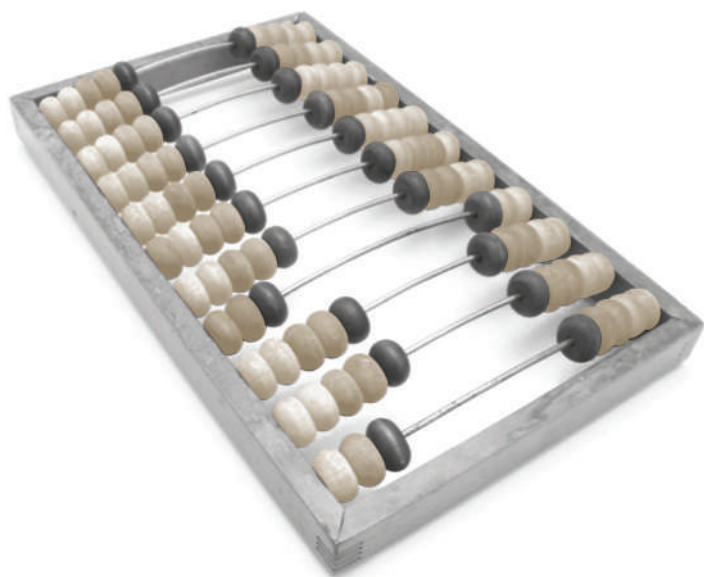


# Faysal Funds

## Financial Sector Opportunity 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

Soneri Bank Limited

Bank Alfalah Limited

Faysal Bank Limited

United Bank Limited

Allied Bank Limited

JS Bank Limited

Zarai Taraqiati Bank Limited

Habib Bank Limited

Khushali Bank Limited

U-Micro 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 Shahrah-e-Faisal, Karachi.

## **MISSION AND VISION**

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

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

## **MISSION STATEMENT**

Faysal Financial Sector Opportunity Fund seeks to provide a competitive rate of return to its investors by investing in money market and debt instruments with major exposure in financial sector.

## Condensed Interim Statement of Assets and Liabilities

As at September 30, 2022

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>Assets</b>			
Balances with banks	5	11,250,227,761	3,581,507,206
Investments	6	12,507,219	14,182,012
Advances, deposits, prepayments and other receivables	7	137,907,398	25,106,623
<b>Total assets</b>		<u>11,400,642,378</u>	<u>3,620,795,841</u>
<b>Liabilities</b>			
Payable to Faysal Asset Management Limited - Management Company	8	10,768,317	1,175,541
Payable to Central Depository Company of Pakistan Limited - Trustee	9	674,637	170,045
Payable to the Securities and Exchange Commission of Pakistan	10	335,114	165,049
Accrued expenses and other liabilities	11	3,169,468	6,014,493
<b>Total liabilities</b>		<u>14,947,536</u>	<u>7,525,128</u>
<b>Net assets</b>		<u>11,385,694,842</u>	<u>3,613,270,712</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>11,385,694,842</u>	<u>3,613,270,712</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>106,541,915</u>	<u>35,139,578</u>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<u>106.87</u>	<u>102.83</u>

The annexed notes from 1 to 18 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)

		Quarter Ended September 30	
		2022	2021
Note		(Rupees)	
<b>Income</b>			
	Interest on term finance certificates	526,576	440,068
	Interest on Pakistan investment bonds	-	1,813,318
	Discount Income on market treasury bills	4,723,085	57,184
	Profit on commercial papers	-	456,012
	Profit on balances with banks	271,880,427	11,016,531
	Net capital loss on sale of investments	(79,069)	(438,336)
	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	47,160	112,227
	<b>Total income</b>	<u>277,098,179</u>	<u>13,457,004</u>
<b>Expenses</b>			
	Remuneration of Faysal Asset Management Limited - Management Company 8.1	5,088,951	552,351
	Sindh Sales Tax on remuneration of the Management Company 8.2	661,563	71,805
	Selling and marketing expenses 8.4	5,926,799	-
	Remuneration of Central Depository Company of Pakistan Limited - Trustee 9.1	1,256,772	138,087
	Sindh Sales Tax on remuneration of the Trustee	164,218	18,043
	Annual fees to Securities and Exchange Commission of Pakistan 10.1	335,139	36,823
	Legal & Professional Charges	19,780	-
	Transaction charges	82,458	69,746
	Bank charges	16,535	1,391
	Auditors' remuneration	76,084	74,336
	Printing Charges	8,556	6,256
	Fee and subscription	83,720	70,999
	<b>Total expenses</b>	<u>13,720,575</u>	<u>1,039,837</u>
	<b>Net income from operating activities</b>	<u>263,377,604</u>	<u>12,417,167</u>
	(Reversal) for Sindh Workers Welfare Fund	-	(6,172,920)
	<b>Net income for the period before taxation</b>	<u>263,377,604</u>	<u>18,590,087</u>
	Taxation 13	-	-
	<b>Net income for the period after taxation</b>	<u>263,377,604</u>	<u>18,590,087</u>
	<b>Earnings per unit</b>	-	-
<b>Allocation of net income for the period</b>			
	Net income for the period after taxation	263,377,604	18,590,087
	Income already paid on units redeemed	(29,309,401)	(2,615,630)
		<u>234,068,203</u>	<u>15,974,457</u>
<b>Accounting income available for distribution</b>			
	Relating to capital gains	-	-
	Excluding capital gains	234,068,203	15,974,457
		<u>234,068,203</u>	<u>15,974,457</u>

