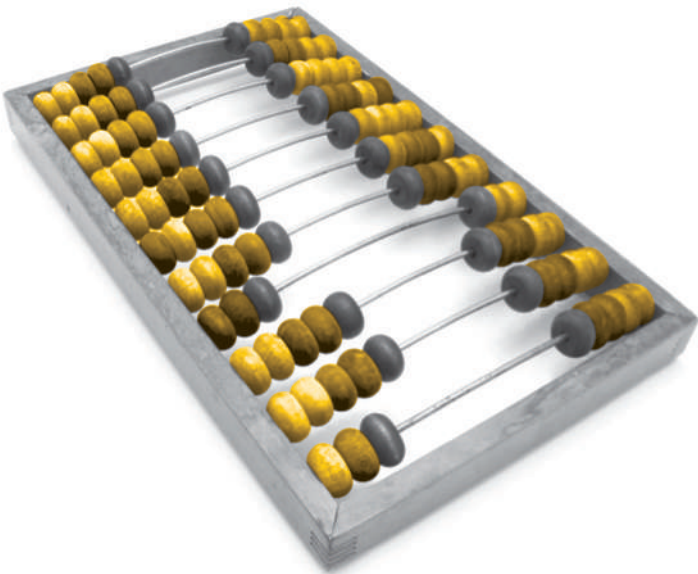


Faysal Funds

Financial Value Fund

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



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FUND INFORMATION

Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman
Mr. Osman Asghar Khan, Director
Mr. Mian Salman Ali, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Tahir Yaqoob Bhatti, Director
Mr. Nadir Rehman, Director
Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer

Mr. Khaldoon Bin Latif

Chief Financial Officer

Mr. Faisal Ali Khan

Company Secretary of the Management Company

Muhammad Umer Ilyas

Audit Committee

Mr. Osman Asghar Khan, Chairman
Mr. Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

HR Committee

Mr. Nadir Rehman, Chairman
Mr. Salman Ahmed Usmani, Member
Mr. Osman Asghar Khan, Member

Trustee to the Fund

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

Bankers to the Fund

Faysal Bank Limited
Soneri Bank Limited

Auditors

A.F. Ferguson & Co. Chartered
Accountants

Legal Advisor

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

Registrar

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

MISSION AND VISION

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

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

MISSION STATEMENT

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

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
Assets			
Balances with banks	5	670,861,633	708,795,389
Investments	6	1,372,202,610	1,433,206,880
Advances, deposits, prepayment and other receivables		140,197,988	40,723,185
Preliminary expenses and floatation costs	7	448,623	498,947
Total assets		2,183,710,854	2,183,224,401
Liabilities			
Payable to Faysal Asset Management Limited - Management Company	8	1,584,379	1,034,604
Payable to Central Depository Company of Pakistan Limited - Trustee	9	152,129	151,188
Payable to the Securities and Exchange Commission of Pakistan	10	109,485	403,223
Accrued expenses and other liabilities	11	1,520,926	22,425,276
Total liabilities		3,366,919	24,014,291
Net assets		<u>2,180,343,935</u>	<u>2,159,210,110</u>
Unit holders' fund (as per the statement attached)		<u>2,180,343,935</u>	<u>2,159,210,110</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>16,191,862</u>	<u>16,652,943</u>
		----- (Rupees) -----	
Net asset value per unit		<u>134.66</u>	<u>129.66</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	FOR THE QUARTER ENDED SEPTEMBER 30, 2021
	Note	----- (Rupees) -----	
Income			
Profit on balances with banks		28,492,146	9,844,784
Interest income from debt securities		56,433,279	30,265,038
Dividend income		38,750	-
Net realised gain on sale / maturity of investments		213,562	1,187,064
		85,177,736	41,296,886
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.3	(51,060)	3,122,697
Total income		85,126,677	44,419,583
Expenses			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	1,368,880	1,201,585
Sindh sales tax on remuneration of the Management Company	8.2	177,954	179,618
Allocated Expenses	8.3	-	-
Selling and marketing expenses	8.4	547,552	480,634
Remuneration to Central Depository Company of Pakistan Limited - Trustee	9.1	410,664	360,475
Sindh sales tax on remuneration of the Trustee	9.2	53,660	47,102
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	109,510	96,127
Transaction charges		55,571	37,111
Auditors' remuneration		123,004	124,476
Fees and subscriptions		6,900	75,747
Amortisation of preliminary expenses and floatation cost	7	50,324	50,324
Bank charges		170	678
Printing charges and other expenses		8,556	6,260
Total expenses		2,952,305	2,660,137
Net income from operating activities		82,174,372	41,759,446
Reversal for Sindh Workers' Welfare Fund (SWWF)		-	4,917,528
Net income for the period before taxation		82,174,372	46,676,974
Taxation	13	-	-
Net income for the period after taxation		82,174,372	46,676,974
Earnings per unit	14	-	-
Allocation of net income for the period			
Net income for the year / period after taxation		82,174,372	46,676,974
Income already paid on units redeemed		(1,320,561)	(1,009,065)
		80,853,811	45,667,909
Accounting income available for distribution			
- Relating to capital gains		162,502	4,309,761
- Excluding capital gains		80,691,309	41,358,148
		80,853,811	45,667,909

