at June 30, 2021 | | | | | 1,282,711,156 | 1,286,953,591 | 4,242,435 | 68.85 | 90.17 |

6.2 Sukuk Certificates

| Name of the security | As at July 1, 2021 | Purchased during the period | Sold / redeemed during the period | As at September 30, 2021 | Carrying value as at September 30, 2021 | Market value as at September 30, 2021 | Unrealised diminution as at September 30, 2021 | Percentage in relation to | |
|---|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|---|---------------------------------------|--|---------------------------|-------------|
| | ----- (Number of certificates) ----- | | | ----- (Rupees) ----- | | | ----- % ----- | | |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | |
| K- Electric Limited (AA+ , VIS, non-traded) (Face value of 1,000 per certificate) | 14,737 | - | - | 14,737 | 11,153,808 | 11,147,859 | (5,949) | 0.57 | 0.84 |
| Total as at September 30, 2021 | | | | | 11,153,808 | 11,147,859 | (5,949) | 0.57 | 0.84 |
| Total as at June 30, 2021 | | | | | 15,029,206 | 14,871,741 | (157,465) | 0.80 | 1.04 |

Notes to and forming part of the Condensed Interim Financial Statements

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

6.3 Commercial Papers

| Name of the security | As at July 1, 2021 | Purchased during the period | Disposed during the period | As at September 30, 2021 | Carrying Value as at September 30, 2021 | Market value as at September 30, 2021 | Unrealized gain / (loss) on revaluation | Percentage in relation to | |
|---------------------------------------|--------------------|-----------------------------|----------------------------|--------------------------------------|---|---------------------------------------|---|---------------------------|----------------------------------|
| | | | | | | | | Net assets of the Fund | Total market value of investment |
| | | | | ----- (Number of certificates) ----- | ----- (Rupees) ----- | | ----- % ----- | | |
| Next Capital Limited-Commercial Paper | - | 200 | - | 200 | 18,442,480 | 18,442,480 | - | 0.95 | 1.39 |
| Total as at September 30, 2021 | | | | | 18,442,480 | 18,442,480 | - | 0.95 | 1.39 |
| Total as at June 30, 2021 | | | | | - | - | - | - | - |

