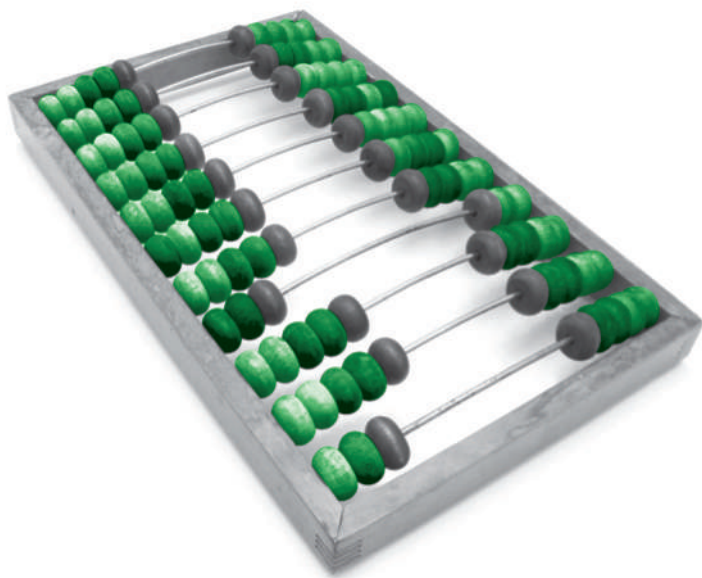


Faysal Funds

Islamic Savings Growth Fund

Condensed Interim Financial Statement
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

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

Dubai Islamic Bank Pakistan Limited

Al-Baraka Bank Limited

Bank Islami Pakistan Limited

Faysal Bank Limited (Islamic Banking)

Bank Al-Falah (Islamic Banking)

Habib Bank Limited (Islamic Banking)

United Bank Limited (Islamic Banking)

Silk Bank Limited (Islamic Banking)

Auditors

A.F. Ferguson & Co. Chartered

Accountants

Legal Advisor

Mohsin Tayebaly & Co.

2nd Floor, Dime Centre,

BC-4 Block-9, KDA-5,

Clifton, Karachi.

Registrar

ITMinds Limited

Central Depository Company of Pakistan, Limited

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

Main Shahra-e-Faisal, Karachi.

MISSION AND VISION

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

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

MISSION STATEMENT

Faysal Islamic Saving Growth Funds seeks to provide maximum possible preservation of capital and a responsible Shariah compliant return to its units holder.

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	280,798,088	616,949,777
Investments - net	6	1,870,620,959	2,119,744,750
Receivable against sale of units		2,166,389	185,000
Deposits, prepayments and other receivables	7	61,186,992	38,299,525
Total assets		<u>2,214,772,428</u>	<u>2,775,179,052</u>
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	8	4,964,716	5,042,862
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	169,245	199,364
Payable to the Securities and Exchange Commission of Pakistan	10	127,749	716,757
Payable against redemption of units		465,885	-
Accrued expenses and other liabilities	11	8,254,685	9,590,482
Total liabilities		<u>13,982,279</u>	<u>15,549,465</u>
Net assets		<u><u>2,200,790,149</u></u>	<u><u>2,759,629,587</u></u>
Unit holders' fund (as per the statement attached)		<u><u>2,200,790,149</u></u>	<u><u>2,759,629,587</u></u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u><u>20,559,606</u></u>	<u><u>26,581,169</u></u>
		----- (Rupees) -----	
Net asset value per unit		<u><u>107.04</u></u>	<u><u>103.82</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement

