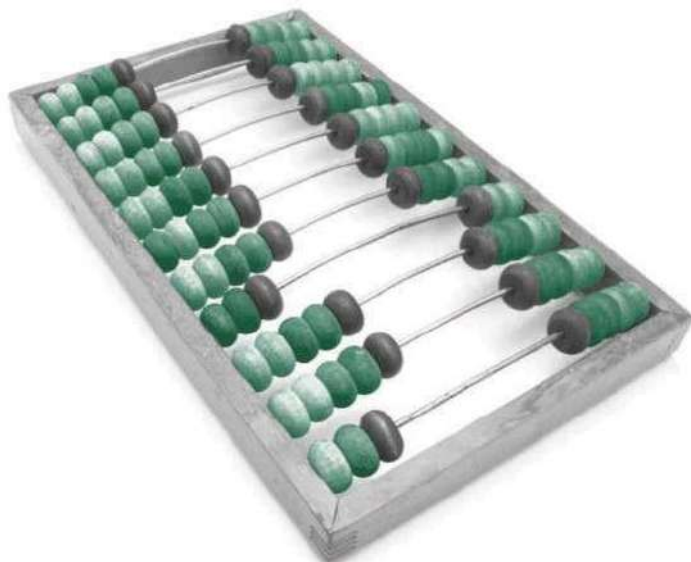


# Faysal Funds

## Government Securities Fund

Condensed Interim Financial Statements

For The Half Year Ended December 31, 2022 (Un-audited)



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## Faysal Funds

### FUND INFORMATION

#### Management Company

Faysal Asset Management Limited

#### Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Nadir Rahman, Director

Mr. Ali Waqar, Director

Ms. Samia Zuberi, 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. Nadir Rahman, Chairman

Mr. Mian Salman Ali, Member

Syed Fraz Muhammad Zaidi, Member

#### HR Committee

Ms. Samia Zuberi, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

## Faysal Government Securities Fund

#### Risk Committee

Mr. Mian Salman Ali, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

Mr. Ali Waqar, Member

#### Trustee to the Fund

Central Depository Company of Pakistan Limited

CDC House, 99B, Block B, SMCHS,

Main Sharah-e-Faisal, Karachi.

#### Auditors

A.F. Ferguson & Co. Chartered Accountants

#### Legal Advisor

Mohsin Tayebaly & Co.

2<sup>nd</sup> Floor, Dime Centre,

BC-4, Block-9, KDA-5,

Clifton, Karachi

#### Registrar

IT Minds Limited

Central Depository Company of Pakistan Limited

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

Main Shakra-e-Faisal, Karachi.

#### Bankers to the Fund

Bank Alfalah Limited

Faysal Bank Limited

Allied Bank Limited

Soneri Bank Limited

JS Bank Limited

## **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.

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**FAYSAL GOVERNMENT SECURITIES FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Government Securities Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 22, 2023



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Government Securities Fund** (the Fund) as at December 31, 2022 and the related 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 together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2022. The Management Company (Faysal Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Shahbaz Akbar**  
Dated: February 28, 2023  
Karachi  
UDIN: RR202210068Llo8p5a1F

**FAYSAL GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2022**

	<b>December 31, 2022 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
<b>Note</b>	----- (Rupees) -----	-----
<b>Assets</b>		
Balances with banks	4 3,733,582	514,799,634
Investments	5 99,549,400	96,168,579
Advances, deposits and other receivables	316,837	1,074,263
Preliminary expenses and floatation costs	6 442,565	543,397
<b>Total assets</b>	104,042,384	612,585,873
<b>Liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	7 143,545	82,460
Payable to Central Depository Company of Pakistan Limited - Trustee	8 5,686	10,102
Payable to the Securities and Exchange Commission of Pakistan	9 11,206	109,979
Accrued expenses and other liabilities	10 677,154	2,021,695
<b>Total liabilities</b>	837,591	2,224,236
<b>Net assets</b>	<u>103,204,793</u>	<u>610,361,637</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>103,204,793</u>	<u>610,361,637</u>
<b>Contingencies and commitments</b>		
	11	----- (Number of units) -----
<b>Number of units in issue</b>	<u>889,929</u>	<u>5,604,649</u>
		----- (Rupees) -----
<b>Net asset value per unit</b>	<u>115.97</u>	<u>108.90</u>