6.4 Listed equity securities

| Name of the Investee Company | Note | As at July 01, 2021 | Purchased during the period | Bonus / right shares received during the period | Disposed off 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) on revaluation | Market Value as a percentage of | | Holding as a percentage of Investee company paid-up capital of the Fund |
|--|-------|---------------------|-----------------------------|---|--------------------------------|--------------------------|---|---------------------------------------|--|---------------------------------|-------------------------------|---|
| | | | | | | | | | | Net assets of the Fund | Total investments of the Fund | |
| | | | | | | | ----- (Rupees) ----- | | ----- % ----- | | | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | | | | |
| Ghandhara Industries Limited | | - | 1,000 | - | 1,000 | - | - | - | - | - | - | - |
| Ghandhara Nissan Limited | | - | 7,000 | - | 7,000 | - | - | - | - | - | - | - |
| CEMENT | | | | | | | | | | | | |
| D.G. Khan Cement Company Limited | | - | 3,500 | - | - | 3,500 | 290,805 | 309,470 | 18,665 | 0.02 | 0.00 | 0.00 |
| | | | | | | | 290,805 | 309,470 | 18,665 | 0.02 | 0.00 | 0.00 |
| CHEMICAL | | | | | | | | | | | | |
| Ghani Global Holdings Limited | | 36,500 | - | - | 36,500 | - | - | - | - | - | - | - |
| FOOD AND PERSONAL CARE PRODUCTS | | | | | | | | | | | | |
| Al-Shaheer Corporation Limited | | 323,000 | 10,500 | - | 333,500 | - | - | - | - | - | - | - |
| Unity Foods Limited | | - | 1,500 | - | 1,500 | - | - | - | - | - | - | - |
| Fauji Foods Limited | | - | 22,500 | - | 22,500 | - | - | - | - | - | - | - |
| Treet Corporation Limited | | 141,000 | 7,500 | - | 148,500 | - | - | - | - | - | - | - |
| OIL & GAS MARKETING COMPANIES | | | | | | | | | | | | |
| Pakistan State Oil Company Limited | | 6,500 | - | - | 500 | 6,000 | 1,168,162 | 1,205,940 | 37,778 | 0.06 | 0.09 | 0.00 |
| Sui Northern Gas Pipelines Limited | | - | 3,500 | - | 3,500 | - | 1,168,162 | 1,205,940 | 37,778 | 0.06 | 0.09 | 0 |
| | | | | | | | 1,168,162 | 1,205,940 | 37,778 | 0.06 | 0.09 | 0 |
| GLASS & CERAMICS | | | | | | | | | | | | |
| Tariq Glass Industries Ltd | | - | 12,500 | - | - | 12,500 | 1,256,250 | 1,268,125 | 11,875 | 0.07 | 0.10 | 0.01 |
| | | | | | | | 1,256,250 | 1,268,125 | 11,875 | 0.07 | 0.10 | 0 |
| MISCELLANEOUS | | | | | | | | | | | | |
| Tariq Glass Industries Ltd | | - | 8,000 | - | 8,000 | - | - | - | - | - | - | - |
| REFINERY | | | | | | | | | | | | |
| Attock Refinery Limited | | 500 | - | - | 500 | - | - | - | - | - | - | - |
| Byco Petroleum Pakistan Limited | | - | 127,000 | - | 127,000 | - | - | - | - | - | - | - |
| National Refinery Limited | | - | 13,500 | - | 500 | 13,000 | 3,771,058 | 3,937,180 | 166,122 | 0.20 | 0.30 | 0.02 |
| Pakistan Refinery Limited | | - | 29,500 | - | 29,500 | - | - | - | - | - | - | - |
| | | | | | | | 3,771,058 | 3,937,180 | 166,122 | 0.20 | 0.30 | 0.02 |
| TRANSPORT | | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | | 6,000 | 16,500 | - | 22,500 | - | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - | - |
| POWER GENERATION & DISTRIBUTION | | | | | | | | | | | | |
| K-Electric Limited | 6.4.1 | - | 13,000 | - | 13,000 | - | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - | - |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | | | |
| Avanceon Limited | | - | 5,500 | - | 5,500 | - | - | - | - | - | - | - |
| Hum Network Limited | 6.4.1 | 100,000 | 119,000 | - | 219,000 | - | - | - | - | - | - | - |
| Netsol Technologies Limited | | - | 1,500 | - | 1,500 | - | - | - | - | - | - | - |
| Telecard Limited | | - | 48,000 | - | - | 48,000 | 839,205 | 841,920 | 2,715 | 0.04 | 0.06 | 0.02 |
| Trg Pakistan Limited - Class 'A' | | 257,500 | 20,500 | - | 278,000 | - | - | - | - | - | - | - |
| | | | | | | | 839,205 | 841,920 | 2,715 | 0.04 | 0.06 | 0.02 |
| TEXTILE COMPOSITE | | | | | | | | | | | | |
| Azgard Nine Limited | | 1,899,500 | 4,500 | - | 1,904,000 | - | - | - | - | - | - | - |
| Nishat Mills Limited | | - | 10,500 | - | - | 10,500 | 939,529 | 954,030 | 14,501 | 0.05 | 0.07 | 0.00 |
| | | | | | | | 939,529 | 954,030 | 14,501 | 0.05 | 0.07 | 0.00 |
| Total as at September 30, 2021 | | | | | | | 8,265,009 | 8,516,665 | 251,656 | 0.44 | 0.62 | 0.05 |
| Total as at June 30, 2021 | | | | | | | 124,884,833 | 123,429,875 | 319,974 | | | |

Notes to and forming part of the Condensed Interim Financial Statements

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

6.4.1 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.

6.5 This represents unrealised diminution amounting to Rs. 0.15 million (June 30, 2021: Rs. 2.21 million) on mark to market of future stock contracts.

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|----------|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 7 | PRELIMINARY EXPENSES AND FLOATATION COSTS | | |
| | At the beginning of the period | 698,602 | 898,257 |
| | Less: amortisation during the period | (50,324) | (199,655) |
| | At the end of the period | 7.1 <u>648,278</u> | <u>698,602</u> |

7.1 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 December 27, 2019 in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|----------|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 8 | PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY | | |
| | Remuneration of the Management Company | 8.1 394,428 | 384,669 |
| | Sindh sales tax on remuneration of the Management Company | 8.2 78,695 | 50,007 |
| | Allocated expenses payable | 1,437,672 | 1,437,672 |
| | Selling and marketing expenses payable | 480,634 | 409,056 |
| | Other payable | <u>20,000</u> | <u>20,000</u> |
| | | <u>2,411,429</u> | <u>2,301,404</u> |

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

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.25% 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.

