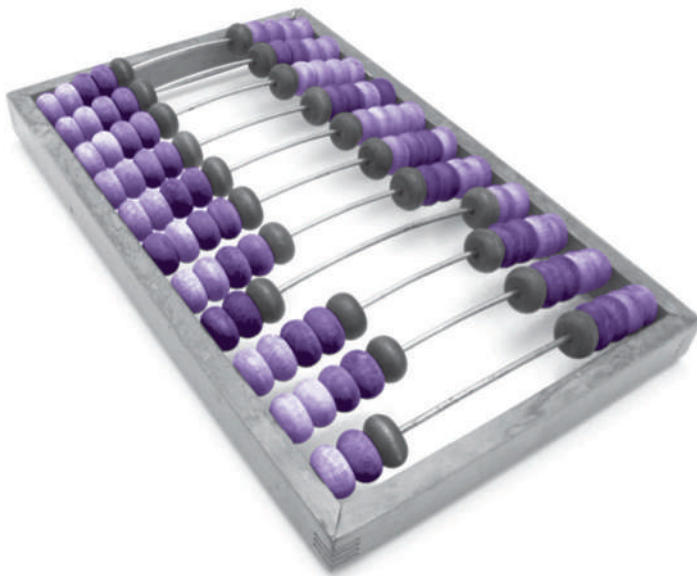


Faysal Funds

ASSET ALLOCATION FUND

Condensed Interim Financial Statements
For The Half Year Ended December 31, 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

Bank Alfalah Limited

Faysal Bank Limited

United Bank Limited

JS Bank Limited

Allied Bank Limited

Habib Bank Limited

Auditors

A.F. Ferguson & Co. Chartered

Accountants

Legal Advisor

Mohsin Tayebaly & Co.

2nd Floor, Dime Centre,

BC-4 Block-9, KDA-5,

Clifton, Karachi.

Registrar

ITMinds Limited

Central Depository Company of Pakistan, Limited

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

Main Shahra-e-Faisal, Karachi.

MISSION AND VISION

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

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

MISSION STATEMENT

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****FAYSAL ASSET ALLOCATION FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Asset Allocation Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 24, 2022



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Asset Allocation Fund** (the Fund) as at December 31, 2021 and the related 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 together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2021. The Management Company (Faysal Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 28, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Condensed Interim Statement of Assets and Liabilities

As at December 31, 2021 (Un-Audited)