The annexed notes from 1 to 18 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, 2021 (Un-Audited)

	Quarter Ended September 30	
	2022	2021
	----- (Rupees) -----	
<b>Net income for the year period taxation</b>	263,377,604	18,590,087
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>263,377,604</u>	<u>18,590,087</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

For Faysal Asset Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director

## Condensed Interim Statement of Movement in Unit Holders' Fund

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

	(Un-audited)			(Un-audited)		
	Quarter Ended September 30, 2022			Quarter Ended September 30, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at beginning of the period	3,595,716,303	17,554,409	3,613,270,712	887,051,753	8,650,408	895,702,161
Issuance of 96,426,095 units (2021: 329,624 units)						
- Capital value (at net assets value per unit at the beginning of period)	9,915,495,350	-	9,915,495,350	33,697,462	-	33,697,462
- Element of income	219,612,794	-	219,612,794	835,535	-	835,535
Total proceeds on issuance of units	10,135,108,144	-	10,135,108,144	34,532,997	-	34,532,997
Redemption of 25,023,758 units (2021: 3,144,322 units)						
- Capital value (at net assets value per unit at the beginning of period)	(2,573,193,053)	-	(2,573,193,053)	(321,444,064)	-	(321,444,064)
- Element of income	(23,559,164)	(29,309,401)	(52,868,565)	(401,176)	(2,615,630)	(3,016,806)
Total payments on redemption of units	(2,596,752,217)	(29,309,401)	(2,626,061,618)	(321,845,240)	(2,615,630)	(324,460,870)
Total comprehensive income for the period	-	263,377,604	263,377,604	-	18,590,087	18,590,087
Net assets at end of the period	11,134,072,230	251,622,612	11,385,694,842	599,739,510	24,624,865	624,364,375
Undistributed income brought forward						
- Realised income		17,400,745			8,559,260	
- Unrealised loss		153,664			91,148	
		17,554,409			8,650,408	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		234,068,203			15,974,457	
		234,068,203			15,974,457	
Undistributed income carried forward		251,622,612			24,624,865	
Undistributed income carried forward						
- Realised income		251,575,452			24,512,638	
- Unrealised gain / (loss)		47,160			112,227	
		251,622,612	-		24,624,865	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period				102.83		102.23
Net assets value per unit at end of the period				106.87		104.99

The annexed notes from 1 to 18 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)

	Quarter Ended September 30	
	2022	2021
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	263,377,604	18,590,087
<b>Adjustments for:</b>		
(Reversal) against Sindh Workers Welfare Fund	-	(6,172,920)
Net capital loss on sale of investments	79,069	438,336
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(47,160)	(112,227)
	31,909	(5,846,811)
<b>(Increase) / Decrease in assets</b>		
Investments	1,642,884	91,854,476
Advances, deposits, prepayments and other receivables	(112,800,775)	(622,385)
	(111,157,891)	91,232,091
<b>Increase / (Decrease) in liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	9,592,776	(632,248)
Payable to Central Depository Company of Pakistan Limited - Trustee	504,592	(34,135)
Payable to the Securities and Exchange Commission of Pakistan	170,065	(170,706)
Accrued expenses and other liabilities	(2,845,025)	(4,670,630)
Payable against redemption of units	-	(42,510,670)
	7,422,408	(48,018,389)
<b>Net cash generated from operating activities</b>	159,674,029	55,956,978
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	10,135,108,144	34,532,997
Amount paid against redemption of units	(2,626,061,618)	(324,460,870)
Cash distribution	-	-
<b>Net cash generated from (used in) from financing activities</b>	7,509,046,526	(289,927,873)
<b>Net increase (decrease) in cash and cash equivalents during the period</b>	7,668,720,555	(233,970,895)
Cash and cash equivalents at beginning of the period	3,581,507,206	776,353,361
<b>Cash and cash equivalents at end of the period</b>	11,250,227,761	542,382,466