Notes to and forming part of the Condensed Interim Financial Statements

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

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|----------|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | |
| | Remuneration of the Trustee | 9.1 118,283 | 115,355 |
| | Sindh sales tax on remuneration of the Trustee | 9.2 15,632 | 14,996 |
| | | <u>133,915</u> | <u>130,351</u> |

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

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

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|-----------|--|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | |
| | Annual fee payable | 10.1 96,067 | 348,560 |

10.1 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) September 30, 2021 | (Audited) June 30, 2021 |
|-----------|---|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees) ----- | |
| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| | Auditors' remuneration payable | 435,310 | 310,834 |
| | Fees and subscription payable | 515,401 | 439,654 |
| | Printing expense payable | 23,016 | 20,821 |
| | Provision for Sindh Workers' Welfare Fund | 11.1 - | 4,917,502 |
| | Capital gain tax payable | 14,216,228 | 14,009,679 |
| | Transaction Charges Payable | 398,573 | 842,347 |
| | Legal and professional charges payable | 50,000 | 50,000 |
| | | <u>15,638,528</u> | <u>20,590,837</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

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 December 19, 2019 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

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

| | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|--|---------------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| 12.2 Commitments | | |
| Future sale transactions of equity securities entered into by the Fund which have not been settled as at quarter end | <u>7,977,825</u> | <u>126,747,505</u> |

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 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, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 0.56% (June 30, 2021: 0.88%) which includes 0.07% (2020: 0.32%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, 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.

Notes to and forming part of the Condensed Interim Financial Statements

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

16 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 16.1** 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 period end.
- 16.2** 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.
- 16.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6** The details of transactions carried out by the Fund with connected persons and related parties and balances with them during the period are as follows:

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|--|---|---|
| 16.7 Transactions during the period | | |
| | ----- (Rupees) ----- | |
| Faysal Asset Management Limited (the Management Company) | | |
| Remuneration of Faysal Asset Management Limited - the Management Company | 1,201,585 | 647,160 |
| Sindh sales tax on remuneration of the Management Company | 179,618 | 81,973 |
| Selling and marketing expenses | 480,634 | 431,440 |
| Allocated Expenses | - | 431,440 |
| Faysal Bank Limited | | |
| Profit on balances with banks | 244,154 | 90,398 |
| Bank Charges | 678 | - |
| Central Depository Company of Pakistan Limited (CDC) - Trustee | | |
| Remuneration of the Trustee | 360,475 | 683,495 |
| Sindh sales tax on remuneration of the Trustee | 47,102 | 90,602 |
| Unit holders holding 10% or more units | | |
| Issuance of 744,226 units(2020: 423,190 units) | 87,970,872 | 46,279,970 |
| Redemption of 484,238 units (2020: 92,698 units) | 57,450,000 | 10,000,000 |

Notes to and forming part of the Condensed Interim Financial Statements

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

| 16.8 Amounts / balances outstanding | (Un-audited) | (Audited) |
|---|-----------------------|------------------|
| | September 30, 2021 | June 30, 2021 |
| | ----- (Rupees) ----- | |
| Faysal Asset Management Limited (the Management Company) | | |
| Management fee payable | 394,428 | 384,669 |
| Sindh sales tax payable management fee | 78,695 | 50,007 |
| Allocated expenses payable | 1,437,672 | 1,437,672 |
| Selling and marketing expenses payable | 480,634 | 409,056 |
| Other payable | 20,000 | 20,000 |
| Faysal Bank Limited | | |
| Balance with bank | 21,604,321 | 1,081,373 |
| Profit receivable on balances with banks | 210,285 | 26,733 |
| Central Depository Company of Pakistan Limited (the Trustee) | | |
| Remuneration to the Trustee payable | 118,283 | 115,355 |
| Sindh sales tax payable on remuneration of the Trustee | 15,632 | 14,996 |
| Unit holders holding 10% or more units | | |
| Outstanding 14,955,099 units (June 30,2021: 14,695,110 units) | 1,786,536,075 | 1,713,155,945 |

17 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.

orderly transaction between market participants at the measurement date.

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.

17.1 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: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

Notes to and forming part of the Condensed Interim Financial Statements

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

As at September 30, 2021, 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----- | | | |
| Term Finance Certificates (TFCs) | - | 1,287,979,742 | - | 1,287,979,742 |
| Sukuk certificates | - | 11,147,859 | - | 11,147,859 |
| Listed equity securities | 8,516,665 | - | - | 8,516,665 |
| Future stock contracts | (154,115) | - | - | (154,115) |
| Commercial Papers | - | 18,442,480 | - | 18,442,480 |
| | <u>8,362,550</u> | <u>1,317,570,081</u> | <u>-</u> | <u>1,325,932,631</u> |

| | As at June 30, 2021 | | | |
|--|---------------------|----------------------|----------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets 'at fair value through profit or loss' | -----Rupees----- | | | |
| Term Finance Certificates (TFCs) | - | 1,286,953,591 | - | 1,286,953,591 |
| Sukuk Certificates | - | 14,871,741 | - | 14,871,741 |
| Listed equity securities | 123,429,875 | - | - | 123,429,875 |
| Future stock contracts | 2,209,530 | - | - | 2,209,530 |
| Commercial Papers | - | - | - | - |
| | <u>125,639,405</u> | <u>1,301,825,332</u> | <u>-</u> | <u>1,427,464,737</u> |

18 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.

