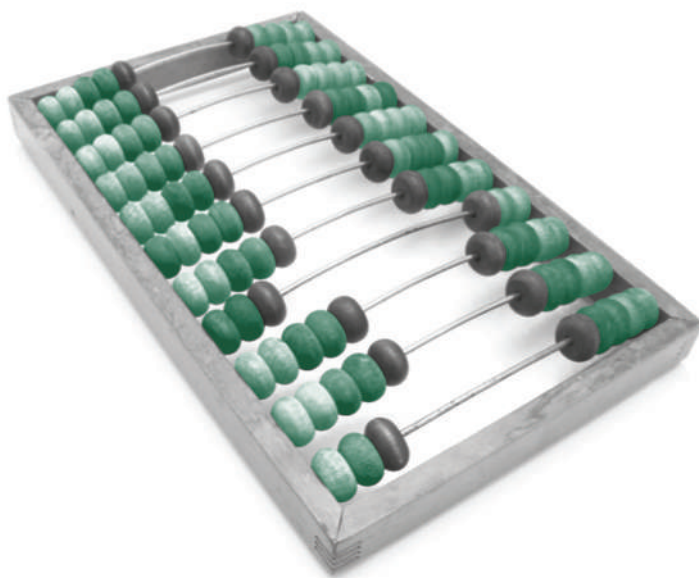


# Faysal Funds

## Government Securities Fund

Condensed Interim Financial Statements

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



**CONTENTS**

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

## FUND INFORMATION

### Management Company

Faysal Asset Management Limited

### Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman

Mr. Osman Asghar Khan, Director

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Tahir Yaqoob Bhatti, Director

Mr. Nadir Rehman, Director

Mr. Khaldoon Bin Latif, Director/CEO

### Chief Executive Officer

Mr. Khaldoon Bin Latif

### Chief Financial Officer

Mr. Faisal Ali Khan

### Company Secretary of the Management Company

Muhammad Umer Ilyas

### Audit Committee

Mr. Osman Asghar Khan, Chairman

Mr. Mian Salman Ali, Member

Syed Muhammad Fraz Zaidi, Member

### HR Committee

Mr. Osman Asghar Khan, Member

Mr. Salman Ahmed Usmani, Member

Mr. Nadir Rehman, Chairman

### Trustee to the Fund

Central Depository Company of Pakistan Limited,

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

Main Shahrah-e-Faisal, Karachi.

### Bankers to the Fund

Faysal Bank Limited

Allied Bank Limited

JS 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**

The objective of the Scheme is to provide competitive returns by investing primarily in Government Securities.

## Condensed Interim Statement of Assets and Liabilities

As at September 30, 2022

		(Un - Audited) September 30 2022	(Audited) June 30 2022
Note		(Rupees)	
<b>Assets</b>			
	Balances with banks	4 95,176,097	514,799,634
	Investments	5 9,922,700	96,168,579
	Profit and other receivable	6 961,362	1,074,263
	Preliminary expenses and floatation costs	7 492,981	543,397
	<b>Total assets</b>	106,553,140	612,585,873
<b>Liabilities</b>			
	Payable to Faysal Asset Management Limited - Management Company	269,309	82,460
	Payable to Central Depository Company of Pakistan Limited - Trustee	9 5,193	10,102
	Payable to the Securities and Exchange Commission of Pakistan	10 6,676	109,979
	Accrued expenses and other liabilities	11 1,561,893	2,021,695
	<b>Total liabilities</b>	1,843,071	2,224,236
	<b>Net assets</b>	104,710,069	610,361,637
	<b>Unit holders' fund (as per the statement attached)</b>	104,710,069	610,361,637
	<b>Contingencies and commitments</b>	12	(Number of units)
	<b>Number of unit in issue</b>	932,223	5,604,649
		(Rupees)	
	<b>Net assets value per unit</b>	112.32	108.90