The annexed notes 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

**FAYSAL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
		----- (Rupees) -----		----- (Rupees) -----	
<b>Income</b>					
Profit on balances with banks		2,322,929	11,739,524	369,284	3,997,983
Profit on government securities		6,131,889	21,746,859	3,106,538	11,546,341
Profit on commercial papers		-	3,377,792	-	2,427,786
Realised loss on sale of investments - net		(99,669)	(5,691,485)	-	(1,186,063)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	5,772	-	5,162	152,206
<b>Total income</b>		<b>8,360,921</b>	<b>31,172,690</b>	<b>3,480,984</b>	<b>16,938,253</b>
<b>Operating expenses</b>					
Remuneration of Faysal Asset Management Limited -					
Management Company	7.1	112,066	968,961	45,479	468,954
Sindh Sales Tax on remuneration of the Management Company	7.2	14,569	125,965	5,421	60,964
Selling and marketing expenses	7.3	308,177	651,435	123,866	-
Remuneration of Central Depository Company of Pakistan Limited - - Trustee	8.1	30,843	291,465	12,412	128,963
Sindh Sales Tax on remuneration of the Trustee	8.2	4,010	37,890	1,598	16,640
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	11,206	96,896	4,504	46,896
Auditors' remuneration		214,176	246,928	107,088	131,744
Fees and subscription		103,592	99,176	51,796	41,093
Amortisation of preliminary expenses and floatation cost	6	100,832	100,832	50,416	50,416
Bank charges		14,115	8,461	11,510	2,776
Legal and professional charges		79,120	109,560	39,558	109,560
Transaction charges		4,675	150,195	-	40,960
Printing charges		17,110	17,408	8,554	11,100
<b>Total operating expenses</b>		<b>1,014,491</b>	<b>2,905,172</b>	<b>462,202</b>	<b>1,110,066</b>
<b>Net income from operating activities</b>		<b>7,346,430</b>	<b>28,267,518</b>	<b>3,018,782</b>	<b>15,828,187</b>
Reversal of provision for Sindh Workers' Welfare Fund		-	4,050,823	-	-
<b>Net income for the period before taxation</b>		<b>7,346,430</b>	<b>32,318,341</b>	<b>3,018,782</b>	<b>15,828,187</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>7,346,430</b>	<b>32,318,341</b>	<b>3,018,782</b>	<b>15,828,187</b>
<b>Earnings per unit</b>	14				
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		7,346,430	32,318,341		
Income already paid on units redeemed		(4,482,895)	(28,403,605)		
		<u>2,863,535</u>	<u>3,914,736</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		2,863,535	3,914,736		
		<u>2,863,535</u>	<u>3,914,736</u>		

The annexed notes 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**



**FAYSAL GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period after taxation</b>	7,346,430	32,318,341	3,018,782	15,828,187
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>7,346,430</u>	<u>32,318,341</u>	<u>3,018,782</u>	<u>15,828,187</u>