19 GENERAL

19.1 Rounding off

Figures have been rounded off to the nearest rupee.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

West wing, 7th Floor, Faysal House, ST-02,
Shahrah-e-Faisal, Karachi, Pakistan.

Karachi

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F 92 21 38657800

Lahore

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Islamabad

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faysalfunds.com

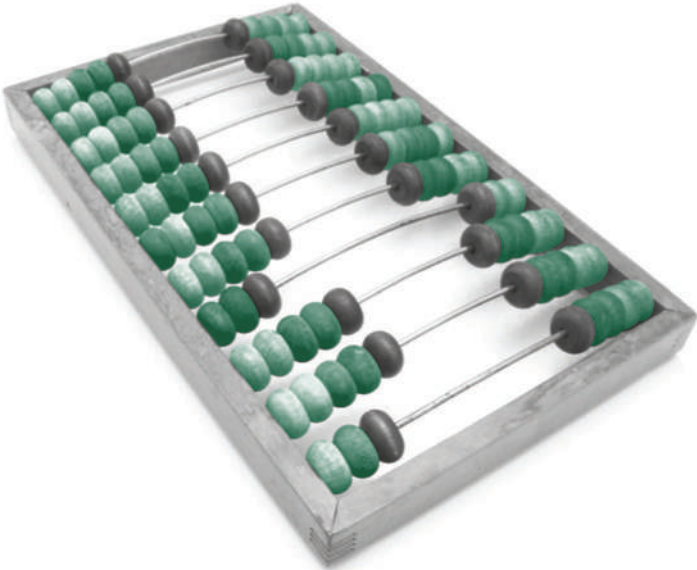
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twitter.com/faysalasset

Faysal Funds

Government Securities 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

Faysal Bank Limited

Allied Bank Limited

JS Bank Limited

Soneri 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

The objective of the Scheme is to provide competitive returns by investing primarily in Government Securities.

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 | 4 | 1,065,050,336 | 1,058,049,352 |
| Investments | 5 | 915,679,960 | - |
| Profit and other receivable | 6 | 9,802,809 | 1,975,417 |
| Preliminary expenses and floatation costs | 7 | 693,001 | 743,417 |
| Total assets | | 1,991,226,106 | 1,060,768,186 |
| Liabilities | | | |
| Payable to Faysal Asset Management Limited - Management Company | 8 | 460,091 | 220,887 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 83,819 | 65,259 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 49,915 | 399,241 |
| Payable Against Purchases of Debt Securities | | 744,865,500 | |
| Accrued expenses and other liabilities | 11 | 9,801,606 | 8,499,880 |
| Total liabilities | | 755,260,931 | 9,185,267 |
| Net assets | | 1,235,965,175 | 1,051,582,919 |
| Unit holders' fund (as per the statement attached) | | 1,235,965,175 | 1,051,582,919 |
| Contingencies and commitments | 12 | (Number of units) | |
| Number of unit in issue | | 12,019,345 | 10,482,807 |
| | | (Rupees) | |
| Net assets value per unit | | 102.83 | 100.32 |

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)

| | | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|--|------------|---|---|
| | Note ----- | (Rupees) ----- | |
| Income | | | |
| Profit on balances with banks | | 7,442,203 | 9,925,521 |
| Profit on government securities | | 10,200,518 | 34,362,737 |
| Profit on money commercial papers / money market placements | | 950,006 | 598,360 |
| Capital loss on disposal of investments - net | | (4,505,422) | (27,529) |
| Unrealised Loss on investments - net | | <u>(152,206)</u> | <u>(5,158,230)</u> |
| Total income | | <u>13,935,099</u> | <u>39,700,859</u> |
| Operating expenses | | | |
| Remuneration of Faysal Asset Management Limited - Management Company | 8.1 | 500,007 | 591,716 |
| Sindh sales tax on remuneration of the Management Company | 8.2 | 65,001 | 76,923 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 9.1 | 162,502 | 400,216 |
| Sindh sales tax on remuneration of the Trustee | 9.2 | 21,250 | 52,336 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 10.1 | 50,000 | 123,143 |
| Auditors' remuneration | | 115,184 | 115,184 |
| Fee and subscription | | 58,083 | 58,083 |
| Amortisation of preliminary expenses and floatation cost | 7 | 50,416 | 50,416 |
| Bank charges | | 5,685 | 8,799 |
| Other expenses | | (481,819) | - |
| Legal and professional charges | | 182,481 | - |
| Transaction charges | | 109,235 | 39,469 |
| Printing charges | | 6,255 | 6,256 |
| Total operating expenses | | <u>844,280</u> | <u>1,522,541</u> |
| Net income from operating activities | | <u>13,090,819</u> | <u>38,178,318</u> |
| Reversal / (Provision) for Sindh Workers' Welfare Fund (SWWF) | 11.1 | 4,050,770 | (763,566) |
| Net income for the period before taxation | | <u>17,141,589</u> | <u>37,414,752</u> |
| Taxation | 13 | - | - |
| Net income for the period after taxation | | <u>17,141,589</u> | <u>37,414,752</u> |
| Earnings per unit | 14 | | |
| Allocation of net income for the period: | | | |
| Net income for the period after taxation | | 17,141,589 | 37,414,752 |
| Income already paid on units redeemed | | <u>(7,660,100)</u> | <u>(116,609)</u> |
| | | <u>9,481,489</u> | <u>37,298,143</u> |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | - | (5,185,759) |
| - Excluding capital gains | | <u>9,481,489</u> | <u>42,483,902</u> |
| | | <u>9,481,489</u> | <u>37,298,143</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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|--|---|---|
| | ----- (Rupees) ----- | |
| Net income for the period after taxation | 17,141,589 | 37,414,752 |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | <u>17,141,589</u> | <u>37,414,752</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)

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | | | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 | | |
|--|--|----------------------|----------------------|--|----------------------|----------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees) | | | (Rupees) | | |
| Net assets at beginning of the year / period | 1,045,876,104 | 5,706,815 | 1,051,582,919 | 2,910,537,707 | 3,836,572 | 2,914,374,279 |
| Issuance of 18,084,604 units (2020 : 151,290 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 1,814,247,553 | - | 1,814,247,553 | 15,148,706 | - | 15,148,706 |
| - Element of income | 33,290,232 | - | 33,290,232 | 3,517 | - | 3,517 |
| Total proceeds on issuance of units | 1,847,537,785 | - | 1,847,537,785 | 15,152,223 | - | 15,152,223 |
| Redemption of 16,548,066 units (2020: 6,652,003 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (1,660,102,022) | - | (1,660,102,022) | (666,065,061) | - | (666,065,061) |
| - Element of loss | (12,534,996) | (7,660,100) | (20,195,096) | (1,295) | (116,609) | (117,904) |
| Total payments on redemption of units | (1,672,637,018) | (7,660,100) | (1,680,297,118) | (666,066,356) | (116,609) | (666,182,965) |
| Total comprehensive income for the period | - | 17,141,589 | 17,141,589 | - | 37,414,752 | 37,414,752 |
| Interim distribution @ Re 0.42 per unit (date of declaration: July 22, 2020) | | | | | | |
| | | | | | (12,224,235) | (12,224,235) |
| Net income for the period less distribution | - | 17,141,589 | 17,141,589 | - | 25,190,517 | 25,190,517 |
| Net assets at the end of the period | 1,220,776,871 | 15,188,304 | 1,235,965,175 | 2,259,623,574 | 28,910,480 | 2,288,534,054 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 5,706,815 | | | 3,836,572 | |
| - Unrealised income | | - | | | - | |
| | | 5,706,815 | | | 3,836,572 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | (5,185,759) | |
| - Excluding capital gains | | 9,481,489 | | | 42,483,902 | |
| | | 9,481,489 | | | 37,298,143 | |
| Dividends paid | | | | | (12,224,235) | |
| Undistributed income carried forward | | <u>15,188,304</u> | | | <u>28,910,480</u> | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 15,188,304 | | | 28,910,480 | |
| - Unrealised income | | - | | | - | |
| | | <u>15,188,304</u> | | | <u>28,910,480</u> | |
| | | | | | | |
| | | | (Rupees) | | | (Rupees) |
| Net asset value per unit at the beginning of the period | | | <u>100.32</u> | | | <u>100.13</u> |
| Net asset value per unit at end of the period | | | <u>102.83</u> | | | <u>101.24</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 Cash Flows Statement

