

# Faysal Funds

## Asset Allocation Fund

Condensed Interim Financial Statements  
For The Quarter Ended September 30, 2022 (Un-Audited)



**CONTENTS**

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

## FUND INFORMATION

### Management Company

Faysal Asset Management Limited

### Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman

Mr. Osman Asghar Khan, Director

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Tahir Yaqoob Bhatti, Director

Mr. Nadir Rehman, Director

Mr. Khaldoon Bin Latif, Director/CEO

### Chief Executive Officer

Mr. Khaldoon Bin Latif

### Chief Financial Officer

Mr. Faisal Ali Khan

### Company Secretary of the Management Company

Muhammad Umer Ilyas

### Audit Committee

Mr. Osman Asghar Khan, Chairman

Mr. Mian Salman Ali, Member

Syed Muhammad Fraz Zaidi, Member

### HR Committee

Mr. Osman Asghar Khan, Member

Mr. Salman Ahmed Usmani, Member

Mr. Nadir Rehman, Chairman

### Trustee to the Fund

Central Depository Company of Pakistan Limited,

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

Main Shahrah-e-Faisal, Karachi.

### Bankers to the Fund

Bank Alfalah Limited

Faysal Bank Limited

United Bank Limited

JS Bank Limited

Allied Bank Limited

Habib Bank Limited

### Auditors

A.F. Ferguson & Co. Chartered Accountants

### Legal Advisor

Mohsin Tayebaly & Co.

2nd Floor, Dime Centre,

BC-4 Block-9, KDA-5,

Clifton, Karachi.

### Registrar

ITMinds Limited

Central Depository Company of Pakistan, Limited

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

Main Shahra-e-Faisal, Karachi.

## **MISSION AND VISION**

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

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

## **MISSION STATEMENT**

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

## Condensed Interim Statement of Assets and Liabilities

As at September 30, 2022

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>Assets</b>			
Balances with banks	5	31,763,517	43,517,367
Investments	6	101,429,842	108,513,380
Deposits, prepayments and other receivables	7	6,952,073	3,826,712
Receivable from the Management Company	8	2,224,910	1,409,910
Receivable against sale of investments		94,090,064	8,866,249
Receivable against sale of units		500	-
<b>Total assets</b>		236,460,907	166,133,618
<b>Liabilities</b>			
Payable to Faysal Asset Management Limited - Management Company	9	2,382,492	1,476,087
Payable to Central Depository Company of Pakistan Limited - Trustee	10	22,403	30,678
Payable to the Securities and Exchange Commission of Pakistan	11	7,352	58,224
Accrued expenses and other liabilities	12	6,913,564	5,831,021
Payable against purchase of investments		92,055,113	-
<b>Total liabilities</b>		101,380,924	7,396,010
<b>Net assets</b>		<u>135,079,983</u>	<u>158,737,608</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>135,079,983</u>	<u>158,737,608</u>
<b>Contingencies and commitments</b>	13		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<u>2,066,731</u>	<u>2,583,862</u>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<u>65.36</u>	<u>61.43</u>

The annexed notes from 1 to 20 form an integral part of these condensed 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, 2022 (Un-Audited)