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

	Note	Quarter Ended September 30	
		2022	2021
		----- (Rupees) -----	
Income			
Profit on sukuk certificates		58,074,432	33,784,832
Profit on commercial papers		780,197	2,937,594
Profit on balances with banks		19,901,329	33,953,761
Profit on certificate of Musharikhah		12,385,405	4,253,436
Profit Receivable on Murabaha Share Financing		-	441,331
Capital (loss) / gain on disposal of investments - net		(2,340,292)	29,011
Unrealised (loss) / gain on re-measurement of investments classified as at fair value through profit or loss' - net		(2,702,080)	3,562,422
Total income		86,098,991	78,962,387
Expenses			
Remuneration of Faysal Asset Management Limited - the Management Company	8.1	6,388,655	9,959,446
Sindh sales tax on remuneration of the Management Company	8.2	830,525	1,294,728
Selling and marketing charges	8.4	638,865	550,982
Remuneration of Central Depository Company of Pakistan Limited - the trustee	9.1	479,149	746,958
Sindh sales tax on remuneration of trustee	9.2	62,609	97,602
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	127,773	199,188
Transaction Charges		53,993	16,340
Bank charges		478	109
Auditors' remuneration		152,536	186,300
Fees and subscriptions		69,736	6,931
Legal and Professional Charges		39,560	
Shariah Advisory Fee		28,014	81,512
Printing and other expenses		8,560	6,256
Total Operating Expenses		8,880,454	13,146,352
Net profit from operating activities		77,218,537	65,816,035
Reversal for Sindh Workers' Welfare Fund (SWWF)		-	12,867,250
Net income for the period before taxation		77,218,537	78,683,285
Taxation	13	-	-
Net income for the period after taxation		77,218,537	78,683,285
Allocation of net income for the period			
- Net income for the period		77,218,537	78,683,285
- Income already paid on units redeemed		(11,829,226)	(4,951,908)
		65,389,311	73,731,377
Accounting income available for distribution			
- Relating to capital gains		-	3,591,433
- Excluding capital gains		65,389,311	70,139,944
		65,389,311	73,731,377

Earnings per unit

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income

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

	Quarter Ended September 30,	
	2022	2021
	----- (Rupees) -----	
Net income for the period after taxation	77,218,537	78,683,285
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>77,218,537</u>	<u>78,683,285</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Movement in Unit Holders' Fund

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

	Quarter Ended September 30					
	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period	2,712,548,999	47,080,588	2,759,629,587	3,976,563,415	37,045,246	4,013,608,661
Issuance of 817,756 units (2021: 6,739,885 units)						
- Capital value (at net asset value per unit at the beginning of the period)	84,882,160	-	84,882,160	697,106,371	-	697,106,371
- Element of income	1,416,601	-	1,416,601	6,007,214	-	6,007,214
Total proceeds on issuance of units	86,298,761	-	86,298,761	703,113,585	-	703,113,585
Redemption of 6,839,319 units (2021: 8,061,316 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(710,058,057)	-	(710,058,057)	(833,781,939)	-	(833,781,939)
- Element of income	(469,453)	(11,829,226)	(12,298,679)	(1,830,026)	(4,951,908)	(6,781,934)
Total payments on redemption of units	(710,527,510)	(11,829,226)	(722,356,736)	(835,611,965)	(4,951,908)	(840,563,873)
Total comprehensive income for the period	-	77,218,537	77,218,537	-	78,683,285	78,683,285
Net assets at end of the period	2,088,320,250	112,469,899	2,200,790,149	3,844,065,035	110,776,623	3,954,841,658
Undistributed income brought forward						
- Realized		54,903,518			33,933,258	
- Unrealized (loss) / income		(7,822,930)			3,111,988	
		47,080,588			37,045,246	
Accounting income available for distribution						
- Relating to capital gains		-			3,591,433	
- Excluding capital gains		65,389,311			70,139,944	
		65,389,311			73,731,377	
Undistributed income carried forward		112,469,899			110,776,623	
Undistributed income carried forward						
- Realized		115,171,979			107,214,201	
- Unrealized		(2,702,080)			3,562,422	
		112,469,899			110,776,623	
					(Rupees)	
Net asset value per unit at the beginning of the period			103.82			103.43
Net asset value per unit at the end of the period			107.04			105.51
The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements						