The annexed notes 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

**FAYSAL GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
<b>Net assets at the beginning of the period (audited)</b>	603,660,617	6,701,020	610,361,637	1,045,876,104	5,706,815	1,051,582,919
Issuance of 2,210,223 (2021: 22,000,808) units						
- Capital value (at net asset value per unit at the beginning of the period)	240,693,285	-	240,693,285	2,207,121,059	-	2,207,121,059
- Element of income	7,493,625	-	7,493,625	47,122,737	-	47,122,737
Total proceeds on issuance of units	248,186,910	-	248,186,910	2,254,243,796	-	2,254,243,796
Redemption of 6,924,943 (2021: 31,113,676) units						
- Capital value (at net asset value per unit at the beginning of the period)	(754,126,293)	-	(754,126,293)	(3,121,323,976)	-	(3,121,323,976)
- Element of loss	(4,080,996)	(4,482,895)	(8,563,891)	(44,567,365)	(28,403,605)	(72,970,970)
Total payments on redemption of units	(758,207,289)	(4,482,895)	(762,690,184)	(3,165,891,341)	(28,403,605)	(3,194,294,946)
Total comprehensive income for the period	-	7,346,430	7,346,430	-	32,318,341	32,318,341
<b>Net assets at the end of the period (un-audited)</b>	<b>93,640,238</b>	<b>9,564,555</b>	<b>103,204,793</b>	<b>134,228,559</b>	<b>9,621,551</b>	<b>143,850,110</b>
<b>Undistributed income brought forward</b>						
- Realised income		7,258,695			5,706,815	
- Unrealised loss		(557,675)			-	
		<u>6,701,020</u>			<u>5,706,815</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		2,863,535			3,914,736	
		<u>2,863,535</u>			<u>3,914,736</u>	
Undistributed income carried forward		<u>9,564,555</u>			<u>9,621,551</u>	
<b>Undistributed income carried forward</b>						
- Realised income		9,558,783			9,621,551	
- Unrealised income		5,772			-	
		<u>9,564,555</u>			<u>9,621,551</u>	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			<u>108.90</u>			<u>100.13</u>
Net asset value per unit at the end of the period			<u>115.97</u>			<u>102.91</u>

The annexed notes 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

**FAYSAL GOVERNMENT SECURITIES FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,	
		2022	2021
		(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		7,346,430	32,318,341
<b>Adjustments for:</b>			
Reversal of provision for Sindh Workers' Welfare Fund		-	(4,050,823)
Unrealised appreciation on re-measurement of investments classified financial assets at 'fair value through profit or loss' - net	5.2	(5,772)	-
Amortisation of preliminary expenses and floatation cost	6	100,832	100,832
		<u>7,441,490</u>	<u>28,368,350</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		96,174,351	(123,627,749)
Advances, deposits and other receivables		757,426	961,835
		<u>96,931,777</u>	<u>(122,665,914)</u>
<b>(Decrease) / increase in liabilities</b>			
Payable to Faysal Asset Management Limited - Management Company		61,085	329,060
Payable to Central Depository Company of Pakistan Limited - Trustee		(4,416)	(48,272)
Payable to the Securities and Exchange Commission of Pakistan		(98,773)	(302,345)
Accrued expenses and other liabilities		(1,344,541)	(1,871,264)
		<u>(1,386,645)</u>	<u>(1,892,821)</u>
<b>Net cash generated from / (used in) operating activities</b>		<u>102,986,622</u>	<u>(96,190,385)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received against issuance of units		248,186,910	2,254,243,796
Payments made against redemption of units		(762,690,184)	(3,194,294,946)
Dividend paid		-	-
<b>Net cash used in financing activities</b>		<u>(514,503,274)</u>	<u>(940,051,150)</u>
<b>Net decrease in cash and cash equivalents during the period</b>		<u>(411,516,652)</u>	<u>(1,036,241,535)</u>
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>	15	<u><u>103,282,982</u></u>	<u><u>21,807,817</u></u>

The annexed notes 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

**FAYSAL GOVERNMENT SECURITIES FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**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. 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).

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). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on November 30, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

**1.2** 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.

**1.3** The objective of the Fund is to provide competitive returns by investing primarily in government securities.

**1.4** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**1.5** The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 30, 2022 (June 30, 2022: 'AM2+' dated December 31, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Further, VIS Credit Rating Company Limited has assigned a rating of 'AA' to Faysal Government Securities Fund dated August 1, 2022 (June 30, 2022: 'AA' dated May 18, 2021).

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' 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 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 the requirements of the Trust Deed differ from the requirements of IAS 34, 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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

**2.2** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 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 and for the half year ended December 31, 2022.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and all the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to 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 annual financial statements of the Fund as at and for the year ended June 30, 2022.

#### 3.3 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### 3.4 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have been not detailed in these condensed interim financial statements.