For The Quarter Ended September 30, 2022 (Un-Audited)		(Un-audited)	
		QUARTER ENDED SEPTEMBER 30,2022	QUARTER ENDED SEPTEMBER 30,2021
	Note	----- (Rupees) -----	
<b>Income</b>			
Dividend income from equity securities		2,666,901	4,011,950
Profit on balances with banks		604,493	702,688
Capital gain on sale of investments - net		11,881,382	1,565,292
		15,152,775	6,279,930
Unrealised diminution on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	6.1.3	(4,446,998)	(30,302,899)
<b>Total income / (loss)</b>		<b>10,705,777</b>	<b>(24,022,969)</b>
<b>Expenses</b>			
Remuneration of Faysal Asset Management Limited - Management Company	9.1	922,129	1,743,272
Sindh sales tax on remuneration of the Management Company	9.2	119,877	226,625
Selling and marketing expenses	9.4	553,277	2,106,114
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	69,490	174,327
Sindh sales tax on remuneration of the Trustee	10.2	9,590	22,663
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	7,377	17,433
Transaction charges		688,525	399,654
Bank charges		2,949	482
Auditors' remuneration		172,960	166,980
Legal and professional charges		39,560	-
Printing and other expenses		57,868	43,859
Reimbursement from the Management Company	8.1	(815,000)	(750,000)
<b>Total expenses</b>		<b>1,828,601</b>	<b>4,151,409</b>
<b>Net income / (loss) from operating activities</b>		<b>8,877,176</b>	<b>(28,174,378)</b>
Reversal for Sindh Workers Welfare Fund (SWWF)		-	2,745,118
<b>Net income / (loss) for the period before taxation</b>		<b>8,877,176</b>	<b>(25,429,260)</b>
Taxation	15	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>8,877,176</b>	<b>(25,429,260)</b>
<b>Earning per unit</b>	16	-	-
<b>Allocation of net income for the period</b>			
Net income / (loss) for the period after taxation		8,877,176	(25,429,260)
Income already paid on units redeemed		(877,950)	-
		<b>7,999,226</b>	<b>(25,429,260)</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		7,434,383	-
Excluding capital gains		564,843	(25,429,260)
		<b>7,999,226</b>	<b>(25,429,260)</b>

The annexed notes from 1 to 20 form an integral part of these condensed 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, 2022 (Un-Audited)

	(Un-audited)	
	<div> <div>QUARTER</div> <div>ENDED</div> <div>SEPTEMBER</div> <div>30,2022</div> </div>	<div> <div>QUARTER</div> <div>ENDED</div> <div>SEPTEMBER</div> <div>30,2021</div> </div>
	----- (Rupees) -----	
<b>Net income / (loss) for the period after taxation</b>	8,877,176	(25,429,260)
Other comprehensive income for the period	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>8,877,176</u>	<u>(25,429,260)</u>

The annexed notes from 1 to 20 form an integral part of these condensed 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, 2022 (Un-Audited)

	(Un-audited)			(Un-audited)		
	Quarter Ended September 30, 2022			Quarter Ended September 30, 2021		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the period</b>	468,162,259	(309,424,651)	158,737,608	565,324,270	(243,346,569)	321,977,701
Issuance of 599,277 units (2021: 3,379,751 units)						
- Capital value (at net assets value per unit at beginning of the period)	36,813,561	-	36,813,561	275,314,585	-	275,314,585
- Element of income	665,936	-	665,936	(829,803)	-	(829,803)
Total proceeds on issuance of units	37,479,497	-	37,479,497	274,484,782	-	274,484,782
Redemption of 1,116,408 units (2021: 2,654,819 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(68,580,931)	-	(68,580,931)	(216,261,560)	-	(216,261,560)
- Element of loss	(555,417)	(877,950)	(1,433,367)	(348,350)	-	(348,350)
Total payments on redemption of units	(69,136,348)	(877,950)	(70,014,298)	(216,609,910)	-	(216,609,910)
Total comprehensive income for the Period	-	8,877,176	8,877,176	-	(25,429,260)	(25,429,260)
<b>Net assets at end of the period</b>	<b>436,505,408</b>	<b>(301,425,425)</b>	<b>135,079,983</b>	<b>623,199,142</b>	<b>(268,775,829)</b>	<b>354,423,313</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(288,215,178)			(269,871,266)	
- Unrealised gain / (loss)		(21,209,473)			26,524,697	
		(309,424,651)			(243,346,569)	
Accounting income available for distribution						
- Relating to capital gains	7,434,383			-		
- Excluding capital gains	564,843			(25,429,260)		
	7,999,226			(25,429,260)		
Accumulated loss carried forward	(301,425,425)			(268,775,829)		
<b>Accumulated loss carried forward</b>						
- Realised loss	(296,978,427)			(238,472,930)		
- Unrealised loss	(4,446,998)			(30,302,899)		
	(301,425,425)			(268,775,829)		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	61.43			81.46		
Net asset value per unit at the end of the period	65.36			75.77		

The annexed notes from 1 to 20 form an integral part of these condensed 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, 2022 (Un-Audited)

