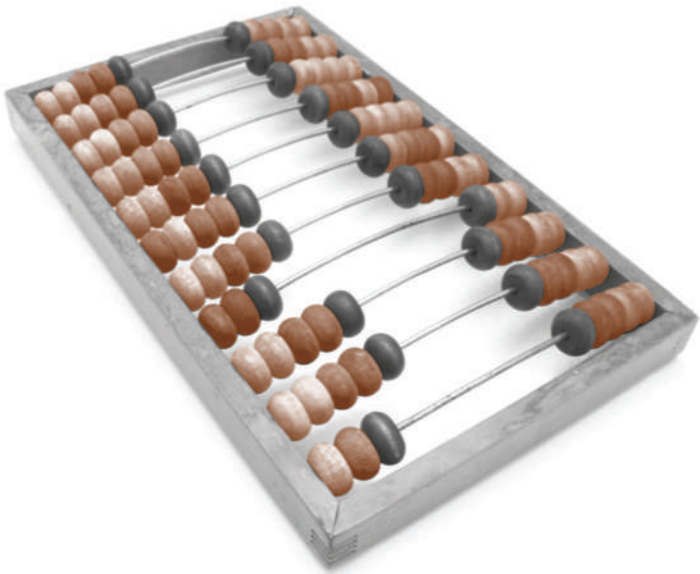
Faysal Asset Management

# Savings Growth Fund

Condensed Interim Financial Statements for
For The Nine Months And Quarter Ended March 31, 2021 (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 Company Secretary of the Management Company**
Mr. Faisal Ali Khan

**Audit Committee**
Mr. Osman Asghar Khan, Chairman
Mr. Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

**HR Committee**
Mr. Nadir Rehman, Chairman
Mr. Salman Ahmed Usmani, Member
Mr. Osman Asghar Khan, Member

**Trustee to the Fund**
Central Depository Company of Pakistan Limited,
CDC House, 99B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

**Bankers to the Fund**
Soneri Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Habib Bank Limited
JS Bank Limited
Zarai Taraqiati 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

Faysal Savings Growth Fund seeks to provide investors a consistent income stream with maximum preservative of capital.

# Condensed Interim Statement of Assets and Liabilities
As at March 31, 2021

| | Note | (Un-audited) March 31, 2021 | (Audited) June 30, 2020 |
|---|---|---|---|
| | | -------------- (Rupees) -------------- | |
| **Assets** | | | |
| Balances with banks | 4 | 1,430,596,120 | 1,741,884,414 |
| Investments | 5 | 1,001,238,123 | 869,004,303 |
| Deposits, advances, prepayments and other receivables | | 90,429,821 | 43,864,870 |
| **Total assets** | | 2,522,264,064 | 2,654,753,587 |
| **Liabilities** | | | |
| Payable to Faysal Asset Management Limited - Management Company | 6 | 7,306,555 | 7,607,826 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 176,659 | 151,943 |
| Payable to the Securities and Exchange Commission of Pakistan | | 368,578 | 330,485 |
| Payable against redemption of units | | 123,748 | - |
| Accrued and other liabilities | 7 | 39,223,638 | 35,815,857 |
| **Total liabilities** | | 47,199,178 | 43,906,111 |
| **Net assets** | | 2,475,064,886 | 2,610,847,476 |
| **Unit holders' fund (as per the statement attached)** | | 2,475,064,886 | 2,610,847,476 |
| **Contingencies and commitments** | 8 | | |
| | | --------- (Number of units) --------- | |
| **Number of units in issue** | | 23,063,525 | 25,467,827 |
| | | -------------- (Rupees) -------------- | |
| **Net assets value per unit** | | 107.32 | 102.52 |