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees) -----	-----
Assets			
Balances with banks	4	42,116,577	53,545,737
Investments	5	279,360,329	282,086,279
Deposits and other receivables		3,373,886	3,202,934
Receivable from Faysal Asset Management Limited - Management Company	6	725,000	-
Receivable against sale of investments		847,388	17,298,300
Receivable against sale of units		3,440,332	9,267,997
Total assets		329,863,512	365,401,247
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	7	1,593,332	3,290,912
Payable to Central Depository Company of Pakistan Limited - Trustee	8	60,628	59,081
Payable to the Securities and Exchange Commission of Pakistan	9	34,583	46,575
Accrued and other liabilities	10	6,360,011	8,088,415
Payable against redemption of units		-	25,302,398
Payable against purchase of investments		-	6,636,165
Total liabilities		8,048,554	43,423,546
Net assets		<u>321,814,958</u>	<u>321,977,701</u>
Unit holders' fund (as per statement attached)		<u>321,814,958</u>	<u>321,977,701</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>4,363,939</u>	<u>3,952,547</u>
		----- (Rupees) -----	
Net asset value per unit		<u>73.74</u>	<u>81.46</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 Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Income					
Dividend income		8,967,075	1,025,462	4,955,125	1,002,702
Profit on balances with banks		1,597,384	803,188	894,696	316,365
Realised (loss) / gain on sale of investments - net		(32,364,250)	27,042,499	(33,929,542)	8,125,700
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(7,554,174)	30,730,626	22,748,725	38,944,057
Total (loss) / income		(29,353,965)	59,601,775	(5,330,996)	48,388,824
Operating Expenses					
Remuneration of Faysal Asset Management Limited					
- Management Company	7.1	3,458,271	1,008,773	1,714,999	572,465
Sindh sales tax on remuneration of the Management Company	7.2	449,575	131,140	222,950	74,420
Remuneration of Central Depository Company of Pakistan Limited					
- Trustee	8.1	345,827	201,755	171,500	114,493
Sindh sales tax on remuneration of the Trustee	8.2	44,958	26,228	22,295	14,884
Auditors' remuneration		346,472	333,960	179,492	166,980
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	34,583	20,425	17,150	11,699
Allocated expenses	7.3	-	102,128	-	58,497
Selling and marketing expenses	7.4	3,032,426	1,021,282	926,312	584,974
Fees and subscription		94,823	87,721	65,147	43,862
Transaction charges		1,163,859	1,961,209	735,839	789,418
Legal and professional charges		105,212	-	105,212	-
Printing charges		33,295	12,512	33,295	6,256
Bank charges		8,938	8,519	6,456	5,595
Reimbursement of expenses from the Management Company	6	(725,000)	(320,000)	25,000	-
Total operating expenses		8,393,239	4,595,652	4,225,647	2,443,543
Net (loss) / income from operating activities		(37,747,204)	55,006,123	(9,556,643)	45,945,281
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	10.1	2,761,301	(1,100,123)	5,522,602	(918,906)
Net (loss) / income for the period before taxation		(34,985,903)	53,906,000	(4,034,041)	45,026,375
Taxation	12	-	-	-	-
Net (loss) / income for the period after taxation		(34,985,903)	53,906,000	(4,034,041)	45,026,375
Earnings per unit	13				
Allocation of net income for the period					
Net income for the period after taxation		-	53,906,000		
Income already paid on units redeemed		-	(984,440)		
		-	52,921,560		
Accounting income available for distribution					
- Relating to capital gains		-	52,921,560		
- Excluding capital gains		-	-		
		-	52,921,560		

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 Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	----- (Rupees) -----			
Net (loss) / income for the period after taxation	(34,985,903)	53,906,000	(4,034,041)	45,026,375
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(34,985,903)</u>	<u>53,906,000</u>	<u>(4,034,041)</u>	<u>45,026,375</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 Statement of Movement in Unit Holders' Fund

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	------(Rupees)-----			------(Rupees)-----		
Net assets at beginning of the period (audited)	565,324,270	(243,346,569)	321,977,701	410,088,174	(296,393,535)	113,694,639
Issuance of 4,572,606 (2020: 8,247,148) units						
- Capital value (at ex-net asset value per unit)	372,484,485	-	372,484,485	349,184,246	-	349,184,246
- Element of (loss) / income	(8,799,995)	-	(8,799,995)	105,393,150	-	105,393,150
Total proceeds on issuance of units	363,684,490	-	363,684,490	454,577,396	-	454,577,396
Redemption of 4,161,214 (2020: 8,046,667) units						
- Capital value (at ex-net asset value per unit)	(338,972,492)	-	(338,972,492)	(340,695,881)	-	(340,695,881)
- Element of income / (loss)	10,111,162	-	10,111,162	(95,939,025)	(984,440)	(96,923,465)
Total payments on redemption of units	(328,861,330)	-	(328,861,330)	(436,634,906)	(984,440)	(437,619,346)
Total comprehensive (loss) / income for the period	-	(34,985,903)	(34,985,903)	-	53,906,000	53,906,000
Final cash distribution for the year ended June 30, 2020 @ Rs 1.01 per unit (declared on July 01, 2020)	-	-	-	(297,449)	(2,351,200)	(2,648,649)
Net assets at end of the period (un-audited)	<u>600,147,430</u>	<u>(278,332,472)</u>	<u>321,814,958</u>	<u>427,733,215</u>	<u>(245,823,175)</u>	<u>181,910,040</u>
Accumulated loss brought forward						
- Realised loss		(269,871,266)			(297,529,846)	
- Unrealised income		26,524,697			1,136,311	
		<u>(243,346,569)</u>			<u>(296,393,535)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			52,921,560	
- Excluding capital gains		-			-	
		-			52,921,560	
Net loss for the period after taxation		(34,985,903)			-	
Distribution during the period		-			(2,351,200)	
Accumulated loss carried forward		<u>(278,332,472)</u>			<u>(245,823,175)</u>	
Accumulated loss carried forward						
- Realised loss		(270,778,298)			(276,553,801)	
- Unrealised (loss) / income		(7,554,174)			30,730,626	
		<u>(278,332,472)</u>			<u>(245,823,175)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>81.46</u>			<u>43.35</u>	
Net assets value per unit at end of the period		<u>73.74</u>			<u>64.44</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 Cash Flows Statement