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

| | FOR THE QUARTER ENDED SEPTEMBER 30, 2021 | FOR THE QUARTER ENDED SEPTEMBER 30, 2020 |
|---|---|---|
| | Note----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 17,141,589 | 37,414,752 |
| Adjustments for: | | |
| Reversal / Provision for Sindh Workers' Welfare Fund (SWWF) | 11.1 (4,050,770) | 763,566 |
| Unrealised Loss on investments - net | 152,206 | 5,158,230 |
| Capital gain on disposal of investments - net | 4,505,422 | 27,529 |
| Amortisation of preliminary expenses and floatation cost | 7 50,416 | |
| | <u>657,274</u> | <u>43,364,077</u> |
| Increase in assets | | |
| Investments | (920,337,588) | (1,977,810,168) |
| Preliminary expenses and floatation costs | - | (34,059,988) |
| Profit and other receivable | (7,827,392) | 50,416 |
| | <u>(928,164,980)</u> | <u>(2,011,819,740)</u> |
| Decrease / (increase) in liabilities | | |
| Payable to Faysal Asset Management Limited - Management Company | 239,202 | (86,191) |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 18,560 | (38,087) |
| Payable to the Securities and Exchange Commission of Pakistan | (349,326) | (8,390) |
| Accrued expenses and other liabilities | 750,217,996 | 67,148 |
| | <u>750,126,432</u> | <u>(65,520)</u> |
| Net cash used in operating activities | <u>(160,239,685)</u> | <u>(1,968,521,183)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amounts received against issue of units net of refund of capital | 1,847,537,786 | 15,152,223 |
| Payments made against redemption of units | (1,680,297,117) | (666,182,965) |
| Dividends paid | - | (12,224,235) |
| Net cash generated from / (used in) financing activities | <u>167,240,669</u> | <u>(663,254,977)</u> |
| Net increase / (decrease) in cash and cash equivalents | <u>7,000,984</u> | <u>(2,631,776,160)</u> |
| Cash and cash equivalents at the beginning of the period | 1,058,049,352 | 2,650,578,216 |
| Cash and cash equivalents at the end of the period | 4 <u><u>1,065,050,336</u></u> | <u><u>18,802,056</u></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

1.1 Faysal Government Securities Fund (the Fund) is an open ended mutual fund constituted under a trust deed entered into on July 31, 2019 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. The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Shahr-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 income 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 are being offered for public subscription on a continuous basis from March 16, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to provide competitive returns by investing primarily in Government Securities.

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

1.5 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). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA(f)" rating to Faysal Government Securities Fund as of May 18, 2021 (2020: unrated).

1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under the Trust Act) for registration to fulfill the requirement for registration of Trust Deed under the Trust Act.

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

Notes to and forming part of the Condensed Interim Financial Statements

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

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.

The comparatives in the condensed interim statements 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 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 have been extracted from the condensed interim financial statements of the Fund for the quarter ended September 30, 2020.

3 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) | |
| 4 | BALANCES WITH BANKS | | |
| | Savings account | 4.1 <u>1,065,050,336</u> | <u>1,058,049,352</u> |
| 4.1 | These accounts carry profit at rates ranging between 5.50% to 7.80% (June 30, 2020: 6.50% to 8.80%) per annum. Deposits in savings accounts also include Rs. 0.276 million (June 30, 2020: 2.832 million) maintained with Faysal Bank Limited, a related party carrying profit at the rate of 5.50% (June 30, 2020: 6.50%) per annum. | | |
| | | (Un-audited) September 30 2021 | (Audited) June 30 2021 |
| 5 | INVESTMENTS | | |
| | Financial assets 'at fair value through profit or loss' | | |
| | Market Treasury Bills | 5.1 744,839,994 | - |
| | Pakistan Investment Bonds | 5.2 49,640,000 | - |
| | Commercial Papers | 5.3 121,199,966 | - |
| | | <u>915,679,960</u> | <u>-</u> |

Notes to and forming part of the Condensed Interim Financial Statements

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

5.1 Market Treasury Bills

Market Treasury Bills

| Particulars | 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 loss on revaluation | Total investments of the fund | Net assets of the fund |
| (Rupees) | | | | | | | | | |
| Market Treasury Bills | | | | | | | | | |
| - 3 Months | - | 1,230,000,000 | 1,230,000,000 | - | - | - | - | - | - |
| Market Treasury Bills | | | | | | | | | |
| - 6 Months | - | 2,500,000,000 | 1,750,000,000 | 750,000,000 | 745,012,200 | 744,839,994 | (172,206) | 81.34 | 60.26 |
| Total as at September 30, 2021 | | | | | <u>745,012,200</u> | <u>744,839,994</u> | <u>(172,206)</u> | <u>81.34</u> | <u>60.26</u> |