The annexed notes from 1 to 19 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)	
<b>Income</b>			
Profit on balances with banks		1,953,645	7,442,203
Profit on government securities		3,025,351	10,200,518
Profit on commercial papers / money market placements		-	950,006
Capital loss on disposal of investments - net		(99,668)	(4,505,422)
Unrealised gain / (loss) on investments - net	5.1	610	(152,206)
<b>Total income</b>		<b>4,879,938</b>	<b>13,935,099</b>
<b>Operating expenses</b>			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	66,587	500,007
Sindh sales tax on remuneration of the Management Company	8.2	9,148	65,001
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	18,431	162,502
Sindh sales tax on remuneration of the Trustee	9.2	2,412	21,250
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	6,702	50,000
Auditors' remuneration		107,088	115,184
Fee and subscription		51,796	58,083
Amortisation of preliminary expenses and floatation cost	7	50,416	50,416
Bank charges		2,605	5,685
Other expenses		-	(481,819)
Selling and marketing charges		184,311	-
Legal and professional charges		39,560	182,481
Transaction charges		4,677	109,235
Printing charges		8,556	6,255
<b>Total operating expenses</b>		<b>552,289</b>	<b>844,280</b>
<b>Net income from operating activities</b>		<b>4,327,649</b>	<b>13,090,819</b>
Reversal for Sindh Workers' Welfare Fund (SWWF)		-	4,050,770
<b>Net income for the period before taxation</b>		<b>4,327,649</b>	<b>17,141,589</b>
Taxation	13	-	-
<b>Net income for the period after taxation</b>		<b>4,327,649</b>	<b>17,141,589</b>
Earnings per unit	14		
<b>Allocation of net income for the period:</b>			
Net income for the period after taxation		4,327,649	17,141,589
Income already paid on units redeemed		(4,083,200)	(7,660,100)
		<b>244,449</b>	<b>9,481,489</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	(4,657,628)
- Excluding capital gains		244,449	14,139,117
		<b>244,449</b>	<b>9,481,489</b>

The annexed notes from 1 to 19 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) -----	
<b>Net income for the period after taxation</b>	4,327,649	17,141,589
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>4,327,649</u>	<u>17,141,589</u>

The annexed notes from 1 to 19 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	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the period</b>	603,660,617	6,701,020	610,361,637	1,045,876,104	5,706,815	1,051,582,919
Issuance of 1,216,426 units (2021: 18,084,604 units)						
- Capital value (at net asset value per unit at the beginning of the period)	132,468,830	-	132,468,830	1,814,247,553	-	1,814,247,553
- Element of income	3,651,969	-	3,651,969	33,290,232	-	33,290,232
Total proceeds on issuance of units	136,120,799		136,120,799	1,847,537,785	-	1,847,537,785
Redemption of 5,888,852 units (2021: 16,548,066 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(641,296,068)		(641,296,068)	(1,660,102,022)		(1,660,102,022)
- Element of loss	(720,748)	(4,083,200)	(4,803,948)	(12,534,996)	(7,660,100)	(20,195,096)
Total payments on redemption of units	(642,016,816)	(4,083,200)	(646,100,016)	(1,672,637,018)	(7,660,100)	(1,680,297,118)
Total comprehensive income for the period	-	4,327,649	4,327,649	-	17,141,589	17,141,589
Net income for the period less distribution	-	4,327,649	4,327,649	-	17,141,589	17,141,589
<b>Net assets at the end of the period</b>	<b>97,764,600</b>	<b>6,945,469</b>	<b>104,710,069</b>	<b>1,220,776,871</b>	<b>15,188,304</b>	<b>1,235,965,175</b>
<b>Undistributed income brought forward</b>						
- Realised income	7,258,695			5,706,815		
- Unrealised income	(557,675)			-		
	6,701,020			5,706,815		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	244,449			9,481,489		
	244,449			9,481,489		
Undistributed income carried forward	6,945,469			15,188,304		
<b>Undistributed income carried forward</b>						
- Realised income	6,944,859			15,188,304		
- Unrealised income	610			-		
	6,945,469			15,188,304		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	108.90			100.32		
Net asset value per unit at end of the period	112.32			102.83		

The annexed notes from 1 to 19 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) -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	4,327,649	17,141,589
<b>Adjustments for:</b>		
Reversal for Sindh Workers' Welfare Fund (SWWF)	-	(4,050,770)
Unrealised (gain) / loss on investments - net	(610)	152,206
Capital loss on disposal of investments - net	99,668	4,505,422
Amortisation of preliminary expenses and floatation cost	7 50,416	50,416
	149,474	17,798,863
<b>Decrease / (increase) in assets</b>		
Investments	86,146,821	(920,337,588)
Profit and other receivable	112,901	(7,827,392)
	86,259,722	(928,164,980)
<b>(Decrease) / increase in liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	186,849	239,202
Payable to Central Depository Company of Pakistan Limited - Trustee	(4,909)	18,560
Payable to the Securities and Exchange Commission of Pakistan	(103,303)	(349,326)
Accrued expenses and other liabilities	(459,802)	750,217,996
	(381,165)	750,126,432
<b>Net cash generated from (used in) operating activities</b>	90,355,680	(160,239,685)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received against issue of units net of refund of capital	136,120,799	1,847,537,786
Payments made against redemption of units	(646,100,018)	(1,680,297,117)
<b>Net cash (used in) / generated from financing activities</b>	(509,979,219)	167,240,669
<b>Net (decrease) / increase in cash and cash equivalents</b>	(419,623,539)	7,000,984
Cash and cash equivalents at the beginning of the period	514,799,634	1,058,049,352
<b>Cash and cash equivalents at the end of the period</b>	4 95,176,097	1,065,050,336