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

Note	Half year ended December 31,	
	2021	2020
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(34,985,903)	53,906,000
Adjustments for:		
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	(2,761,301)	1,100,123
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	7,554,174	(30,730,626)
	(30,193,030)	24,275,497
Decrease / (increase) in assets		
Investments - net	(11,464,389)	(75,799,443)
Deposits and other receivables	(170,952)	(708,335)
Receivable from Faysal Asset Management Limited - Management Company	(725,000)	(320,000)
Receivable against sale of investments	16,450,912	(559,215)
	4,090,571	(77,386,993)
(Decrease) / increase in liabilities		
Payable to Faysal Asset Management Limited - Management Company	(1,697,580)	1,296,606
Payable to Central Depository Company of Pakistan Limited - Trustee	1,547	22,581
Payable to the Securities and Exchange Commission of Pakistan	(11,992)	2,422
Accrued and other liabilities	1,032,897	1,316,441
	(675,128)	2,638,050
Net cash used in operating activities	(26,777,587)	(50,473,446)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	369,512,155	454,577,396
Payments made against redemption of units	(354,163,728)	(437,619,346)
Dividend paid	-	(2,648,649)
Net cash generated from financing activities	15,348,427	14,309,401
Net decrease in cash and cash equivalents during the period	(11,429,160)	(36,164,045)
Cash and cash equivalents at beginning of the period	53,545,737	49,778,998
Cash and cash equivalents at end of the period	15 42,116,577	13,614,953

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 Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Faysal Asset Allocation Fund (the Fund) is an open ended asset allocation fund constituted under a Trust Deed entered into on January 31, 2006 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities & Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

During the year ended June 30, 2021, the Trust Act, 1882 had been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced. The Management Company has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020) for registration to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act,

- 1.2 The Fund has been categorised as an 'Asset Allocation Scheme', by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from July 24, 2006 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the fund is to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in constitutive documents and allowed by the SECP.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The Management Company has been assigned a quality rating of 'AM2+' by VIS Credit Rating Company Limited dated December 31, 2021 (June 30, 2021: '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 '5-star' improved rating to Faysal Asset Allocation Fund as of August 6, 2021 (June 30, 2021: "3-star" as of February 12, 2021)

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

- 2.2 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 affairs of the Fund as at December 31, 2021.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies applied and the methods of computations of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

- 3.2 The preparation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to 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 of the Fund for the year ended June 30,

- 3.3 **Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 3.4 **Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective**

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4	BALANCES WITH BANKS	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			----- (Rupees) -----	-----
	Savings accounts	4.1	<u>42,116,577</u>	<u>53,545,737</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

- 4.1** These savings accounts carry mark-up at rates ranging from 7% to 12.45% (June 30, 2021: 5.50% to 7.04%) per annum. Deposits in savings accounts also include Rs. 10.39 million (June 30, 2021: Rs. 15.45 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 7% (June 30, 2021: 5.50%) per annum.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		----- (Rupees) -----	-----
5	INVESTMENTS	Note	
Financial assets 'at fair value through profit or loss'			
	Listed equity securities	5.1	279,360,329
	Term Finance Certificates (TFCs)	5.3	-
			<u>279,360,329</u>
			<u>282,086,279</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