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Cash Flows Statement

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

	Note	Quarter Ended September 30 2022	2021
		----- (Rupees) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		77,218,537	78,683,285
Adjustments for non-cash and other items			
Reversal against Sindh Workers Welfare Fund		-	(12,867,250)
Capital loss / (gain) on disposal of investments - net		2,340,292	(29,011)
Unrealised loss / (gain) on re-measurement of investments classified as at fair value through profit or loss' - net		2,702,080	(3,562,422)
		82,260,909	62,224,602
Decrease / (Increase) in assets			
Investments - net		244,081,419	(258,675,256)
Deposits, prepayments and other receivables		(22,887,468)	(38,473,771)
		221,193,951	(297,149,027)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - the Management Company		(78,146)	(3,163,304)
Payable to Central Depository Company of Pakistan Limited - the Trustee		(30,119)	(32,646)
Payable to the Securities and Exchange Commission of Pakistan		(589,008)	(500,477)
Accrued and other liabilities		(1,335,797)	4,445,045
		(2,033,070)	748,618
Net cash generated from / (used in) from operating activities		301,421,790	(234,175,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issue of units		84,317,372	700,258,360
Payments made against redemption of units		(721,890,851)	(843,006,654)
Net cash used in financing activities		(637,573,479)	(142,748,294)
Net decrease in cash and cash equivalents during the period		(336,151,689)	(376,924,101)
Cash and cash equivalents at the beginning of the period		616,949,777	2,259,400,107
Cash and cash equivalents at the end of the period	5	280,798,088	1,882,476,006

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to and forming part of the Condensed Interim Financial Statements

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal Islamic Savings Growth Fund (the Fund) is an open-ended income fund constituted under a trust deed entered into on April 22, 2009 between Faysal Asset Management Limited (FAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by the management company.

The Management Company of the Fund has been licensed to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Trust Act, 1882 had been 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. Consequently, the Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 29, 2022, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Fund has been categorised as a Shari'ah compliant open ended Islamic income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 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.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from June 15, 2010 and are transferable and redeemable by surrendering them to the Fund.

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

The objective of the Fund is to provide a reasonable rate of return along with maximum possible preservation of capital by investing in Shariah compliant money market and debt securities having good credit quality rating and liquidity. The investment objectives and policies are explained in the Fund's offering document.

The Management Company has been assigned a quality rating of "AM2+" by VIS Credit Rating Company Limited dated December 31, 2021 (2021: "AM2" as of December 31, 2020). Further, VIS Credit Rating Company Limited has assigned a "A+(f)" rating to Faysal Islamic Savings Growth Fund as of January 7, 2022 (2021: "A+(f)" dated

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 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 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

Notes to and forming part of the Condensed Interim Financial Statements

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

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 published audited 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.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
5 BALANCES WITH BANKS			
Profit and loss saving accounts	5.1	280,798,088	616,949,777

- 5.1 These carry mark-up ranging between 5% to 15.50% (June 30, 2022: 5.00% to 15.50%) per annum and include balance of Rs. 12.940 million (June 30, 2022: Rs. 5.527 million) held with Faysal Bank Limited, a related party, and carry profit at the rate of 15.50% (June 30, 2022: 15.50%) per annum.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
6 INVESTMENT			
At fair value through profit or loss			
Sukuk certificates	6.1	748,753,614	820,855,654
Government of Pakistan (GoP) - Ijarah Sukuks	6.2	753,468,000	753,572,998
Certificates of Musharika	6.3	368,399,344	356,013,939
Commercial Papers	6.4	-	189,302,159
		<u>1,870,620,959</u>	<u>2,119,744,750</u>

6.1 Sukuk certificates

Name of company	----- Number of certificates / face value -----					Balance as at September 30, 2022			Market value as a percentage of total investments	Market value as a percentage of total net assets
	Issue date	As at July 01, 2022	Purchased during the period	Sold / matured / redeemed during the period	As at September 30, 2022	Carrying value	Market value	Unrealised gain / (loss) on revaluation		
----- (Rupees) -----									----- % -----	
Listed Sukuk certificates										
Energycico PK Limited	18-Jan-17	500	-	-	500	8,496,078	8,429,034	(67,044)	0.45	0.38
Ghani Chemicals Industries Limited	2-Feb-17	564	-	-	564	12,961,614	12,971,969	10,355	0.69	0.59
Unlisted Sukuk certificates										
Pakistan Energy Limited	21-May-20	20,000	-	-	20,000	100,700,000	100,000,000	(700,000)	5.35	4.54
The Hub Power Company Limited	19-Mar-20	2,500	-	-	2,500	192,821,231	191,737,500	(1,083,731)	10.25	8.71
The Hub Power Company Limited	22-Aug-19	500	-	-	500	26,383,711	25,627,052	(756,659)	1.37	1.16
Hub Power Holding Limited	12-Nov-2020	3,500	-	-	3,500	359,988,060	359,988,060	-	19.24	16.36
Albaraka Bank (Pakistan) Limited Tier II	22-Dec-21	50	-	-	50	50,000,000	50,000,000	-	2.67	2.27
Total as at September 30, 2022						751,350,694	748,753,614	(2,597,080)	40.03	34.02
Total as at June 30, 2022						818,281,024	820,855,654	2,574,630		