The annexed notes from 1 to 19 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 Government Securities Fund (the Fund) is an open ended mutual fund constituted under a trust deed entered into on July 31, 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.
- 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 and 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).
- 1.3 The Fund has been categorised as an income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from March 16, 2020 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the Fund is to provide competitive returns by investing primarily in Government Securities.
- 1.5 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Management Company has been assigned a quality rating of 'AM2+' by VIS Credit Rating Company Limited dated December 31, 2021 (2021: 'AM2' dated December 21, 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) had assigned a "AA(f)" rating to Faysal Government Securities Fund as of May 18, 2021.
- 1.7 During the year ended June 30, 2021, 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 30, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

#### 2 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 statements 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 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 have been extracted from the condensed interim financial statements of the Fund for the quarter ended September 30, 2021.

##### 2.1 Statement of compliance

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

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

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

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

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

The fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

		(Un-audited) September 30 2022	(Audited) June 30 2022
	Note	----- (Rupees) -----	-----
<b>4 BALANCES WITH BANKS</b>			
PLS savings accounts	4.1	<u>95,176,097</u>	<u>514,799,295</u>
<b>4.1</b>	These accounts carry profit at rates ranging between 7.00% to 16.45% (June 30, 2022: 7.00% to 16.50%) per annum. Deposits in savings accounts also include Rs. 0.252 million (June 30, 2022: 0.325 million) maintained with Faysal Bank Limited, a related party carrying profit at the rate of 7.00% (June 30, 2022: 7.00%) per annum.		
		(Un-audited) September 30 2022	(Audited) June 30 2022
	Note	----- (Rupees) -----	-----
<b>5 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Market Treasury Bills	5.1	<u>9,922,700</u>	<u>96,168,579</u>
		<u>9,922,700</u>	<u>96,168,579</u>

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

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

#### 5.1 Market Treasury Bills

##### Market Treasury Bills

Particulars	Face value				Balance 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 loss on revaluation	Total investments of the fund	Net assets of the fund
(Rupees) %									
<b>Market Treasury Bills</b>									
- 3 Months	-	100,000,000	90,000,000	10,000,000	9,922,090	9,922,700	610	100.00	9.48
<b>Market Treasury Bills</b>									
- 6 Months	-	100,000,000	100,000,000	-	-	-	-	-	-
<b>Total as at September 30, 2022</b>					<u>9,922,090</u>	<u>9,922,700</u>	<u>610</u>	<u>100.00</u>	<u>9.48</u>
<b>Total as at June 30, 2022</b>					<u>96,726,254</u>	<u>96,168,579</u>	<u>557,675</u>	<u>100.00</u>	<u>15.76</u>

(Un-audited)  
September 30  
2022

(Audited)  
June 30  
2022

#### 6 PROFIT AND OTHER RECEIVABLE

	Note	(Rupees)	
Profit receivable on bank balances	6.1	840,549	948,472
Income receivable on Pakistan Investment Bonds		2,190	2,207
Security deposit		100,000	100,000
Prepayments		6,103	-
Advance tax	6.2	12,520	12,520
		<u>961,362</u>	<u>1,063,199</u>

**6.1** This includes profit receivable amounting to Rs. 0.060 million (June 30, 2022: Rs. 0.050 million) on bank balance held with Faysal Bank Limited, a related party.

**6.2** As per clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2021, withholding tax on profits paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt securities amounts to Rs

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on debt has been shown as other receivable as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

## 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) -----	
<b>7</b>	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>		
Balance at beginning of the period / year		543,397	743,417
Less: amortisation during the period / year	7.1	<u>(50,416)</u>	<u>(200,020)</u>
At the end of the period / year		<u>492,981</u>	<u>543,397</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 March 16, 2020 in accordance with the trust deed of the Fund and the NBFC Regulations.

		(Un-audited) September 30 2022	(Audited) June 30 2022
	Note	----- (Rupees) -----	
<b>8</b>	<b>PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
Remuneration payable to the Management Company	8.1	15,436	13,625
Sindh sales tax payable on remuneration of the Management Company	8.2	2,498	1,771
Preliminary expenses and floatation costs payable		-	67,064
Selling and marketing charges		<u>251,375</u>	<u>-</u>
		<u>269,309</u>	<u>82,460</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.

