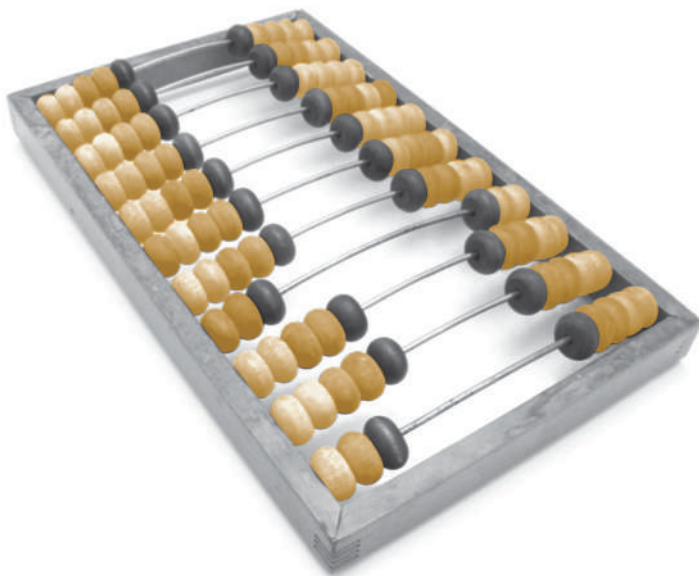


Faysal Funds

Islamic Asset Allocation 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. 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

Dubai Islamic Bank Pakistan Limited

Al-Baraka Bank Limited

Bank Islami Pakistan Limited

Faysal Bank Limited (Islamic Banking)

Meezan Bank Limited

Zarai Taraqyati 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

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

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	510,550,336	459,985,462
Investments	6	1,728,043,815	1,929,350,457
Deposits and other receivables	7	60,493,684	49,079,280
Total assets		<u>2,299,087,835</u>	<u>2,438,415,199</u>
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	8	718,530	396,773
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	173,821	164,542
Payable to the Securities and Exchange Commission of Pakistan	10	124,005	537,014
Accrued expenses and other liabilities	11	2,061,939	1,758,666
Total liabilities		<u>3,078,295</u>	<u>2,856,995</u>
Net assets		<u>2,296,009,540</u>	<u>2,435,558,204</u>
Unit holders' fund (as per statement attached)		<u>2,296,009,540</u>	<u>2,435,558,204</u>
Contingencies and commitments	12		
		(Number of units)	
Number of units in issue		<u>28,650,164</u>	<u>31,315,518</u>
		(Rupees)	
Net assets value per unit		<u>80.14</u>	<u>77.77</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 balances with banks		21,426,967	7,062,543
Profit on debt securities		69,506,413	49,861,973
(Loss) / gain on investments at fair value through profit or loss			
- Capital (loss) / gain on sale of investments - net		(2,316,986)	383,562
- Unrealised (diminution) / appreciation on revaluation of investments classified as financial assets at fair value through profit or loss		(12,723,142)	4,661,075
		<u>(15,040,128)</u>	<u>5,044,637</u>
Total income		<u>75,893,252</u>	<u>61,969,153</u>
Expenses			
Remuneration of Faysal Asset Management Limited - the Management Company	8.1	620,149	680,078
Sindh sales tax on remuneration of the Management Company	8.2	80,619	88,411
Selling and Marketing Charges	8.3	310,074	340,039
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	465,112	510,059
Sindh sales tax on remuneration of the Trustee		60,972	66,309
Transaction charges		195,146	93,609
Bank charges		1,718	1,953
Annual fees to the Securities and Exchange Commission of Pakistan	10	124,029	136,016
Auditors' remuneration		175,353	218,040
Fees and subscription		117,714	6,931
Printing charges		8,556	6,222
Total operating expenses		<u>2,159,442</u>	<u>2,147,667</u>
Net profit from operating activities		<u>73,733,810</u>	<u>59,821,486</u>
Reversal for Sindh Workers' Welfare Fund (SWWF)		-	6,264,528
Net profit for the period before taxation		<u>73,733,810</u>	<u>66,086,014</u>
Taxation	14	-	-
Net profit for the period after taxation		<u>73,733,810</u>	<u>66,086,014</u>
Allocation of net profit for the period			
-Net profit for the period		73,733,810	66,086,014
-Income already paid on units redeemed		(6,002,077)	(4,076,384)
		<u>67,731,732</u>	<u>62,009,630</u>
Accounting income available for distribution			
-Relating to capital gains		-	5,044,637
-Excluding capital gains		67,731,732	56,964,993
		<u>67,731,732</u>	<u>62,009,630</u>