	(Un-audited)	
	QUARTER ENDED SEPTEMBER 30,2022	QUARTER ENDED SEPTEMBER 30,2021
Note		
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	8,877,176	(25,429,260)
<b>Adjustments for:</b>		
Capital gain on sale of investments - net	(11,881,382)	(1,565,292)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	4,446,998	30,302,899
	1,442,793	3,308,347
<b>(Increase) / decrease in assets</b>		
Investments- net	14,517,921	(21,910,296)
Deposits, prepayments and other receivables	(3,125,361)	(8,521,634)
Receivable against sale of investments	(85,223,815)	9,368,686
Receivable against sale of units	(500)	3,756,857
Receivable from the Management Company - net	(815,000)	(750,000)
	(74,646,756)	(18,056,387)
<b>Increase / (decrease) in liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	906,405	689,861
Payable to Central Depository Company of Pakistan Limited - Trustee	(8,275)	10,007
Payable to the Securities and Exchange Commission of Pakistan	(50,872)	(29,177)
Payable against purchase of investments	92,055,113	12,458,386
Payable against redemption of units		(23,917,765)
Accrued expenses and other liabilities	1,082,543	(1,127,061)
	93,984,914	(11,915,749)
<b>Net cash generated from / (used in) operating activities</b>	20,780,951	(26,663,789)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units - net of refund of capital	37,479,497	274,484,782
Payments made against redemption of units	(70,014,298)	(216,609,910)
<b>Net cash (used in) / generated from financing activities</b>	(32,534,801)	57,874,872
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(11,753,850)	31,211,083
Cash and cash equivalents at the beginning of the period	43,517,367	53,545,737
<b>Cash and cash equivalents at the end of the period</b>	5 31,763,517	84,756,820

The annexed notes from 1 to 20 form an integral part of these condensed 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, 2022 (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 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 '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 VIS Credit Rating Company Limited has assigned the rating of "AM2+" to the Management Company as at December 31, 2021 (2021: "AM2" dated December 31, 2020) and the Pakistan Credit Rating Agency Limited (PACRA) has assigned a short term 4-Star rating to Faysal asset allocation Fund on February 4, 2022 (2021: 4-Star dated February 12, 2021).
- 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 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, 2022.

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (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, 2022.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at September 30, 2022 have been extracted from the annual published audited financial statements of the Fund for the year ended June 30, 2022, 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, 2021.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements 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, 2022.

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, 2022.

	Note	(Un-audited) September 30, 2022	Audit June 30, 2022
<b>5</b>		----- Rupees -----	
<b>BALANCES WITH BANKS</b>			
PLS savings accounts	5.1	<u>31,763,517</u>	<u>43,517,367</u>

- 5.1 These carry mark-up at rates ranging from 7% to 16.45% (June 30, 2022: 7% to 14.84%) per annum and include balance of Rs. 7.016 million (June 30, 2022: Rs. 5.151 million) held with Faysal Bank Limited, a related party, and carry mark-up at the rate of 7.00% (June 30, 2022: 7%) per annum.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
<b>6</b>		----- Rupees -----	
<b>INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Listed equity securities	6.1	<u>101,429,842</u>	<u>108,513,380</u>
		<u>101,429,842</u>	<u>108,513,380</u>