Notes to and forming part of the Condensed Interim Financial Statements

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

6.2 Government of Pakistan (GoP) - Ijarah Sukuks

Name of company	----- Number of certificates / face value -----				Balance as at September 30, 2022			Market value as a percentage of total investments	Market value as a percentage of total net assets
	As at July 01, 2022	Purchased during the period	Sold / matured / redeemed during the period	As at September 30, 2022	Carrying value	Market value	Unrealised loss on revaluation		
	----- (Rupees) -----								
Government of Pakistan Ijarah Sukuks	760,000,000	-	-	760,000,000	753,572,999	753,468,000	(104,999)	40.28	34.24
Total as at September 30, 2022					753,572,999	753,468,000	(104,999)	40.28	34.24
Total as at June 30, 2022					763,970,558	753,572,998	(10,397,560)		

6.3 Certificates of Musharika

Name of investee company	----- Face value -----				Carrying value as at September 30, 2022	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets
	As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022			
	----- (Rupees) -----						
Orix Modaraba	325,000,000	-	-	325,000,000	368,399,344	17.37	16.74
					368,399,344	17.37	16.74

6.4 Commercial Papers

Name of investee company	----- Face value -----				Carrying value as at September 30, 2022	Carrying value as a percentage of total investments	Carrying value as a percentage of total net assets
	As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022			
----- (Rupees) -----					-----percentage-----		
Lucky Electric Power Company Limited ICP-2 (A1, PACRA)	190,000,000	-	190,000,000	-	-	-	-
Total as at September 30, 2022					-----		
Total as at June 30, 2022					189,302,159	189,302,159	-

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
----- (Rupees) -----			
Prepayments		363,078	154,004
Security Deposits		4,268,104	4,268,104
Profit receivable on debt securities		44,621,591	21,557,986
Profit receivable on balances	7.1	8,841,520	11,281,437
Advance tax		1,028,665	778,635
Other Receivable		2,064,035	259,359
		61,186,992	38,299,525

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
		----- (Rupees) -----	-----
8. PAYABLE TO FAYSAL ASSET MANAGEMENT COMPANY LIMITED - THE MANAGEMENT COMPANY			
Remuneration of the management company	8.1	1,994,681	2,353,839
Sindh sales tax on remuneration of the management company	8.2	259,309	306,000
Sales load payable		1,320,379	1,631,541
Selling and marketing charges	8.4	1,390,347	751,482
		<u>4,964,716</u>	<u>5,042,862</u>

8.1 The Management Company has charged remuneration at the rate of 1% 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% (June 30, 2022: 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.

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 0.1% of average annual net assets.

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	-----
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to the Trustee	9.1	149,120	176,057
Sales tax on Trustee fee	9.2	20,125	23,307
		<u>169,245</u>	<u>199,364</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.075% per annum of net assets (June 30, 2022: 0.075%).

9.2 The Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (June 30, 2022: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

Notes to and forming part of the Condensed Interim Financial Statements

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

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

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee	10.1	127,749	716,757
------------	------	---------	---------

- 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

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

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors remuneration		831,062	678,526
Withholding tax and Zakat payable		709,310	2,315,553
Provision for indirect taxes and duties	11.1	5,271,869	5,271,869
Other accrued liabilities		1,442,444	1,324,534
		<u>8,254,685</u>	<u>9,590,482</u>

- 11.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty at the rate of 16% on the services of the Management Company, as reported in note 10.2 to the annual financial statements of the Fund for the year ended June 30, 2022.