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income

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

	Quarter Ended September 30	
	2022	2021
	----- (Rupees) -----	
Net profit for the period after taxation	73,733,810	66,086,014
Other comprehensive income / (loss) for the year	-	-
Total comprehensive profit for the period	<u>73,733,810</u>	<u>66,086,014</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	Accumulated (loss) / income	Total	Capital value	Accumulated loss	Total	
(Rupees)			(Rupees)			
Net assets at beginning of the period						
2,590,548,260	(154,990,056)	2,435,558,204	2,828,995,921	(163,532,671)	2,665,463,250	
Issuance of 4,708 units (2021: 3,433,396 units)						
- Capital value (at net assets value per unit at beginning of the period)	366,145	-	366,145	242,981,451	-	242,981,451
- Element of income / (loss)	8,114	8,114	4,204,677	-	4,204,677	
Total proceeds on issuance of units	374,259	-	374,259	247,186,128	-	247,186,128
Redemption of 2,670,062 units (2021: 3,238,260 units)						
- Capital value (at net assets value per unit at beginning of the period)	(207,650,731)	-	(207,650,731)	(229,171,680)	-	(229,171,680)
- Element of (income) / loss	(3,924)	(6,002,077)	(6,006,002)	(32,138)	(4,076,384)	(4,108,522)
Total payments on redemption of units	(207,654,656)	(6,002,077)	(213,656,733)	(229,203,818)	(4,076,384)	(233,280,202)
Total comprehensive profit for the period	-	73,733,810	73,733,810	-	66,086,014	66,086,014
Net assets at end of the period						
2,383,267,864	(87,258,324)	2,296,009,540	2,846,978,231	(101,523,041)	2,745,455,190	
Accumulated loss brought forward						
- Realised	(169,233,802)		(164,605,991)			
- Unrealised	14,243,746		1,073,320			
	(154,990,056)		(163,532,671)			
Accounting income available for distribution						
- Relating to capital gains	-		5,044,637			
- Excluding capital gains	67,731,732		56,964,993			
	67,731,732		62,009,630			
Accumulated loss carried forward						
	(87,258,324)		(101,523,041)			
Accumulated loss carried forward						
- Realised	(74,535,181)		(106,184,116)			
- Unrealised	(12,723,142)		4,661,075			
	(87,258,324)		(101,523,041)			
-- (Rupees) --			-- (Rupees) --			
Net assets value per unit at beginning of the period		77.77	70.77			
Net assets value per unit at end of the period		80.14	72.52			

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 profit for the period after taxation		73,733,810	66,086,014
Adjustments for non-cash and other items:			
Loss / (gain) on investments			
- Capital loss / (gain) on sale of investments - net		2,316,986	(383,562)
- Unrealised diminution / (appreciation) on revaluation of investments classified as financial assets at fair value through profit or loss		12,723,142	(4,661,075)
		15,040,128	(5,044,637)
Decrease / (increase) in assets			
Investments		186,266,513	(50,308,958)
Deposits and other receivables		(11,414,404)	10,199,781
		174,852,109	(40,109,177)
(Decrease) / increase in liabilities			
Payable to Faysal Asset Management Limited - the Management Company		321,757	251,144
Payable to Central Depository Company of Pakistan Limited - the Trustee		9,279	4,799
Payable to the Securities and Exchange Commission of Pakistan		(413,009)	(330,499)
Accrued expenses and other liabilities		303,273	(6,379,812)
		221,300	(6,454,368)
Net cash generated from operating activities		263,847,347	14,477,832
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		374,259	247,186,128
Payments made against redemption of units		(213,656,733)	(233,280,202)
Net cash (used in) / generated from financing activities		(213,282,473)	13,905,926
Net increase in cash and cash equivalents during the year		50,564,874	28,383,758
Cash and cash equivalents at beginning of the year		459,985,462	420,327,933
Cash and cash equivalents at end of the year	5	510,550,336	448,711,691