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

#### 6.1 Listed equity securities - at fair value through profit or loss

Name of the Investee Company	As at July 01, 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at September 30, 2022	Carrying Value as at September 30, 2022	Market Value as at September 30, 2022	Unrealised appreciation / (diminution) as at September 30, 2022	Percentage in relation to		
									Net assets of the Fund	Total invest- ments of the Fund	Investee company paid-up capital
Number of shares						(Rupees)			%		
OIL AND GAS EXPLORATION COMPANIES											
Oil & Gas Development Company Limited	113,500	28,000	-	10,000	131,500	10,211,524	9,957,180	(254,344)	7.37%	9.82%	0.31%
Pakistan Oilfields Limited	-	28,000	-	-	28,000	11,899,998	9,775,360	(2,124,638)	7.24%	9.64%	0.99%
Pakistan Petroleum Limited	64,000	30,500	-	-	94,500	6,152,140	5,807,025	(345,115)	4.30%	5.73%	0.35%
						28,263,662	25,539,565	(2,724,097)	18.91%	25.18%	1.65%
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	-	90,000	-	50,000	40,000	7,639,999	6,497,200	(1,142,799)	4.81%	6.41%	0.85%
						7,639,999	6,497,200	(1,142,799)	4.81%	6.41%	0.85%
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited	120,000	100,000	-	100,000	120,000	8,121,564	8,389,200	267,636	6.21%	8.27%	0.93%
Kot Addu Power Company Limited	-	230,000	-	230,000	-	-	-	-	-	-	-
Saif Power Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
						8,121,564	8,389,200	267,636	6.21%	8.27%	0.93%
COMMERCIAL BANKS											
Bank Alfalah Limited	471,899	-	-	187,458	284,441	9,102,112	8,857,493	(244,619)	6.56%	8.73%	1.60%
Bank Al Habib Limited	228,702	-	-	20,000	208,702	12,117,238	11,269,908	(847,330)	8.34%	11.11%	1.88%
Mezzan Bank Limited	35,456	-	45	35,000	501	51,519	54,985	3,466	0.04%	0.05%	0.00%
United Bank Limited	45,000	-	-	20,000	25,000	2,828,250	2,872,250	44,000	2.13%	2.83%	0.20%
						24,099,119	23,054,635	(1,044,484)	17.07%	22.73%	3.68%
FERTILIZER											
Engro Fertilizers Limited	-	150,000	-	50,000	100,000	8,474,966	7,802,000	(672,966)	5.78%	7.69%	0.01%
					-	8,474,966	7,802,000	(672,966)	5.78%	7.69%	0.01%
CHEMICALS											
Lotte Chemical Pakistan Limited	96,103	47,000	-	96,103	47,000	1,345,500	1,341,850	(3,650)	0.99%	1.32%	0.01%
						1,345,500	1,341,850	(3,650)	0.99%	1.32%	0.01%
CEMENT											
Cherat Cement Company Limited	-	32,300	-	32,200	100	11,667	11,557	(110)	0.01%	0.01%	0.010%
Lucky Cement Limited	-	39,806	-	39,800	6	2,943	2,979	37	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	30,009	-	30,000	9	630	610	(20)	0.00%	0.00%	0.00%
						15,240	15,146	(93)	0.01%	0.01%	0.01%

Name of the Investee Company	As at July 01 2022	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at September 30, 2022	Carrying Value as at September 30, 2022	Market Value as at September 30, 2022	Unrealised appreciation / (diminution) as at September 30, 2022	Percentage in relation to		
									Net assets of the Fund	Total invest- ments of the Fund	Investee company paid-up capital
Number of shares						(Rupees)			%		
GLASS & CERAMICS											
Tariq Glass Industries Limited	64,200	10,000	-	2,500	71,700	7,549,678	8,235,462	685,784	6.10%	8.12%	0.05%
						7,549,678	8,235,462	685,784	6.10%	8.12%	0.05%
PHARMACEUTICALS											
Sanofi Aventis Pakistan Limited	-	6,647	-	6,647	-	-	-	-	-	-	-
						-	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION											
Hum Network Limited	145,000	-	-	-	145,000	1,032,400	914,950	(117,450)	0.68%	0.90%	0.11%
Octopus Digital Limited	299	-	-	-	299	21,322	19,241	(2,081)	0.01%	0.02%	0.00%
Systems Limited	37,600	20,000	-	31,400	26,200	9,591,059	9,889,989	298,930	7.32%	9.75%	0.01%
Trig Pakistan Limited- Class 'A'	205,075	1,480,105	-	1,685,178	2	253	258	5	0.00%	0.00%	0.00%
						10,645,034	10,824,437	179,403	8.01%	10.67%	0.11%
PROPERTY											
Tpl Properties Limited	-	1,325,000	-	1,025,000	300,000	6,274,221	6,252,000	(22,221)	4.63%	6.16%	5.87%
						6,274,221	6,252,000	(22,221)	4.63%	6.16%	5.87%
INV. BANKS / INV. COS. / SECURITIES COS.											
Mcb-Arif Habib Savings And Investments Limited	157,000	-	-	-	157,000	3,422,600	3,454,000	31,400	2.56%	3.41%	0.22%
						3,422,600	3,454,000	31,400	2.56%	3.41%	0.22%
REFINERY											
Attock Refinery Limited	45,000	-	-	45,000	-	-	-	-	-	-	-
National Refinery Limited	100	-	-	-	100	25,257	24,346	(911)	0.02%	0.02%	0
						25,257	24,346	(911)	0.02%	0.02%	0.01%
Total as at September 30, 2022						105,876,840	101,429,842	(4,446,998)			
Total as at June 30, 2022						129,722,853	108,513,380	(21,209,473)			

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

**6.1.1** All shares have a face value of Rs. 10 each except for the shares of Hum Network Limited which have a face value of Rs. 1.