Had the said provision for FED not been maintained, the net asset value of the Fund as at September 30, 2022 would have been higher by Re. 0.26 (June 30, 2022: Re. 0.20) per unit.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the income earned by the Fund during the period ending June 30, 2022 to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements.

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

14. EARNINGS PER UNIT

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

Notes to and forming part of the Condensed Interim Financial Statements

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

15. EXPENSE RATIO

The total expense ratio (TER) of the Fund as at September 30, 2022 is 1.39% (2021: 1.32%) which includes 0.16% (2021: 0.16%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a income scheme.

16. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the fund, sales load, other charges and distribution payments to connected persons.

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

	(Un-audited)	
	Quarter Ended September 30	
	2022	2021
	----- (Rupees) -----	
Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of Management Company	6,388,655	9,959,446
Sales tax on management fee	830,525	1,294,728
Selling and marketing charges	638,865	550,982
Issue of 2 units (2021 : 1,493 units)	266	155,582
Redemption of 2 units (2021 : 1,493 units)	266	156,644
Faysal Bank Limited (Group company / Associated Company)		
Return on PLS savings accounts	498,789	3,072,980
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of Trustee	479,149	746,958
Sales tax on Trustee fee	62,609	97,602
Directors, their close family members and Key Management Personnel of the Management Company		
Issue of 29 units (2021 : 5,705Units)	3,057	595,115
Redemption of Nil units (2021 : 23,885 Units)	-	2,503,892
Unit Holders Holding 10% or more units		
Redemption of 1,873,361 units (2021 : Nil Units)	200,000,000	-

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) -----	
Outstanding balances at period / year end		
Faysal Asset Management Limited (Management Company)		
Management fee payable	1,994,681	2,353,839
Sindh sales tax on management fee payable	259,309	306,000
Selling and marketing expenses payable	1,390,347	751,482
Sales load payable	1,320,379	1,631,541
Faysal Bank Limited (Group company / Associated Company)		
Balance in PLS saving accounts	12,939,824	5,527,488
Return receivable on PLS saving account	-	696,961
Units in issue 1,821,335 (June 30, 2022: 1,821,335 units)	194,955,679	189,090,981
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration payable to the Trustee	149,120	176,057
Sales tax on trustee fee payable	20,125	23,307
Security deposit	100,000	100,000
FBL Staff Provident Fund*		
Units in issue 4,873,310 units (June 30, 2022: 4,873,310 units)	521,639,144	505,947,084
FBL Staff Gratuity Fund*		
Units in issue 2,526,617 units (June 30, 2022 : 2,526,617 units)	270,449,132	262,313,424
Directors, their close family members and Key Management Personnel of the Management Company		
Outstanding 30 units (June 30, 2022: 1 unit)	3,199	104
* Unit Holders Holding 10% or more units		
Outstanding 2,379,258 units (June 30, 2022: 9,125,929 units)	254,675,750	947,453,944

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is

- Level 1: quoted prices in active markets for identical assets;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to and forming part of the Condensed Interim Financial Statements

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

As at reporting date, the Fund held the following financial instruments which were measured at fair value:

As at September 30, 2022 (Un-audited)				
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	748,753,614	-	748,753,614
Government of Pakistan (GoP) - Ijarah Sukuks	-	753,468,000	-	753,468,000
Certificates of Musharika	-	368,399,344	-	368,399,344
Commercial Papers	-	-	-	-
	-	1,870,620,959	-	1,870,620,959

As at June 30, 2022 (Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	820,855,654	-	820,855,654
Government of Pakistan (GoP) - Ijarah Sukuks	-	753,572,998	-	753,572,998
Certificates of Musharika	-	356,013,939	-	356,013,939
Commercial Papers	-	189,302,159	-	189,302,159
	-	2,119,744,750	-	2,119,744,750

18. GENERAL

18.1 Figures are rounded off to the nearest Rupee.

18. Corresponding figures

Corresponding figures have been re-classified and re-arranged in these condensed interim 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 condensed interim financial statements during the current period.

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized 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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