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

- 1.1 Faysal Islamic Asset Allocation Fund (the Fund) is an open ended mutual fund constituted under a trust deed entered into on May 18, 2015 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.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities Exchange & Commission of Pakistan. The registered office of the Management Company is situated at 7th Floor, West Wing, Faysal House, Shahrah-e-Faisal, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as a Shariah Compliant 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 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The principal activity of the Fund is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments and to earn competitive riba free return by investing in various Shariah Compliant asset classes / instruments based on the market outlook.
- 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 December 31, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "2-Star" improved rating to Faysal Islamic Asset Allocation Fund as of August 06, 2021 (2021: "2-Star" as of February 12, 2021).
- 1.6 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.
- 1.7 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.

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
5	BALANCES WITH BANKS	Note	----- (Rupees) -----
	PLS savings account	5.1	<u>510,550,336</u> <u>459,985,462</u>

- 5.1 These savings accounts carry profit at rates ranging from 5% to 15.5% (June 30, 2022: 5% to 15.50%) per annum. Deposits in savings accounts also include Rs. 50.50 million (June 30, 2022: Rs. 18.4 million) maintained with Faysal Bank Limited, a related party, and carry profit at the rate of 15.50% (June 30, 2022: 15.50%) per annum.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
6	INVESTMENTS	Note	----- (Rupees) -----
	At fair value through profit or loss		
	Listed equity securities	6.1	7,029 4,641
	Sukuk certificates	6.2	1,480,770,037 1,570,930,288
	GoP Ijara sukuk certificate	6.3	247,266,749 247,272,021
	Commercial Paper	6.4	- 111,143,507
			<u>1,728,043,815</u> <u>1,929,350,457</u>

6.1 Listed equity securities

Shari'ah compliant listed equity securities

Name of investee company	Number of shares -----				As at September 30, 2022 -----			Investment as percentage of -----	
	As at July 1, 2022	Purchase d during the period	Bonus / right shares received	Disposed off during the period	As at September 30, 2022	Carrying value	Market value	Unrealised gain / (loss) on revaluation	Net assets
Oil and gas marketing companies									
Haseol Petroleum Limited	1,100	-	-	-	1,100	4,642	7,029	2,387	-
	1,100	-	-	-	1,100	4,642	7,029	2,387	-
September 30, 2022						4,642	7,029	2,387	-
June 30, 2022						9,823	4,642	(5,181)	-

Notes to and forming part of the Condensed Interim Financial Statements

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

6.1.1 This investment includes 1,100 bonus shares having market value of Rs.0.0071 million as at September 30, 2022, which is equivalent to 5% (representing tax impact of a bonus announcement) that has been withheld by the investee company during a previous period.