5.1 Listed equity securities

Listed equity securities

Name of the Investee Company	Note	As at July 01, 2021	Purchased during the period	Right / bonus / sub-division of shares during the period	Disposed off during the period	As at December 31, 2021	As at December 31, 2021			Market Value as a percentage of		Investee company paid-up capital
							Carrying Value	Market Value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments of the Fund	
CHEMICAL												
Engro Polymer & Chemicals Limited	5.1.2	411,000	200,000	-	42,000	569,000	28,124,992	30,845,490	2,720,498	9.58	11.04	0.06
G3 Technologies Limited (Formerly: Service Fabrics Limited)	-	-	300,000	-	-	300,000	3,448,825	2,973,000	(475,825)	0.92	1.06	0.83
Ittehad Chemicals Limited	100,000	-	-	-	100,000	-	31,573,817	33,818,490	2,244,673	10.50	12.10	0.89
INVESTMENT BANKS / INVESTMENT COMPANIES / SECURITIES COMPANIES												
MCB-Arif Habib Savings and Investments Limited	-	107,000	-	-	-	107,000	3,425,675	3,796,360	370,685	1.18	1.36	0.15
							3,425,675	3,796,360	370,685	1.18	1.36	0.15
ENGINEERING												
Agha Steel Industries Limited	400,000	-	-	-	400,000	-	-	-	-	-	-	-
International Industries Limited	15,000	-	-	-	15,000	-	-	-	-	-	-	-
International Steels Limited	50,000	-	-	-	50,000	-	-	-	-	-	-	-
Mughal Iron & Steels Industries Limited	195,000	-	-	28,425	81,600	141,825	12,875,244	14,765,401	1,890,157	4.59	5.29	0.04
							12,875,244	14,765,401	1,890,157	4.59	5.29	0.04
COMMERCIAL BANKS												
Bank Alfalah Limited	-	1,025,000	-	-	100,000	925,000	32,404,923	32,005,000	(399,923)	9.95	11.46	0.05
Meezan Bank Limited	-	150,000	-	22,500	107,300	65,200	8,973,597	8,743,972	(229,625)	2.72	3.13	0.00
United Bank Limited	5.1.2	-	375,000	-	160,600	214,400	29,870,077	29,282,752	(587,325)	9.10	10.48	0.02
							71,248,597	70,031,724	(1,216,873)	21.77	25.07	0.07
AUTOMOBILE ASSEMBLER												
Indus Motor Company Limited	8,940	-	-	-	8,940	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	5,000	-	-	5,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
CEMENT												
Cherat Cement Company Limited	103,600	142,900	-	-	155,000	91,500	14,200,473	13,570,365	(630,108)	4.22	4.86	0.05
D.G. Khan Cement Company Limited	5.1.2	2,250	350,000	-	-	352,250	33,862,725	29,215,615	(4,647,110)	9.08	10.46	0.08
Lucky Cement Limited	14,344	12,500	-	-	21,844	5,000	3,385,000	3,396,400	11,400	1.06	1.22	0.15
Fauji Cement Company Limited	300,000	-	-	-	300,000	-	-	-	-	-	-	-
Flying Cement Company Limited	590,000	-	-	7,000	534,000	63,000	1,276,797	789,390	(487,407)	0.25	0.28	0.02
Pioneer Cement Limited	190,500	14,200	-	-	202,000	2,700	282,277	239,625	(42,652)	0.07	0.09	0.12
							53,007,273	47,211,395	(5,795,878)	14.68	16.91	0.41
GLASS & CERAMICS												
Tariq Glass Industries Limited	96,000	74,000	-	-	-	170,000	17,798,589	18,448,400	649,811	5.73	6.60	0.12
							17,798,589	18,448,400	649,811	5.73	6.60	0.12
FERTILIZER												
Fauji Fertilizer Bin Qasim Limited	250,000	-	-	-	250,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS												
Frieslandcampina Engro Pakistan Limited	-	85,000	-	-	85,000	-	-	-	-	-	-	-
Fauji Foods Limited	350,000	-	-	-	350,000	-	-	-	-	-	-	-
Unity Foods Limited	663,000	-	-	-	660,623	2,377	105,824	62,919	(42,905)	0.02	0.02	0.02
Unity Foods Limited - LOR	-	55,807	-	-	55,807	-	-	-	-	-	-	-
							105,824	62,919	(42,905)	0.02	0.02	0.02
POWER GENERATION & DISTRIBUTION												
K-Electric Limited	5.1.1	-	560,000	-	560,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
PAPER & BOARD												
Century Paper & Board Mills Limited	60,000	-	-	7,695	67,695	-	-	-	-	-	-	-
							-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION												
Avanceon Limited	5.1.2	101,000	146,000	-	129,000	118,000	13,686,681	10,752,160	(2,934,521)	3.34	3.85	0.05
Systems Limited	26,050	36,500	-	-	11,000	51,550	33,810,717	39,169,751	5,359,034	12.17	14.02	0.04
Telecard Limited	50,000	200,000	12,500	2,500	260,000	-	4,178,215	4,121,000	(57,215)	1.28	1.48	0.08
TRG Pakistan Limited - Class 'A'	5.1.2	104,500	127,500	-	100	231,900	38,245,554	27,341,010	(10,904,544)	8.50	9.79	0.04
Octopus Digital Limited	-	75,299	-	-	75,299	-	3,057,139	5,855,250	2,798,111	1.82	2.10	0.06
Hum Network Limited	5.1.1	400,000	-	-	400,000	-	-	-	-	-	-	-
Worldcall Telecom Limited	-	200,000	-	-	200,000	-	-	-	-	-	-	-
							92,978,306	87,239,171	(5,739,135)	27.11	31.24	0.26