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)

	FOR THE QUARTER ENDED SEPTEMBER 30, 2022	FOR THE QUARTER ENDED SEPTEMBER 30, 2021
	----- (Rupees) -----	
Net income for the period after taxation	82,174,372	46,676,974
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>82,174,372</u>	<u>46,676,974</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)

	FOR THE QUARTER ENDED SEPTEMBER 30, 2022			FOR THE QUARTER ENDED SEPTEMBER 30, 2021		
	Capital value	Undistribut d income	Total	Capital value	Undistribut d income	Total
	------(Rupees)-----			------(Rupees)-----		
Net assets at the beginning of the period	2,150,673,896	8,536,214	2,159,210,110	1,862,889,068	5,970,556	1,868,859,624
Issuance of 15,546 units (2021: 755,470 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,015,714	-	2,015,714	88,072,640	-	88,072,640
- Element of income	63,739	-	63,739	1,233,074	-	1,233,074
Total proceeds on issuance of units	2,079,453	-	2,079,453	89,305,714	-	89,305,714
Redemption of 476,627 units (2021: 497,006 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(61,799,439)		(61,799,439)	(57,940,935)		(57,940,935)
- Element of income	-	(1,320,561)	(1,320,561)	-	(1,009,065)	(1,009,065)
Total payments on redemption of units	(61,799,439)	(1,320,561)	(63,120,000)	(57,940,935)	(1,009,065)	(58,950,000)
Total comprehensive income for the period	-	82,174,372	82,174,372	-	46,676,974	46,676,974
Net assets at the end of the period	<u>2,090,953,910</u>	<u>89,390,025</u>	<u>2,180,343,935</u>	<u>1,894,253,847</u>	<u>51,638,465</u>	<u>1,945,892,312</u>
Undistributed income brought forward						
- Realised income		(1,335,580)			1,131,014	
- Unrealised income		9,871,794			4,839,542	
		<u>8,536,214</u>			<u>5,970,556</u>	
Accounting income available for distribution						
- Relating to capital gains		162,502			4,309,761	
- Excluding capital gains		80,691,309			41,358,148	
		<u>80,853,811</u>			<u>45,667,909</u>	
Undistributed income carried forward		<u>89,390,025</u>			<u>51,638,465</u>	
Undistributed income carried forward						
- Realised income		89,441,085			48,515,768	
- Unrealised (loss) / income		(51,060)			3,122,697	
		<u>89,390,025</u>			<u>51,638,465</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>129.66</u>			<u>116.58</u>	
Net assets value per unit at the end of the period		<u>134.66</u>			<u>119.46</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 Cash Flows Statement