	Note	December 31, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Audited) -----
--	------	--	--

#### 4 BALANCES WITH BANKS

Balances with banks in savings accounts	4.1	<u>3,733,582</u>	<u>514,799,634</u>
---	-----	------------------	--------------------

4.1 These include a balance of Rs. 1.346 million (June 30, 2022: Rs. 0.325 million) maintained with Faysal Bank Limited (a related party) that carries profit at 11.00% (June 30, 2022: 7.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 10.00% to 16.60% (June 30, 2022: 7.00% to 16.50%) per annum.

	Note	December 31, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Audited) -----
--	------	--	--

#### 5 INVESTMENTS

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

Government securities - Market Treasury Bills	5.1	<u>99,549,400</u>	<u>96,168,579</u>
---	-----	-------------------	-------------------

##### 5.1 Government securities - Market Treasury Bills

Issue date	Tenure	As at July 1, 2022	Purchased during the period	Disposed of / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation/ (diminution) as at December 31, 2022	Market value as a percentage of	
									Net assets of the Fund	Total invest- ments of the Fund
Face value (Rupees)						Rupees		----- % -----		
April 7, 2022	6 months	100,000,000	-	100,000,000	-	-	-	-	-	-
July 28, 2022	3 months	-	100,000,000	100,000,000	-	-	-	-	-	-
October 20, 2022	3 months	-	100,000,000	-	100,000,000	99,543,628	99,549,400	5,772	96.46%	100.00%
<b>Total as at December 31, 2022</b>						<u>99,543,628</u>	<u>99,549,400</u>	<u>5,772</u>	<u>96.46%</u>	<u>100.00%</u>
<b>Total as at June 30, 2022</b>						<u>96,726,254</u>	<u>96,168,579</u>	<u>(557,675)</u>	-	-

### 5.1.1 Investments - non-compliance

As per the offering document, at least 70% of the net assets shall remain invested in government securities on monthly average basis calculated at the end of each month. The Fund held an average exposure of 53.85% and 67.13% in government securities during the month ended September 30, 2022 and October 31, 2022, respectively. The above exposure is in deficit of the required limit prescribed by the offering document and therefore, disclosure for breach of exposure limit is being made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

<b>For the period ended December 31, 2022</b>		<b>Actual</b>	<b>Required</b>	<b>Shortfall</b>
September 1, 2022 to September 30, 2022		53.85%	70.00%	-16.15%
October 1, 2022 to October 31, 2022		67.13%	70.00%	-2.87%
		<b>Note</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<b>5.2</b>	<b>Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net</b>		<b>(Un-audited)</b>	<b>(Audited)</b>
			----- (Rupees) -----	
	Market value of investments	5.1	99,549,400	96,168,579
	Less: carrying value of investments	5.1	<u>(99,543,628)</u>	<u>(96,726,254)</u>
			<u>5,772</u>	<u>(557,675)</u>
<b>6</b>	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
	At the beginning of the period / year		543,397	743,417
	Less: amortisation during the period / year		<u>(100,832)</u>	<u>(200,020)</u>
	At the end of the period / year	6.1	<u>442,565</u>	<u>543,397</u>
<b>6.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over a period of five years commencing from March 16, 2020 in accordance with the provisions of the Trust Deed of the Fund and the NBFC Regulations.			
		<b>Note</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<b>7</b>	<b>PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		<b>(Un-audited)</b>	<b>(Audited)</b>
			----- (Rupees) -----	
	Remuneration payable	7.1	17,415	13,625
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,264	1,771
	Selling and marketing expenses payable	7.3	<u>123,866</u>	<u>67,064</u>
			<u>143,545</u>	<u>82,460</u>
<b>7.1</b>	As per regulation 61 of the NBFC Regulations, 2008, 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 0.2% (June 30, 2022: 0.2%) per annum of the average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.			
<b>7.2</b>	During the period, an amount of Rs. 14,569 (December 31, 2021: Rs. 125,965) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).			
<b>7.3</b>	In accordance with Circular 11 dated July 5, 2019 of SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.55% (June 30, 2022: 0.2%) of the average annual net assets of the Fund.			
		<b>Note</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<b>8</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		<b>(Un-audited)</b>	<b>(Audited)</b>
			----- (Rupees) -----	
	Remuneration payable	8.1	5,032	8,722
	Sindh Sales Tax payable on remuneration of the Trustee	8.2	654	1,380
			<u>5,686</u>	<u>10,102</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% per annum of the average annual net assets of the Fund. Therefore, the Fund has charged trustee fee at the rate of 0.055% (June 30, 2022: 0.065% from July 1, 2021 to September 30, 2021 and 0.055% from October 1, 2021 to June 30, 2022) per annum of the average annual net assets of the Fund during the current period.