5.2 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 loss on revaluation | Total investments of the fund | Net assets of the fund |
| (Rupees) | | | | | | | | | | |
| Pakistan Investment Bonds - 03 years | 8.00% | - | 500,000,000 | 450,000,000 | 50,000,000 | 49,620,000 | 49,640,000 | 20,000 | 5.42 | 4.02 |
| Total as at September 30, 2021 | | | | | | <u>49,620,000</u> | <u>49,640,000</u> | <u>20,000</u> | <u>5.42</u> | <u>4.02</u> |

5.3 Commercial Papers

| Name of investee company | 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 loss on revaluation | Total investments of the fund | Net assets of the fund |
| (Rupees) | | | | | | | | | |
| K-Electric Limited - Commercial Paper | - | 125,000,000 | - | 125,000,000 | 121,199,966 | 121,199,966 | - | 13.24 | 9.81 |
| Total as at September 30, 2021 | | | | | <u>121,199,966</u> | <u>121,199,966</u> | <u>-</u> | | |

5.4 Non-Compliance

Faysal Government Securities 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 Limit Range | Actual Holding |
|----------------------------------|----------------------|----------------|
| Government Securities | 70% | 50.68% |

Notes to and forming part of the Condensed Interim Financial Statements

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

| | | (Un-audited) September 30 2021 | (Audited) June 30 2021 |
|--|------|--------------------------------------|------------------------------|
| | Note | (Rupees) | |
| 6 PROFIT AND OTHER RECEIVABLE | | | |
| Profit receivable on bank balances | 6.1 | 8,380,603 | 1,734,993 |
| Income Receivable on Pakistan Investment Bonds | | 1,181,779 | - |
| Advance tax | 6.2 | <u>240,427</u> | <u>240,424</u> |
| | | <u>9,802,809</u> | <u>1,975,417</u> |

6.1 This includes profit receivable amounting to Rs. 0.061 million (June 30, 2020: Rs. 0.037 million) on bank balance held with Faysal Bank Limited, a related party.

6.2 As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on profits paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt securities amounts to Rs 0.240 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on debt has been shown as other receivable as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

| | | (Un-audited) September 30 2021 | (Audited) June 30 2021 |
|--|------|--------------------------------------|------------------------------|
| | Note | (Rupees) | |
| 7 PRELIMINARY EXPENSES AND FLOATATION COSTS | | | |
| Balance at beginning of the period | | 743,417 | 943,437 |
| Less: amortisation during the period | 7.1 | <u>(50,416)</u> | <u>(200,020)</u> |
| At the end of the period | | <u>693,001</u> | <u>743,417</u> |

7.1 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 March 16, 2020 in accordance with 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) September 30 2021 | (Audited) June 30 2021 |
|----------|--|--------------------------------------|------------------------------|
| | Note | ----- (Rupees) ----- | |
| 8 | PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY | | |
| | Remuneration payable to the Management Company | 8.1 | 227,974 |
| | Sindh sales tax on remuneration of the Management Company | 8.2 | 29,636 |
| | Preliminary expenses and floatation costs payable | 7 | 20,000 |
| | Selling and Marketing Charges | | 182,481 |
| | | <u>460,091</u> | <u>220,887</u> |

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

During the period from March 16, 2020 to June 30, 2020, through a resolution of the Board of Directors dated April 17, 2020 the Management Company has changed its remuneration structure from the fixed fee to a variable fee structure where the Management Company has defined a maximum fee level in the Fund's offering document at the rate of 1% of net assets. The Trustee has consented this revision via its letter CDC/T&C-S II/DH/0005/2020 dated January 01, 2020. The Board of the Management Company has also defined a minimum threshold of 0.1% of net assets through the aforementioned resolution. As a consequence thereof, the Management Company is now charging its remuneration variably keeping in view the overall return of the Fund and subject to the maximum and the minimum percentages approved by the Board and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

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

| |
|---|
| From July 01, 2021 to September 30, 2021 |
| 0.2% of average annual net assets |

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

- 8.2** During the year, an amount of Rs. 0.065 million (2020: Rs. 0.077 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011.

| | | (Un-audited) September 30 2021 | (Audited) June 30 2021 |
|----------|--|--------------------------------------|------------------------------|
| | Note | ----- (Rupees) ----- | |
| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | |
| | Remuneration of the Trustee | 9.1 | 74,091 |
| | Sindh sales tax on remuneration of the Trustee | 9.2 | 9,728 |
| | | <u>83,819</u> | <u>65,259</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 provisions of the trust deed at the rate 0.065% per annum of net assets of the Fund.
- 9.2** During the year, an amount of Rs 0.021 million (2020: Rs 0.052 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 |
|---|------|--------------------------------------|------------------------------|
| | Note | ----- (Rupees) ----- | |
| 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |
| Annual fee payable | 10.1 | 49,915 | 399,241 |