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

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 December 31, 2021	As at December 31, 2021			Market Value as a percentage of		Investment as a percentage of
							Carrying Value	Market Value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments of the Fund	Investee company paid- up capital
Number of shares							(Rupees)			%		
OIL & GAS MARKETING COMPANIES												
Hi-Tech Lubricants Limited		75,000	-	15,000	90,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited		-	30,000	-	30,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
AUTOMOBILES PARTS AND ACCESSORIES												
Panther Tyres Limited		100,000	-	20,000	120,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
MISCELLANEOUS												
Synthetic Products Enterprises Limited	5.1.1	45,000	-	3,700	48,500	200	3,981	1,805	(2,176)	-	-	-
TPL Properties Limited		-	334,000	21,400	234,000	121,400	3,871,061	3,963,710	92,650	1.23	1.42	1.23
							3,875,042	3,965,515	90,473	1.23	1.42	1.23
LEATHER & TANNERIES												
Service Global Footwear Limited		101,952	-	-	101,500	452	26,137	20,954	(5,183)	0.01	0.01	0.00
							26,137	20,954	(5,183)	0.01	0.01	0.00
REFINERY												
National Refinery Limited		-	2,000	-	2,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
PHARMACEUTICALS												
Ferozsons Laboratories Limited		15,000	-	-	15,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
SYNTHETIC & RAYON												
Image Pakistan Limited - LOR (Formerly: Tri-Star Polyester Limited)		-	175,000	-	175,000	-	-	-	-	-	-	-
							-	-	-	-	-	-
Total as at December 31, 2021							286,914,503	279,360,329	(7,554,174)	87	100	
Total as at June 30, 2021							255,561,582	282,086,279	26,524,697			

5.1.1 All shares have a face value of Rs. 10 each except for the shares of K-Electric Limited and Hum Network Limited which have a face value of Rs. 3.5 and Re. 1 respectively. Further, the shares of Synthetic Products Enterprises Limited were subdivided as a result of which the face value of the shares has decreased from Rs. 10 to Rs. 5 during the period and the Fund has received additional shares.