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

<b>6.1.3 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net</b>	<b>(Un-audited) September 30, 2022</b>	<b>(Audited) June 30, 2022</b>
	<b>Rupees</b>	<b>Rupees</b>
Market value of investments	101,429,842	108,513,380
Less: Carrying value of investments	<u>(105,876,840)</u>	<u>129,722,853</u>
	<u>(4,446,998)</u>	<u>(21,209,473)</u>

<b>(Un-audited) September 30, 2022</b>		<b>(Audited) June 30, 2022</b>	
<b>Number of shares</b>	<b>Market value in Rupees</b>	<b>Number of shares</b>	<b>Market value in Rupees</b>
<b>------(Rupees)-----</b>		<b>------(Rupees)-----</b>	
Bank Alfalah	284,441 8,857,493	471,899	15,100,768
Systems Limited	16,000 6,039,680	20,000	6,597,200
TRG Pakistan Limited - Class 'A'	- -	205,000	15,852,650
	<u>300,441 14,897,173</u>	<u>696,899</u>	<u>37,550,618</u>

#### 6.2 Term finance certificates - Impaired

Name of the Investee Company	Secured / Unsecured	Maturity	Profit / mark-up rate	As at July 01, 2022	Purchased during the year	Sold during the year	As at September 30, 2022	Carrying Value as at September 30, 2022	Impairment as at September 30, 2022	Market Value as at September 30, 2022	Percentage in relation to	
											Net assets of the Fund	Total market value of investments of the Fund
				Number of certificates			Rupees			%		
Trust Investment Bank Limited (note 5.3.1)	Secured	July 2013	6m KIBOR +1.85%	7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
As at September 30, 2022				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-
As at June 30, 2022				7,000	-	-	7,000	13,137,043	13,137,043	-	-	-

**6.2.1** 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.

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
<b>7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		<b>Rupees</b>	
Security deposit with National Clearing Company of Pakistan Limited		2,500,000	2,500,000
Profit receivable on balances with banks		804,416	325,691
Dividend receivable		2,817,654	150,753
Prepaid rating fees		96,650	-
Advance tax		703,173	702,934
other receivable		30,181	147,334
		<u>6,952,073</u>	<u>3,826,712</u>
<b>8 RECEIVABLE FROM THE MANAGEMENT COMPANY</b>		<b>Rupees</b>	
Reimbursement from the Management Company	8.1	<u>2,224,910</u>	<u>1,409,910</u>
<b>8.1</b>	The Total Expense Ratio (TER) of the Fund shall be within the maximum limit of 4.5% as prescribed under the NBFC Regulations for a collective investment scheme recognised as an asset allocation scheme. However the TER of the fund exceeded the above limit as at September 30, 2022. As a result, the Fund has recorded reimbursement from the Management Company to comply with the TER.		
<b>9 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		<b>Rupees</b>	
Management remuneration payable	9.1	292,598	-
Sindh sales tax payable on management remuneration	9.2	38,037	-
Selling and marketing expenses payable	9.4	<u>2,051,856</u>	<u>1,476,087</u>
		<u>2,382,492</u>	<u>1,476,087</u>
<b>9.1</b>	As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, The Management Company has currently charged remuneration at the rate of 2.5% (June 30, 2022: Nil %) of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company monthly in arrears.		
<b>9.2</b>	The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.		
<b>9.3</b>	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). Currently the Management is not charging any allocated expenses.		
<b>9.4</b>	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.		

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

Accordingly, the Management Company has currently 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 1.5% of average annual net assets (June 30, 2022: Various rates).