- 10.1** 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) September 30 2021 | (Audited) June 30 2021 |
|--|------|--------------------------------------|------------------------------|
| | Note | ----- (Rupees) ----- | |
| 11 ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 424,172 | 308,988 |
| Payable to rating agency | | 143,528 | 92,349 |
| Annual listing fee payable | | 77,678 | 70,747 |
| Withholding and capital gain tax payable | | 9,094,149 | 3,836,791 |
| Printing charges payable | | 12,079 | 5,824 |
| Transaction charges payable | | - | 84,358 |
| Legal and professional charges payable | | 50,000 | 50,000 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 11.1 | - | 4,050,823 |
| | | <u>9,801,606</u> | <u>8,499,880</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 December 19, 2019 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

- 12.1** There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

Notes to and forming part of the Condensed Interim Financial Statements

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

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 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. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on the Funds as per the Income Tax Ordinance, 2001.

14 EARNINGS PER UNIT

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

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 0.20% (2020: 0.37%) which includes 0.17% (2020: 0.26%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, 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.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

16.1 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.

16.2 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.

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Notes to and forming part of the Condensed Interim Financial Statements

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

- 16.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6** The details of transactions carried out by the Fund with related parties / connected persons during the year / period and balances with them at year / period end are as follows:

| | FOR THE QUARTER ENDED SEPTEMBER 30 2021 | FOR THE QUARTER ENDED SEPTEMBER 30 2020 |
|---|---|---|
| Transactions during the year / period ----- (Rupees) ----- | | |
| Faysal Asset Management Limited - Management Company | | |
| Remuneration of the Management Company | 500,007 | 591,716 |
| Sindh sales tax on remuneration of the Management Company | 65,001 | 76,923 |
| Units issued: 1,033,427 units (2020: 2,077 units) | 104,233,454 | 210,191 |
| Units redeemed: of 146,427 units (2020: Nil units) | 15,000,000 | - |
| Faysal Bank Limited (group company) | | |
| Markup on balances with bank | 30,999 | 49,637 |
| Bank charges | 565 | 1,050 |
| Faysal Active Principal Preservation Plan (fund managed by the Management Company) | | |
| Units issued: 3,116,782 units (2020 : 6,749 units) | 320,000,000 | 675,813 |
| Units redeemed: of 3,116,782 units (2020: 1,615,828 units) | 320,093,504 | 161,862,160 |
| Dividend Paid | - | 675,813 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 162,502 | 400,216 |
| Sindh sales tax on remuneration of the Trustee | 21,250 | 52,336 |
| Unit holders with more than 10% holding | | |
| Issuance of 8,993,810 units (2020 : 90,866 units) | 918,897,585 | 9,098,392 |
| Redemption of 21,414 units (2020 : 4,993,010) | 2,200,000 | 500,000,000 |
| Dividend | - | 10,703,990 |

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) ----- | | |
| Balances as at year / period end | | |
| Faysal Asset Management Limited - Management Company | | |
| Remuneration payable to the Management Company | 227,974 | 177,776 |
| Sindh sales tax on remuneration payable to the Management Company | 29,636 | 23,111 |
| Preliminary expenses and flotation costs | 20,000 | 20,000 |
| Outstanding 887,000 units (June 2021: Nil units) | 91,210,172 | - |
| Faysal Bank Limited (group company) | | |
| Balance with bank | 7,445,059 | 276,153 |
| Profit receivable on balance with bank | 61,325 | 36,805 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable to the Trustee | 74,091 | 57,777 |
| Sindh sales tax payable on remuneration of the Trustee | 9,728 | 7,482 |
| Unit holders with more than 10% holding | | |
| Outstanding 8,972,396 units (June 2021: 10,482,807 units) | 922,631,448 | 1,051,635,198 |

17 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Notes to and forming part of the Condensed Interim Financial Statements

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

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

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

| As at September 30, 2021 | | | |
|--|--------------------|---------|--------------------|
| Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees) ----- | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| Market Treasury Bills | 744,839,994 | - | 744,839,994 |
| Pakistan Investment Bonds | 49,640,000 | - | 49,640,000 |
| Commercial Papers | 121,199,966 | - | 121,199,966 |
| | <u>915,679,960</u> | | <u>915,679,960</u> |

| As at June 30, 2021 | | | |
|--|----------|---------|----------|
| Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees) ----- | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| Money market placements* | - | - | - |
| | <u>-</u> | | <u>-</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.

18 GENERAL

18.1 Rounding off

Figures are rounded off to the nearest Rupee.

19 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

West wing, 7th Floor, Faysal House, ST-02,
Shahrah-e-Faisal, Karachi, Pakistan.

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