During the period from March 16, 2020 to June 30, 2020, through a resolution of the Board of Directors dated April 17, 2020 the Management Company has changed its remuneration structure from the fixed fee to a variable fee structure where the Management Company has defined a maximum fee level in the Fund's offering document at the rate of 1% of net assets. The Trustee has consented this revision via its letter CDC/T&C-S II/DH/0005/2020 dated January 01, 2020. The Board of the Management Company has also defined a minimum threshold of 0.1% of net assets through the aforementioned resolution. As a consequence thereof, the Management Company is now charging its remuneration variably keeping in view the overall return of the Fund and subject to the maximum and the minimum percentages approved by the Board and subject to the total expense ratio of the Fund as defined under the NBFC Regulations.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.2% of average annual assets per annum for the period ended September 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the period, an amount of Rs. 0.009 million (2021: Rs. 0.065 million) was charged on account of sales tax on management fee levied 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)

			(Un-audited) September 30 2022	(Audited) June 30 2022
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	----- (Rupees) -----	-----
	Remuneration payable to the Trustee	9.1	4,363	8,722
	Sindh sales tax payable on remuneration of the Trustee	9.2	830	1,380
			<u>5,193</u>	<u>10,102</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 0.065% per annum of net assets of the Fund.

9.2 During the year, an amount of Rs 0.002 million (2020: Rs 0.021 million) was charged 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 payable	10.1	<u>6,676</u>	<u>109,979</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 Fund.

			(Un-audited) September 30 2022	(Audited) June 30 2022
11	ACCRUED EXPENSES AND OTHER LIABILITIES		----- (Rupees) -----	-----
	Auditors' remuneration payable		481,790	374,702
	Payable to rating agency		128,657	83,761
	Withholding and capital gain tax payable		756,382	1,466,156
	Printing charges payable		22,269	13,714
	Transaction charges payable		3,760	4,887
	Legal and professional charges payable		118,035	78,475
	Time barred cheques		<u>51,000</u>	<u>-</u>
			<u>1,561,893</u>	<u>2,021,695</u>

## 12 CONTINGENCIES AND COMMITMENTS

12.1 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 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.

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

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

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 the Funds as per 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 1.72% (2021: 0.20%) which includes 0.06% (2021: 0.17%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme (CIS).

#### 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10%
- 16.2 Transactions with connected persons 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.
- 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 the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio (TER).

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

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

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

	FOR THE QUARTER ENDED SEPTEMBER 30 2022	FOR THE QUARTER ENDED SEPTEMBER 30 2021
<b>Transactions during the year / period</b>		
<b>Faysal Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	66,587	500,007
Sindh sales tax on remuneration of the Management Company	9,148	65,001
Selling & marketing charges	184,311	-
Units issued: 837,196 units (2021: 1,033,427 units)	93,952,434	104,233,454
Units redeemed: of 927,559 units (2021: 146,427 units)	104,000,000	15,000,000
<b>Faysal Bank Limited (group company)</b>		
Profit on balances with bank	26,493	30,999
Bank charges	2,775	565
<b>Faysal Financial Planning Fund - Faysal Active Principal Preservation Plan (fund managed by the Management Company)</b>		
Units issued: Nil units (2021 : 3,116,782 units)	-	320,000,000
Units redeemed: Nil units (2021: 3,116,782 units)	-	320,093,504
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	18,431	162,502
Sindh sales tax on remuneration of the Trustee	2,412	21,250
<b>*Unit holders with more than 10% holding</b>		
	(Un-audited) September 30 2022	(Audited) June 30 2022
<b>Balances as at year / period end</b>		
<b>Faysal Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	15,436	13,625
Sindh sales tax on remuneration payable to the Management Company	2,498	1,771
Selling & marketing charges payable	251,375	-
Preliminary expenses and flotation costs	-	67,064
Outstanding 881,987 units (June 2022: 972,350 units)	99,064,780	105,888,915
<b>Faysal Bank Limited (group company)</b>		
Balance with bank	251,553	326,826
Profit receivable on balance with bank	59,904	50,330
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	4,363	8,722
Sindh sales tax payable on remuneration of the Trustee	830	1,380
<b>*Unit holders with more than 10% holding</b>		



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

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

#### 17 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the 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:

As at September 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>ASSETS</b>			
<b>Financial assets at fair value through profit or loss</b>			
Market Treasury Bills	-	9,922,700	-
	9,922,700		9,922,700

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>ASSETS</b>			
<b>Financial assets at fair value through profit or loss</b>			
Money market placements*	-	96,168,579	-
	96,168,579		96,168,579

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

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

### 18 GENERAL

#### 18.1 Rounding off

Figures are rounded off to the nearest Rupee.

### 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24-10-2022 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**Head Office**

West wing, 7th Floor, Faysal House, ST-02,  
Shahrah-e-Faisal, Karachi, Pakistan.

**Karachi**

U 92 21 111329725  
F 92 21 38657800

**Lahore**

T 92 42 35785558  
F 92 42 35755196

**Islamabad**

T 92 51 2605721 / 23  
F 92 51 2275252

 [faysalfunds.com](http://faysalfunds.com)

 [facebook.com/faysalasset](https://facebook.com/faysalasset)

 [twitter.com/faysalasset](https://twitter.com/faysalasset)