6.2 Sukuk certificates

Name of investee company	Number of Certificates				As at September 30, 2022			Market value as percentage of	
	As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised gain / (loss) on revaluation	Net assets	Total investments
					-----Rupees-----			-----Percentage-----	
AGP Limited - Sukuk Certificates	2,071	-	2,071	-	-	-	-	-	-
Al-Baraka bank tier-II modaraba sukuk	150	-	-	150	153,093,600	150,000,000	(3,093,600)	6.53	8.68
Aspin pharma (private) limited - sukuk certificates	1,032	-	-	1,032	26,567,203	26,664,816	97,613	1.16	1.54
Byco petroleum pakistan limited - Sukuk certificates	1,125	-	-	1,125	22,432,997	18,965,325	(3,467,671)	0.83	1.10
Dubai islamic bank pakistan ltd-tier I capital sukuk cert.	29,000	-	-	29,000	145,000,000	145,000,000	-	6.32	8.39
Dubai islamic bank pakistan ltd-tier II capital sukuk cert.	155	-	-	155	160,192,500	160,192,500	-	6.98	9.27
Engro Polymer & Chemicals Limited - Sukuk	770	-	-	-	82,390,000	77,523,600	(4,866,400)	3.38	4.49
K-Electric Sukuk	45,000	-	-	-	229,770,000	229,500,000	(270,000)	10.00	13.28
Meezan Bank Limited - tier I modaraba sukuk certificates	261	-	-	-	261,000,000	261,000,000	-	11.37	15.10
SHAKARGANJ FOOD PRODUCTS LIMITED - SUKUK	50	-	-	-	32,194,532	32,064,930	(129,602)	1.40	1.86
The Hub Power Company Limited (2nd issue)	1,710	-	1,710	-	-	-	-	-	-
TPL Trakker Sukuk Tier 2	100	-	-	100	78,168,513	78,166,665	(1,848)	3.40	4.52
Pak Electron Limited	150	-	-	150	148,256,700	148,302,201	45,501	6.46	8.58
The Hub Power Company Limited (5th issue)	750	1,250	-	2,000	153,838,875	153,390,000	(448,875)	6.68	8.88
September 30, 2022					1,492,904,919	1,480,770,037	(12,134,882)	64.49	85.69
June 30, 2022					1,556,849,677	1,570,930,292	14,080,615		

6.3 GoP Ijara sukuk certificate

GoP Ijara - Sukuk certificates

Particular	Number of Certificates				As at September 30, 2022			Market value as percentage of	
	As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised gain on revaluation	Net assets	Total investments
					-----Rupees-----			-----Percentage-----	
Government of Pakistan Ijara Sukuk	2,575	-	-	2,575	247,857,397	247,266,749	(590,648)	10.77	14.31
September 30, 2022					247,857,397	247,266,749	(590,648)	10.77	14.31
June 30, 2022					248,255,533	247,272,000	102,983		

6.4 Islamic Commercial Paper

Name of security	Number of Certificates				Carrying Value as at September 30, 2022	Market Value as at September 30, 2022	Investment as percentage of	
	As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022			Net assets	Total investments
Mughal Iron & Steel Industries Limited	110	-	-	110	-	-	-	-
September 30, 2022	110	-	-	110	-	-	-	-
June 30, 2022					111,143,507	111,143,507	-	-

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
	Note	----- (Rupees) -----	-----
7 DEPOSITS AND OTHER RECEIVABLES			
Security deposits			
- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited		100,000	100,000
		2,600,000	2,600,000
Profit receivable on bank balances	7.1	15,026,567	4,216,464
Advance tax		662,678	662,679
Dividend receivable		391,800	391,800
Profit receivable on debt securities		41,812,639	41,208,337
		<u>60,493,684</u>	<u>49,079,280</u>

- 7.1 This includes profit receivable amounting to Rs. 0.203 million (June 30, 2022: Rs.0.502 million) on bank balance held with Faysal Bank Limited, a related party.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	-----
8 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Management fee payable	8.1	203,777	193,428
Sindh sales tax payable on management fee	8.2	26,510	25,166
Selling and marketing charges payable	8.3	488,243	178,169
Sales load payable		-	10
		<u>718,530</u>	<u>396,773</u>

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.10% per annum of the average annual net assets of the Fund for the period ended September 30, 2022 (June 30, 2022: 0.10%) which is payable monthly in arrears.
- 8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 8.3 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) up to a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.
- 8.4 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 0.05% of average annual net assets of the Fund for the period from July 1, 2022 to September 30, 2022.

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
	Note		----- (Rupees) -----	-----
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
	Trustee fee payable	9.1	152,834	145,072
	Sales tax on Trustee fee payable		20,987	19,470
			<u>173,821</u>	<u>164,542</u>
9.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate 0.075% per annum of net assets			
9.2	During the period, amount charged at 13% on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.			
			(Un-audited) September 30, 2022	(Audited) June 30, 2022
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees) -----	-----
	Annual fee	10.1	<u>124,005</u>	<u>537,014</u>
10.1	This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay the SECP an amount at the rate of 0.02% per annum of the average daily net assets of the Fund in accordance with SRO 685(1)/2019 of the SECP.			
			(Un-audited) September 30, 2022	(Audited) June 30, 2022
11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees) -----	-----
	Transaction charges payable		61,088	37,217
	Auditors' remuneration payable		723,720	548,368
	Shariah advisory fee payable		111,356	83,342
	Accrued liabilities		288,587	252,120
	Legal and professional charges payable		196,519	156,950
	Provision for federal excise duty (FED) and related Sindh sales tax on management remuneration	11.1	<u>680,669</u>	<u>680,669</u>
			<u>2,061,939</u>	<u>1,758,666</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. 0.024 (June 30, 2022: Re 0.022) per unit.			
12	CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.			