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

	FOR THE QUARTER ENDED SEPTEMBER 30, 2022	FOR THE QUARTER ENDED SEPTEMBER 30 2021
Note		
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	82,174,372	46,676,974
Adjustments for:		
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	51,060	(3,122,697)
Net capital gain on sale / maturity of investments	(213,562)	(1,187,064)
(Reversal) for Sindh Workers' Welfare Fund (SWWF)	-	(4,917,528)
	82,011,870	37,449,685
(Increase) in assets		
Investments	61,166,772	105,841,867
Advances, deposits, prepayment and other receivables	(99,474,803)	(8,208,933)
Preliminary expenses and floatation costs	50,324	50,324
	(38,257,707)	97,683,258
(Decrease) in liabilities		
Payable to Faysal Asset Management Limited - Management Company	549,775	110,025
Payable to Central Depository Company of Pakistan Limited - Trustee	941	3,564
Payable to the Securities and Exchange Commission of Pakistan	(293,738)	(252,493)
Payable against purchase of investments	-	(15,681,643)
Accrued expenses and other liabilities	(20,904,350)	(34,781)
	(20,647,372)	(15,855,328)
Net cash generated from operating activities	23,106,791	119,277,615
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units net of refund of capital	2,079,453	89,305,714
Payments made against redemption of units	(63,120,000)	(58,950,000)
Net cash (used in) / generated from financing activities	(61,040,547)	30,355,714
Net (decrease) / increase in cash and cash equivalents during the period	(37,933,756)	149,633,329
Cash and cash equivalents at the beginning of the period	708,795,389	390,956,700
Cash and cash equivalents at the end of the period	5 670,861,633	540,590,029

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 Financial Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on October 29, 2019 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

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

- 1.2 The Fund has been categorised as an open ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from December 27, 2019 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The investment objective of the Fund is to seek long term capital appreciation through investments in equity instrument, fixed income instruments, money market instruments, bank deposits primarily from the financial sector and any other instrument as defined in Constitutive documents of the Fund and allowed by the SECP.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The VIS Credit Rating Company Limited has awarded an "AM2+" asset manager rating to the Management Company as of December 31, 2021 (2021: "AM2+" as of August 10, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 16, 2021, the above-mentioned Trust Deed has been registered under the Sindh 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.

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.

Notes to and forming part of the Condensed Interim Financial Statements

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

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 information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 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.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
5	BALANCES WITH BANKS		
Savings accounts	5.1	670,861,633	708,795,389
5.1	These savings accounts carry mark-up at rates ranging from 7.00% to 16.45% (June 30, 2022: 5.50% to 16.00%) per annum. Deposits in savings accounts also include Rs. 3,705 million (June 30, 2022: Rs. 4,686 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 7.00% (June 30, 2022: 7.00%) per annum.		
6	INVESTMENTS		
	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
At fair value through profit or loss			
Listed equity securities	6.1	-	-
Term finance certificates	6.1	1,173,748,610	1,173,804,160
Government securities - Market Treasury Bills	6.2	198,454,000	259,402,720

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

1,372,202,610 1,433,206,880

Name of the Investee Company	Note	As at July 1, 2022	Purchased during the period	Bonus / right shares received during the period	Disposed off 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)	Market Value as a percentage of		Holding as a percentage of Investee company paid-up capital
										Net assets of the Fund	Total Investments of the Fund	
OIL AND GAS MARKETING COMPANIES												
Oil & Gas Development Company Limited	-	30,500	-	30,500	-	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	2,500	-	2,500	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	1,000	-	1,000	-	-	-	-	-	-	-	-
CHEMICALS												
Engro Polymer & Chemicals Limited	-	20,500	-	20,500	-	-	-	-	-	-	-	-
CEMENT												
Cherat Cement Company Limited	-	1,500	-	1,500	-	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	22,500	-	22,500	-	-	-	-	-	-	-	-
Lucky Cement Limited	-	20,500	-	20,500	-	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	90,000	-	90,000	-	-	-	-	-	-	-	-
Pioneer Cement Limited	-	1,000	-	1,000	-	-	-	-	-	-	-	-
REFINERY												
National Refinery Limited	-	15,500	-	15,500	-	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	194,000	-	194,000	-	-	-	-	-	-	-	-
OIL & GAS MARKETING COMPANIES												
Sui Northern Gas Pipelines Limited	-	29,500	-	29,500	-	-	-	-	-	-	-	-
PROPERTY												
Tpl Properties Limited	-	2,500	-	2,500	-	-	-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS												
Unilever Foods Limited	-	240,000	-	240,000	-	-	-	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION												
Avanceon Limited	5.3.1	10,500	-	10,500	-	-	-	-	-	-	-	-
Systems Limited	-	2,500	-	2,500	-	-	-	-	-	-	-	-
Trg Pakistan Limited - Class 'A'	-	111,000	-	111,000	-	-	-	-	-	-	-	-
INDUSTRIAL ENGINEERING												
International Steels Limited	-	25,500	-	25,500	-	-	-	-	-	-	-	-
Total as at September 30, 2022							-	-	-	-	-	-
Total as at June 30, 2022							-	-	-	-	-	-