5.1.2 Investments include the following securities, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	December 31, 2021	June 30, 2021	December 31, 2021	June 30, 2021
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	---- (Number of shares) ----		----- (Rupees) -----	
Lucky Cement Limited	-	4,000	-	3,453,760
Pioneer Cement Limited	-	76,500	-	10,026,855
Avanceon Limited	100,000	-	9,112,000	-
Engro Polymer & Chemicals Limited	400,000	-	21,684,000	-
TRG Pakistan Limited - Class 'A'	200,000	-	23,580,000	-
United Bank Limited	200,000	-	27,316,000	-
D.G. Khan Cement Company Limited	2,250	2,250	186,615	51,750
	902,250	82,750	81,878,615	13,532,365

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees)	(Rupees)
5.2 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets 'at fair value through profit or loss' - net			
Market value of investments	5.1	279,360,329	282,086,279
Less: carrying value of investments	5.1	286,914,503	255,561,582
		<u>(7,554,174)</u>	<u>26,524,697</u>

5.3 Term finance certificates - Impaired

Term finance certificates - Impaired

Name of the Investee Company	Secured / Unsecured	Maturity	Profit / mark-up rate	As at July 01, 2021	Purchased during the period	Disposed off during the period	As at December 31, 2021	Carrying Value as at December 31, 2021	Impairment as at December 31, 2021	Market Value as at December 31, 2021	Market Value as a percentage of		
											Net assets of the Fund	Total investments of the Fund	
				-----Number of certificates-----				-----Rupees-----				-----%-----	
Trust Investment Bank Limited (note 5.3.1)	Secured	Jul-13	6m KIBOR + 1.85%	7,000	-	-	7,000	13,137,043	13,137,043	-	-	-	
Total as at December 31, 2021				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-	
Total as at June 30, 2021				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-	

- 5.3.1** These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs has been suspended and mark-up due had been reversed and full provision has been made in accordance with the requirements of SECP Circulars and Directives issued from time to time and the Board's approved provisioning policy.

5.4 Investments - non-compliance

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Faysal Asset Management Limited (the Management Company) classified Faysal Asset Allocation Fund (the Fund) as an 'Asset Allocation Scheme' in accordance with the said Circular.

The following are the details of non-compliant investments held by the Fund:

- 5.4.1** The rating of any security in the portfolio shall not be lower than the investment grade as per Clause 9 (v) of Circular 7 of 2009. In lieu of the above, the Fund is in breach of the said requirement as described below:

Investments - non-compliance

Name of non-compliant investment	Type of Investment	Note	Value of investment before provision	Provision held (if any)	Value of investment after provision	Investment as a percentage of	
						Net assets	Gross assets
			----- (Rupees) -----			----- % -----	

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

Listed

Trust Investment Bank Limited Term Finance Certificates	5.3.1	13,137,043	13,137,043	-	-	-
Total as at December 31, 2021		<u>13,137,043</u>	<u>13,137,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2021		<u>13,137,043</u>	<u>13,137,043</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 5.4.2** As per regulation 55(5) of the NBFC Regulations, the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the issued capital of a company. As at December 31, 2021 the following investment exceeds 10% of the total net assets of the Fund.

Name of non-compliant investment	Exposure Limit Range	Actual Holding
Systems Limited	10%	12.17%

- 5.4.3** As per regulation 55(9) of the NBFC Regulations, the exposure of collective investment scheme to any one sector as per classification of the stock exchange shall not exceed an amount equal to 25% of the total net assets of the collective investment scheme. As at December 31, 2021 investment in following sector exceeds 25% of total net assets of the Fund.