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		<b>----- Rupees -----</b>	
Remuneration payable to the Trustee	10.1	19,335	27,149
Sindh sales tax payable on remuneration of the trustee	10.2	3,068	3,529
		<u>22,403</u>	<u>30,678</u>

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

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

- 10.2 Sindh sales tax at the rate of 13 % (June 30, 2022: 13%) is charged on the Trustee Fee.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
<b>11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		<b>----- (Rupees) -----</b>	
Annual fee payable	11.1	7,352	58,224

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

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		<b>----- (Rupees) -----</b>	
Transaction charges payable		1,807,843	973,723
Auditors' remuneration payable		790,806	617,846
Printing charges payable		176,928	168,387
Zakat payable		9,753	9,753
Legal and professional charges payable		196,510	156,950
Capital gain tax & withholding tax payable		215,470	195,011
Listing fee payable		41,513	34,613
Provision for Federal Excise Duty and related			
Sindh Sales Tax on management fee	12.1	3,497,459	3,497,459
Accrued & other liabilities		<u>177,283</u>	<u>177,279</u>
		<u>6,913,564</u>	<u>5,831,021</u>

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

- 12.1** 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 financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value of the Fund would have been higher by Re 1.692 (2022: Rs. 1.354)

#### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022 and June 30, 2022.

#### 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 4.97% (2021 is 4.76%) which includes 0.59% (2021: 0.36%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

#### 15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended September 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed 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.

#### 16 EARNINGS PER UNIT

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



## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

#### 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund
- 17.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 17.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

(Un-audited)		
	QUARTER ENDED SEPTEMBER 30,2022	QUARTER ENDED SEPTEMBER 30,2021
----- (Rupees) -----		
<b>Transactions during the year</b>		
<b>Faysal Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	922,129	1,743,272
Sindh sales tax on management remuneration	119,877	226,625
Issue of 36,994 units (2021: 653,473 units)	2,408,653	53,376,661
Redemption of 215,131 units (2021: 464,961 units)	13,308,008	35,000,000
Selling and marketing expenses	553,277	2,106,114
Reimbursement from the Management Company	815,000	750,000
<b>Faysal Bank Limited (Group / Associated Company)</b>		
Profit on balances with banks	56,347	214,607
Bank charges	2,949	423
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	69,490	174,327
Sindh sales tax on trustee fee	9,590	22,663
<b>Directors, their close family members and Key Management Personnel</b>		
<b>of the Management Company</b>		
Issue of 93 units (2021: 1,781 units)	6,043	147,173
Redemption of Nil units (2021: 10,549 units)	-	850,227
<b>Unit holders holding 10% or more units</b>		
Issuance of Nil units (2021: 653,473)	-	53,376,661

## Notes to and forming part of the Condensed Interim Financial Statements

### For The Quarter Ended September 30, 2022 (Un-Audited)

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
<b>Outstanding balances</b>		
<b>Faysal Asset Management Limited - (Management Company)</b>		
Remuneration payable to the Management Company	292,598	-
Sindh sales tax payable on management remuneration	38,037	-
Selling and marketing expenses payable	2,051,856	1,476,087
Receivable from the Management Company	2,224,910	1,409,910
Outstanding units Nil (June 30, 2022: 178,137 units)	-	10,942,956
<b>Faysal Bank Limited</b>		
Balance in savings account	7,015,959	5,151,594
<b>Central Depository Company of Pakistan Limited - (Trustee)</b>		
Remuneration payable to the Trustee	19,335	27,149
Sindh sales tax payable on remuneration of the trustee	3,068	3,529
<b>Directors, their close family members and Key Management Personnel of the Management Company</b>		
Outstanding units 17,840 (June 30, 2022: 17,747)	1,166,022	1,090,198
<b>Unit holders holding 10% or more units</b>		
Outstanding 442,366 units (June 30, 2022: 442,366 units)	28,913,053	27,174,554

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

### 18.1 Fair value hierarchy

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

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

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, 2022 (Un-Audited)

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

	As At September 30, 2022 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'At fair value through profit or loss</b>	<b>Rupees</b>			
Listed Equity Securities	101,429,842	-	-	101,429,842
	<u>101,429,842</u>	<u>-</u>	<u>-</u>	<u>101,429,842</u>

  

	As At June 30, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'At fair value through profit or loss</b>	<b>Rupees</b>			
Listed Equity Securities	108,513,380	-	-	108,513,380
	<u>108,513,380</u>	<u>-</u>	<u>-</u>	<u>108,513,380</u>

## 19 GENERAL

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

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24-10-2022 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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