The annexed notes from 1 to 18 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 Financial Sector Opportunity Fund (the Fund) was established under a Trust Deed executed between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on May 28, 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008). The Management Company has been licensed by Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules and NBFC Regulations, 2008 through a certificate of registration issued by SECP. The registered office of the Management Company of the Fund is situated at West Wing, 7th Floor, Faysal House, ST-02, Shahrah-e-Faisal,

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 19, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Fund has been categorised as an open-end 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.100 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from July 06, 2013 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to provide a competitive rate of return to its investors by investing in money market and debt instruments with major exposure in financial sector.

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.

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. Pakistan Credit Rating Agency Limited (PACRA) has assigned a "AA-(f)" stability rating to the Fund on April 18, 2022 (2021: AA-(f) dated April 16, 2021).

#### 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.

## 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, comparatives report 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 are extracted from the condensed interim financial statements for the Quarter ended September 30, 2021.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>5 BALANCES WITH BANKS</b>			
Balances with banks in saving accounts	5.1	<u>11,250,227,761</u>	<u>3,581,507,206</u>

- 5.1 These carry mark-up ranging from 7.00% to 16.85% (2022 : 7.00% to 16.40%) per annum and includes balance of Rs. 3.221 million (June 30, 2022: Rs. 1.122 million) held with Faysal Bank Limited, a related party.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>6 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Term Finance Certificates (TFCs)	6.1	<u>12,507,219</u>	<u>14,182,012</u>
		<u>12,507,219</u>	<u>14,182,012</u>

#### 6.1 Term Finance Certificates (TFCs)

Name of Security	As at July 1, 2022	Purchases during the period	Disposed / matured during the period	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised gain as at September 30, 2022	Percentage in relation to	
	----- (Face value) -----				----- (Rupees in '000) -----			Net Assets of the Fund	Total market value of investments
The Bank of Punjab	90	-	-	90	9,016,121	9,016,121	-	0.08	72.09
Jahangir Siddiqui & Company Limited	2,000	-	-	2,000	3,443,938	3,491,098	47,160	0.03	27.91
<b>Total</b>					<u>12,460,059</u>	<u>12,507,219</u>	<u>47,160</u>	<u>0.11</u>	<u>100.00</u>

## 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>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Income Receivable on term finance certificates		444,141	232,919
Profit receivable on bank deposits		137,268,207	24,522,423
Advance tax		95,050	95,050
		<u>137,907,398</u>	<u>24,950,392</u>

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
<b>8</b>	<b>PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
Management fee payable	8.1	2,445,525	753,132
Sindh Sales tax payable on management fee	8.2	317,918	97,907
Sales Load Payable		2,078,075	324,502
Selling and marketing expenses	8.4	5,926,799	-
		<u>10,768,317</u>	<u>1,175,541</u>

- 8.1** The Management Company has charged remuneration at the rate 0.30% (From July 01, 2022 to September 26, 2022) & 0.35% (From September 27, 2022 to September 30, 2022) of average daily net assets, calculated on 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% 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). Until June 19, 2019 there was a cap of 0.1% of the average annual net assets of the scheme or actual, whichever is lower, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the cap of 0.1%. During the period July 01, 2022 to September 30, 2022, the Management management has not charged any allocated expenses for the fund.
- 8.4** The SECP has allowed asset management Companies to charge selling and marketing expense to all categories of open- end mutual Funds (except Fund of Funds) initially for three years (from January 01, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.1% per annum of the net assets of the fund or actual expenses whichever is lower.

The SECP through its circular 11 dated July 05, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the fund and the same should be approved by the board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

During the period the Management company has charged selling and marketing charges for the fund at 0.35% (From July 01, 2022 to September 26, 2022) & 0.40% (From September 27, 2022 to September 30, 2022) of average annual net assets per annum.

## 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) -----	
	Trustee fee payable	9.1	595,909	150,482
	Sindh Sales Tax payable on trustee fee	9.2	<u>78,728</u>	<u>19,985</u>
			<u>674,637</u>	<u>170,466</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.