Name of non-compliant investment	Exposure Limit Range	Actual Holding
Technology and Communication	25%	27.11%

6 RECEIVABLE FROM FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note

December 31, 2021
(Un-audited)
----- (Rupees) -----

June 30, 2021
(Audited)
----- (Rupees) -----

Reimbursement from the Management Company

6.1

725,000-

- 6.1** The Total Expense Ratio (TER) of the Fund shall be within the maximum limit of 4.5% as prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme. However the TER of the Fund exceeded the above limit as at December 31, 2021. As a result, the Fund has recorded reimbursement from the Management Company to comply with the TER limit.

7 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note

December 31, 2021
(Un-audited)
----- (Rupees) -----

June 30, 2021
(Audited)
----- (Rupees) -----

Remuneration payable to the Management Company

Sindh sales tax payable on remuneration of the Management Company

Allocated expenses payable

Selling and marketing expenses payable

Sales load payable

7.1

536,408

522,713

7.2

69,733

67,952

7.3

-

184,039

7.4

926,317

935,248

60,8741,580,9601,593,3323,290,912

- 7.1** 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 as per the following rates:

From July 1, 2021 to December 31, 2021
2% per annum of average annual net assets

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

From July 1, 2020 to April 29, 2021	From April 30, 2021 to June 30, 2021	From July 1, 2020 to April 29, 2021	From April 30, 2021 to June 30, 2021
1% per annum of average annual net assets	2% per annum of average annual net assets	0.1% of average annual net assets	Nil

7.2 During the period, Sindh sales tax on remuneration of the Management Company has been charged at the rate of 13% (June 30, 2021: 13%).

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has not charged any amount on account of allocated expenses of the Fund for the period ended December 31, 2021.

7.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the following rates:

From July 1, 2021 to August 9, 2021	From August 10, 2021 to October 6, 2021	From October 7, 2021 to December 31, 2021
3% of average annual net assets	2% of average annual net assets	1% of average annual net assets

From July 1, 2020 to April 29, 2021	From April 30, 2021 to June 8, 2021	From June 9, 2021 to June 30, 2021
1% of average annual net assets	0.4% of average annual net assets	3% of average annual net assets

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			----- (Rupees) -----	----- (Rupees) -----
	Remuneration payable to the Trustee	8.1	53,655	52,286
	Sindh sales tax payable on remuneration of the Trustee	8.2	6,973	6,795
			<u>60,628</u>	<u>59,081</u>

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

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

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

- 8.2** During the period, Sindh sales tax on remuneration of the Trustee has been charged at the rate of 13% (June 30, 2021: 13%).

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			----- (Rupees) -----	
	Annual fee payable	9.1	34,583	46,575

- 9.1** 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% (June 30, 2021: 0.02%) of average annual net assets of the Fund.

10	ACCRUED AND OTHER LIABILITIES	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			----- (Rupees) -----	
	Auditors' remuneration payable		428,513	530,630
	Printing charges payable		161,008	155,890
	Withholding tax payable		176,040	397,470
	Zakat payable		9,753	9,753
	Brokerage payable		1,875,212	366,943
	Provision for Sindh Workers' Welfare Fund	10.1	-	2,761,301
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	3,497,459	3,497,459
	Other liabilities		212,026	368,969
			<u>6,360,011</u>	<u>8,088,415</u>

- 10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

- 10.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 3.497 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been retained, the NAV per unit of the Fund as at December 31, 2021 would have been higher by Re. 0.801 per unit (June 30, 2021: Re. 0.885 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

12 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent 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 NBFC Regulations, the Fund is required to distribute not less than 90 percent 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 unit holders. Since the Fund has incurred net loss for the current period, therefore, 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.

13 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 cumulative weighted average number of outstanding units for calculating EPU is not practicable.