6.2 Term Finance Certificates (TFCs)

Name of the investee company	As at July 1, 2022	Purchased during the period	Sold / redeemed during the period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised diminution as at September	Percentage in relation to		
								Net assets of the Fund	Total market value of	
	----- (Number of certificates) -----				----- (Rupees) -----			----- % -----		
COMMERCIAL BANKS										
Askari Bank Limited (AA-, PACRA, non-traded) (Face value of 1,000,000 per	243	-	-	243	243,000,000	243,000,000	-	11.15	17.71	
Bank Al Habib Limited (AA-, PACRA, non-traded) (Face value of 5,000 per certificate)	30,000	-	-	30,000	150,000,000	150,000,000	-	6.88	10.93	
Bank Alfalah Limited (AA+ , VIS, non-traded) (Face value of 5,000 per certificate)	56,000	-	-	56,000	280,000,000	280,000,000	-	12.84	20.41	
Soneri Bank Limited (A+ , PACRA, non-traded) (Face value of 4,989 per certificate)	53,300	-	-	53,300	276,968,611	276,968,610	(0)	12.70	20.18	
United Bank Limited (AA+ , VIS, non-traded) (Face value of 5,000 per certificate)	44,756	-	-	44,756	223,780,000	223,780,000	-	10.26	16.31	
Total as at September 30, 2022					#####	1,173,748,610	(0)	53.83	85.54	
Total as at June 30, 2022					#####	1,173,804,160	11,217,060	54.36	81.90	

Notes to and forming part of the Condensed Interim Financial Statements

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

6.2 Government securities - Market Treasury Bills

Name of the security	Face value				Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised appreciation as at September 30, 2022	Market value as percentage of total investments of the Fund	Market value as percentage of net assets of the Fund
	As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at September 30, 2022					
	(Rupees)								
Market treasury bills - 6 months	270,000,000	-	-	270,000,000	198,505,059	198,454,000	(51,059)	0.00	9.10
Total as at September 30, 2022					<u>198,505,059</u>	<u>198,454,000</u>	<u>(51,059)</u>		
Total as at June 30, 2022					<u>260,747,986</u>	<u>259,402,720</u>	<u>(1,345,266)</u>		

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
6.3 Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	----- (Rupees) -----	----- (Rupees) -----
Market value of investments	1,372,202,610	1,433,206,880
Carrying value of investments	<u>(1,372,253,670)</u>	<u>(1,423,335,086)</u>
	<u>(51,060)</u>	<u>9,871,794</u>

Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	----- (Rupees) -----

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period	498,947	698,602
Less: amortisation during the period	<u>(50,324)</u>	<u>(199,655)</u>
At the end of the period	<u>448,623</u>	<u>498,947</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from December 27, 2019 in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		----- (Rupees) -----	----- (Rupees) -----
Remuneration of the Management Company	8.1	445,082	443,116
Sindh sales tax on remuneration of the Management Company	8.2	61,870	61,614
Selling and marketing expenses payable	8.4	1,057,426	509,874
Other payable		<u>20,000</u>	<u>20,000</u>
		<u>1,584,379</u>	<u>1,034,604</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

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

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.25% of average annual net assets of the Fund, calculated on a daily basis. The fee is payable to the Management Company monthly in arrears.