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 to SECP	10.1	<u>335,114</u>	<u>165,049</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) -----	
	Brokerage payable		96,177	92,772
	Auditors' remuneration payable		340,084	264,001
	Fees and subscription payable		240,275	156,557
	Zakat Payable		103,929	103,929
	Capital Gain & Withholding Tax Payable		1,436,085	4,472,655
	Printing Charges Payable		88,739	80,181
	Legal and Professional Charges		95,467	75,687
	Provision for Federal Excise Duty and related			
	Sindh Sales Tax on management fee	11.1	<u>768,712</u>	<u>768,712</u>
			<u>3,169,468</u>	<u>6,014,494</u>

11.1 There is no change in the status of FED as reported in 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. 0.01 (June 30, 2022: Rs. 0.02) per unit.

## 12 CONTINGENCIES AND COMMITMENTS

There were 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 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 has distributed the required minimum percentage of income earned by the Fund for the period ended June 30, 2022 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 Section 4B of the Income Tax Ordinance, 2001.

#### 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.81% which includes 0.07% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

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

Connected persons include Faysal Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise of 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.

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

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

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

	(Un-audited)	
	Quarter Ended September 30	
	2022	2021
	----- (Rupees) -----	
<b>Transactions during the period:</b>		
<b>Faysal Asset Management Limited (Management Company)</b>		
Remuneration of Faysal Asset Management Limited - Management Company	5,088,951	552,351
Sindh Sales Tax on remuneration of the Management Company	661,563	71,805
Selling and marketing expenses	5,926,799	-
Issuance of 6,106,170 units (2021: 11,098 units)	638,931,830	1,163,377
Redemption of 7,745,252 units (2021: 11,098 units)	808,338,334	1,164,938
<b>Faysal Bank Limited (Group / Associated Company)</b>		
Return on PLS savings accounts	674,132	180,144
<b>FAML-Staff Gratuity Fund</b>		
Issuance of 5,202 units (2020: 2,814,636 units)	551,913	-
<b>FAML-Employees Provident Fund</b>		
Issuance of 14,920 units (2020: 2,814,636 units)	1,582,800	-
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,256,772	138,087
Sindh Sales Tax on remuneration of the Trustee	164,218	18,043
<b>Directors and Key Management Personnel of the Management Company</b>		
Issuance of 88 units (2021: 02 units)	9,307	248
Redemption of 42,951 units (2021: 10,414 units)	4,500,000	1,070,923
<b>Unit holder holding 10% or more units</b>		
Issuance of 9,879,145 units (2021: Nil units)	1,033,259,744	-
Redemption of 95,329 units (2021: Nil units)	10,000,000	-

## 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) -----	
<b><u>Outstanding balances:</u></b>		
<b>Faysal Asset Management Limited (Management Company)</b>		
Management fee payable	2,445,525	753,132
Sindh Sales tax payable on management fee	317,918	97,907
Sales load payable	2,078,075	324,502
Selling and marketing expenses payable	5,926,799	-
Outstanding Nil units (2021: Nil units)	-	-
Outstanding 324,222 units (2022: 1,963,304 units)	34,649,626	201,886,550
<b>Faysal Bank Limited (Group / Associated Company)</b>		
Balance in PLS savings accounts	3,221,207	10,222,606
Profit receivable on bank deposits	83,401	835,997
Outstanding 157,775 units (2022: 157,775 units)	16,861,454	16,224,003
<b>FAML-Staff Gratuity Fund</b>		
Outstanding 58,998 units (2022: 53,796 units)	6,305,169	5,531,843
<b>FAML-Employees Provident Fund</b>		
Outstanding 77,149 units (2022: 62,230 units)	8,244,948	6,399,111
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Trustee fee payable	595,909	150,482
Sindh Sales Tax payable on trustee fee	78,728	19,985
Security deposit	100,000	100,000
	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
<b>Directors and Key Management Personnel of the Management Company</b>		
Outstanding 124,985 units (2022: 167,848 units)	13,357,139	17,259,810
<b>Unit holder holding 10% or more units</b>		
Outstanding 16,637,959 units (2022: 6,854,143 units)	1,778,098,688	704,811,525



## 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

##### 16.1 Fair value hierarchy

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

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

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

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

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

September 30, 2022 (Un-audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

##### Financial assets 'at fair value through profit or loss'

Term Finance Certificates (TFCs)	-	12,507,219	-	12,507,219
	-	12,507,219	-	12,507,219

June 30, 2022 (Audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

##### Financial assets 'at fair value through profit or loss'

Term Finance Certificates (TFCs)	-	14,182,012	-	14,182,012
	-	14,182,012	-	14,182,012

**Notes to and forming part of the Condensed Interim Financial Statements**  
For The Quarter Ended September 30, 2022 (Un-Audited)**17 GENERAL**

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

**18 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)

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Chief Financial Officer

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Chief Executive Officer

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Director

Head Office

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

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