14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2021 is 4.84% (December 31, 2020: 5.64%) which includes 0.37% (December 31, 2020: 1.47%) representing government levies on the Fund such as sales taxes and annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% (excluding government levies) 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 Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

		Half year ended December 31,	
		2021	2020
		(Un-audited)	
		----- (Rupees) -----	
15	CASH AND CASH EQUIVALENTS		
	Balances with banks	<u>42,116,577</u>	<u>13,614,953</u>
16	TRANSACTIONS WITH CONNECTED PERSONS / 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%		
16.2	Transactions with connected persons / related parties essentially comprise of 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. Transactions with connected persons are in the normal course of business, at contracted rates and 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, 2008 and the Trust Deed.		
16.4	Remuneration to the Trustee of the Fund is determined in accordance with the provisions of 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 during the period and balances with them as at period / year end are as follows:		

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

Transactions during the period

	Half year ended December 31,	
	2021	2020
	(Un-audited)	
	(Rupees)	
Faysal Asset Management Limited - Management Company*		
Remuneration of the Management Company	3,458,271	1,008,773
Sindh sales tax on remuneration of the Management Company	449,575	131,140
Allocated expenses	-	102,128
Selling & marketing expenses	3,032,426	1,021,282
Reimbursement of expenses from the Management Company	725,000	320,000
Units issued: 653,473 units (December 31, 2020: 15,777 units)	53,376,661	668,006
Faysal Bank Limited (Group / Associated Company)		
Profit on balances with bank	376,741	78,672
Bank charges	5,166	5,424
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	345,827	201,755
Sindh sales tax on remuneration of the Trustee	44,958	26,228
Settlement charges	-	15,000
Directors, their close family members and Key Management Personnel of the Management Company		
Units issued: 1,781 units (December 31, 2021: 70,428 units)	147,173	3,767,009
Units redeemed: 11,053 units (December 31, 2021: 27,948 units)	889,213	1,600,000
Unit holders with more than 10% unit holding		
Units issued: Nil units (December 31, 2021: 8,791 units)	-	372,224

Amounts / balances outstanding as at period / year end

	December 31, 2021	June 30, 2021
	(Un-audited)	(Audited)
	(Rupees)	
Faysal Asset Management Limited - Management Company*		
Remuneration payable to the Management Company	536,408	522,713
Sindh sales tax payable on remuneration of the Management Company	69,733	67,952
Allocated expenses payable	-	184,039
Selling and marketing expenses payable	926,317	935,248
Sales load payable	60,874	1,580,960
Receivable from the Management Company	725,000	-
Units in issue: 982,396 units (June 30, 2021: 328,923 units)	72,441,881	26,794,068
Faysal Bank Limited (Group / Associated Company)		
Balance in savings account	6,879,220	15,452,907
Profit receivable on savings account	(31,431)	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	53,655	52,286
Sindh sales tax payable on remuneration of the Trustee	6,973	6,795
Directors, their close family members and Key Management Personnel of the Management Company		
Units in issue: 24,918 units (June 30, 2021: 34,190 Units)	1,837,453	2,785,117
Unit holders with more than 10% unit holding		
Outstanding 971,420 units (June 30, 2021: 971,420 units)	71,632,511	79,131,873

* This unit holder also holds more than 10% units at period end.

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

16.7 Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

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

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 prices (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 December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair values:

As at December 31, 2021			
Un-audited			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

Financial assets 'at fair value through profit or loss'

- Listed equity securities	279,360,329	-	-	279,360,329
	<u>279,360,329</u>	<u>-</u>	<u>-</u>	<u>279,360,329</u>

As at June 30, 2021			
Audited			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

Financial assets 'at fair value through profit or loss'

- Listed equity securities	282,086,279	-	-	282,086,279
	<u>282,086,279</u>	<u>-</u>	<u>-</u>	<u>282,086,279</u>

Notes to and forming part of the Condensed Interim Financial Statements

For The Six Months Period And Quarter Ended December 31, 2021 (Un-Audited)

18 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 18, 2022 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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