- 8.2** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% (2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

- 8.3** 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore, charged no allocated expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations for the period ended September 30, 2022.

- 8.4** 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 rate of 0.1% per annum.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
9			
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		----- (Rupees) -----	
Remuneration of the Trustee	9.1	133,479	132,889
Sindh sales tax on remuneration of the Trustee	9.2	18,650	18,299
		<u>152,129</u>	<u>151,188</u>
9.1			
The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at 0.075% per annum of net assets.			
9.2			
Sindh sales tax at the rate of 13 % is charged on the Trustee Fee.			
10			
PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	<u>109,485</u>	<u>403,223</u>
10.1			
In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% of average annual net assets of the			

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
11 ACCRUED EXPENSES AND OTHER LIABILITIES		----- (Rupees) -----	
Auditors' remuneration payable		499,552	376,548
Fees and subscription payable		412,155	385,557
Printing expense payable		34,336	25,780
Capital gain tax payable		243,532	21,400,041
Transaction Charges Payable		140,602	86,161
Legal and professional charges payable		190,749	151,189
		<u>1,520,926</u>	<u>22,425,276</u>

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

13 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, 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 financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14 EARNINGS PER UNIT

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

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.54% (2021: 0.56%) which includes 0.06% (2021: 0.07%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Asset Allocation Scheme.

16 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

16.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund at period end.

16.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Notes to and forming part of the Condensed Interim Financial Statements

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

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

	FOR THE QUARTER ENDED SEPTEMBER 30, 2022	FOR THE QUARTER ENDED SEPTEMBER 30, 2021
	----- (Rupees) -----	
16.7 Transactions during the period		
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited - the Management Company	1,368,880	1,201,585
Sindh sales tax on remuneration of the Management Company	177,954	179,618
Selling and marketing expenses	547,552	480,634
Faysal Bank Limited		
Profit on balances with banks	86,602	244,154
Bank Charges	678	678
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Remuneration of the Trustee	410,664	360,475
Sindh sales tax on remuneration of the Trustee	53,660	47,102
Unit holders holding 10% or more units		
Issuance of 12,213 units (2021: 744,226 units)	1,633,632	87,970,872
Redemption of 453,961 units (2021: 484,238 units)	601,200,002	57,450,000
	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
16.8 Amounts / balances outstanding		
Faysal Asset Management Limited (the Management Company)		
Management fee payable	445,082	443,116
Sindh sales tax payable management fee	61,870	61,614
Selling and marketing expenses payable	1,057,426	509,874
Other payable	20,000	20,000
Faysal Bank Limited		
Balance with bank	3,704,687	4,685,820
Profit receivable on balances with banks	98,313	155,021
Central Depository Company of Pakistan Limited (the Trustee)		
Remuneration to the Trustee payable	133,479	132,889
Sindh sales tax payable on remuneration of the Trustee	18,650	18,299
Unit holders holding 10% or more units		
Outstanding 14,862,778 units (June 30, 2022: 15,336,396 units)	2,001,421,683	1,988,517,105

Notes to and forming part of the Condensed Interim Financial Statements

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

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

17.1 Fair value hierarchy

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

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

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

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

As at September 30, 2022, the Fund held the following financial instruments measured at fair values:

As at September 30, 2022			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	-	-	-
Term finance certificates	1,173,748,610	-	1,173,748,610
Government securities - Market Treasury Bills	198,454,000	-	198,454,000
-	1,372,202,610	-	1,372,202,610

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	-	-	-
Term finance certificates	1,173,804,160	-	1,173,804,160
Government securities - Market Treasury Bills	259,402,720	-	259,402,720
-	1,433,206,880	-	1,433,206,880

18 CORRESPONDING FIGURES

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

Notes to and forming part of the Condensed Interim Financial Statements

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

19 GENERAL

19.1 Rounding off

Figures have been rounded off to the nearest rupee.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 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

West wing, 7th Floor, Faysal House, ST-02,
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