8.2 During the period, an amount of Rs. 4,010 (December 31, 2021: Rs. 37,890) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	-----
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	9.1	<u>11,206</u>	<u>109,979</u>

9.1 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 at the rate of 0.02% (June 30, 2022: 0.02%) per annum of the daily net assets of the Fund.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	-----
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		251,486	374,702
Rating fee payable		173,553	83,761
Withholding and capital gain tax payable		74,223	1,466,156
Printing charges payable		17,702	13,714
Legal and professional charges payable		157,595	78,475
Transaction charges payable		2,595	4,887
		<u>677,154</u>	<u>2,021,695</u>

#### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

#### 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 1.86% (December 31, 2021: 0.60%) which includes 0.06% (December 31, 2021: 0.06%) representing government levies on the Fund such as 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'.

#### 13 TAXATION

The income of the Fund is exempt from 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 percent 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 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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

#### 14 EARNINGS PER UNIT

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

	Note	Half year ended December 31,	
		2022	2021
		(Un-audited)	
		----- (Rupees) -----	
<b>15 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	4	3,733,582	21,807,817
Government securities - Market Treasury Bills	5	99,549,400	-
		<u>103,282,982</u>	<u>21,807,817</u>

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

- 16.1** Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being 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 any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 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.
- 16.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 16.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6** The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period / year end are as follows:

### Transactions during the period

	Half year ended December 31,	
	2022	2021
		(Un-audited)
		----- (Rupees) -----
<b>Faysal Asset Management Limited - Management Company *</b>		
Remuneration of the Management Company	112,066	968,961
Sindh Sales Tax on remuneration of the Management Company	14,569	125,965
Selling and marketing expenses	308,177	651,435
Units issued: 1,757,160 units (December 31, 2021: 1,509,879 units)	197,710,474	154,089,408
Units redeemed: 1,889,213 units (December 31, 2021: 146,427 units)	212,192,809	15,000,000
<b>Faysal Bank Limited - Group Company</b>		
Profit on savings account	35,808	555,463
Bank charges	5,012	2,917
<b>Faysal Active Principal Preservation Plan (fund managed by the Management Company)</b>		
Units issued: Nil units (December 31, 2021: 3,595,205 units)	-	370,000,000
Units redeemed: Nil units (December 31, 2021: 3,595,205 units)	-	370,122,210
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	30,843	291,465
Sindh Sales Tax on remuneration of the Trustee	4,010	37,890



Amounts / balances outstanding as at period / year end	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
<b>Faysal Asset Management Limited - Management Company *</b>		
Remuneration payable	17,415	13,625
Sindh Sales Tax payable on remuneration of the Management Company	2,264	1,771
Selling and marketing expenses payable	123,866	67,064
Units outstanding: 840,297 (June 30, 2022: 972,350)	97,449,243	105,888,915
<b>Faysal Bank Limited - Group Company</b>		
Balance with bank	1,346,231	325,227
Profit receivable on savings account	14,851	50,331
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	5,032	8,722
Sindh Sales Tax payable on remuneration of the Trustee	654	1,380
<b>Unit holders with more than 10% holding</b>		
Units outstanding: Nil units (2021: 5,119,165 units)	-	557,477,069

\* The Management Company also hold more than 10% units at period end.

## 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 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.

### 17.1 Fair value hierarchy

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

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

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

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

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	(Un-audited)			
	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Government securities - Market Treasury Bills	-	99,549,400	-	99,549,400
	-----	-----	-----	-----
	(Audited)			
	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Government securities - Market Treasury Bills	-	96,168,579	-	96,168,579
	-----	-----	-----	-----

**18 GENERAL**

**18.1** Figures have been rounded off to the nearest rupee, unless otherwise stated.

**19 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 20, 2023 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**

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