Notes to and forming part of the Condensed Interim Financial Statements

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

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at September 30, 2022 is 0.35% (2021: 0.32%) which includes 0.05% (2021: 0.04%) 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

14 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 period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended September 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** 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 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.
- 15.2** 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.
- 15.3** The details of transactions carried out by the Fund with connected persons / related parties and balances with them at year end are as follows:

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	(Un-audited) September 30, 2021
	----- (Rupees) -----	
16.3.1 Transactions during the period		
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited - the Management Company	620,149	680,078
Sindh sales tax on remuneration of the Management Company	80,619	88,411
Selling and Marketing Charges	310,074	340,039
Faysal Bank Limited (group / associated Company)		
Profit on balances with banks	626,040	2,581,851
Directors and Key Management Personnel of the Management Company		
Issue of 61 units (2021: 16,758 units)	4,843	1,205,097
Redemption of units 131 (2021: 21,464 units)	10,467	1,551,818
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the trustee	465,112	510,059
Sindh sales tax on remuneration of the Trustee	60,972	66,309
Unit holder holding 10% or more units		
Issue of nil units (2021: 2,426,848 units)	-	175,000,000
Redemption of 2,495,944 units (2021: 3,123,265 units)	200,000,000	225,000,000
	(Un-audited) September 30, 2022	(Audited) June 30, 2022
16.3.2 Outstanding balances	----- (Rupees) -----	
Faysal Asset Management Limited (the Management Company)		
Management fee payable	203,777	193,428
Sindh sales tax payable on management fee	26,510	25,166
Selling and marketing charges payable	488,243	178,169
Sales load payable	-	10
Faysal Bank Limited (group / associated Company)		
Balance in savings account	5,132,395	18,475,872
Return receivable on bank balance	203,192	538,331
Directors and Key Management Personnel of the Management Company		
Issue of Nil Units (June 30, 2022: 71 units)	-	5,522
Central Depository Company of Pakistan Limited - (the Trustee)		
Security deposit	100,000	100,000
Trustee fee payable	152,834	145,072
Sales tax on Trustee fee payable	20,987	19,470
Unit holder holding 10% or more units		
Issue of 28,151,285 units (June 30, 2022: 30,647,230 units)	2,256,044,018	2,383,435,077

Notes to and forming part of the Condensed Interim Financial Statements

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

16 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

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

September 30, 2022			
Level 1	Level 2	Level 3	Total
ASSETS			
Financial assets at fair value through profit or loss			
- Listed equity securities	7,029	-	7,029
- Sukuk certificates	-	1,480,770,037	1,480,770,037
- GoP Ijara sukuk certificate	-	247,266,749	247,266,749
	<u>7,029</u>	<u>1,728,036,786</u>	<u>1,728,043,815</u>
June 30, 2022			
Level 1	Level 2	Level 3	Total
ASSETS			
Financial assets at fair value through profit or loss			
- Listed equity securities	4,641	-	4,641
- Sukuk certificates	-	1,570,930,288	1,570,930,288
- GoP Ijara sukuk certificate	-	247,272,021	247,272,021
- Commercial Papers	-	111,143,507	111,143,507
	<u>4,641</u>	<u>1,929,345,816</u>	<u>1,929,350,457</u>

Notes to and forming part of the Condensed Interim Financial Statements

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

17. GENERAL

18.1 Figures are rounded off to the nearest Rupee.

19 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,
Shahrah-e-Faisal,Karachi, Pakistan.

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