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

| | Note | For the Nine Months ended March 31 2021 | For the Nine Months ended March 31 2020 | For the quarter ended March 31 2021 | For the quarter ended March 31 2020 |
|---|---|---|---|---|---|
| | | (Rupees) | | (Rupees) | |
| **INCOME** | | | | | |
| Profit on balances with banks | | 43,275,427 | 59,957,641 | 13,002,109 | 17,960,238 |
| Profit earned on debt, money market and government securities | | 100,434,623 | 103,962,177 | 30,121,790 | 36,276,418 |
| Income from Margin Trading System (MTS) | | 1,143,425 | 1,987,160 | - | 1,726,066 |
| Other income | | 150,000 | - | - | - |
| Realised gain on sale of investments - net | | 5,879,911 | (1,322,003) | 4,479,399 | (2,926,017) |
| Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | 6,921,757 | (3,775,786) | (925,673) | 4,466,260 |
| **Total income** | | 157,805,143 | 160,809,189 | 46,677,625 | 57,502,965 |
| **OPERATING EXPENSES** | | | | | |
| Remuneration of Faysal Asset Management Limited - Management Company | 6.1 | 22,366,884 | 15,477,660 | 7,676,451 | 3,529,511 |
| Sindh sales tax on remuneration of the Management Company | 6.2 | 2,907,695 | 2,012,096 | 997,939 | 457,721 |
| Allocated expenses | 6.3 | 1,917,555 | 1,192,517 | 614,116 | 395,331 |
| Selling and marketing expenses | 6.4 | 7,203,216 | 2,410,092 | 2,456,464 | 2,410,092 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | | 1,382,263 | 894,388 | 460,587 | 292,584 |
| Sindh sales tax on remuneration of the Trustee | | 180,616 | 116,270 | 60,798 | 38,024 |
| Annual fee of the Securities and Exchange Commission of Pakistan | | 368,604 | 237,659 | 122,824 | 79,488 |
| Auditors' remuneration | | 668,560 | 446,080 | 219,600 | 149,240 |
| Fees and subscription | | 269,876 | 225,308 | 88,645 | 75,378 |
| Transaction charges | | 2,430,346 | 1,231,731 | 1,535,619 | 480,429 |
| Legal and professional charges | | 168,840 | - | - | - |
| Printing charges | | 18,632 | 19,500 | 6,120 | (756) |
| Other expenses | | 2,563 | - | - | - |
| **Total operating expenses** | | 39,885,650 | 24,263,301 | 14,239,163 | 7,907,042 |
| **Net profit from operating activities** | | 117,919,493 | 136,545,888 | 32,438,462 | 49,595,923 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 7.1 | (2,358,389) | (2,730,918) | (645,392) | (991,919) |
| **Net profit for the period before taxation** | | 115,561,104 | 133,814,970 | 31,793,070 | 48,604,004 |
| Taxation | 10 | - | - | | - |
| **Net profit for the period after taxation** | | 115,561,104 | 133,814,970 | 31,793,070 | 48,604,004 |
| **Allocation of net profit for the period:** | | | | | |
| Net profit for the period after taxation | | 115,561,104 | 133,814,970 | 31,793,070 | 48,604,004 |
| Income already paid on units redeemed | | (12,916,040) | (5,369,183) | (2,579,340) | (2,061,505) |
| | | 102,645,064 | 128,445,787 | 29,213,730 | 46,542,499 |
| **Accounting income available for distribution** | | | | | |
| - Relating to capital gains | | 12,801,668 | - | 3,553,726 | 1,540,243 |
| - Excluding capital gains | | 89,843,396 | 128,445,787 | 25,660,004 | 45,002,256 |
| | | 102,645,064 | 128,445,787 | 29,213,730 | 46,542,499 |

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

| | For the Nine Months ended March 31 | | For the quarter ended March 31 | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | -------------- (Rupees) -------------- | | -------------- (Rupees) -------------- | |
| **Net profit for the period after taxation** | 115,561,104 | 133,814,970 | 31,793,070 | 48,604,004 |
| Other comprehensive income for the period | - | - | - | - |
| **Total comprehensive income for the period** | 115,561,104 | 133,814,970 | 31,793,070 | 48,604,004 |

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

# Condensed Interim Statement of Movement in Unit Holders' Fund

For The Nine Months And Quarter Ended March 31, 2021

| | Note | For the nine months ended March 31 2021 | 2020 |
|---|---|---|---|
| | | -------------- (Rupees) -------------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net profit from operating activities | | 115,561,104 | 133,814,970 |
| **Adjustments for:** | | | |
| Realised (gain) / loss on sale of investments | | (5,879,911) | 1,322,003 |
| Unrealised (appreciation) / diminution on re-valuation of investments classified as 'at fair value through profit or loss' - net | | (6,921,757) | 3,775,786 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | | 2,358,389 | 2,730,918 |
| | | 105,117,825 | 141,643,677 |
| **(Increase) / decrease in assets** | | | |
| Investments | | (119,432,152) | (76,430,576) |
| Deposits, advances, prepayments and other receivables | | (46,564,951) | 3,489,850 |
| Preliminary expenses and floatation cost | | - | - |
| | | (165,997,103) | (72,940,726) |
| **Increase / (decrease) in liabilities** | | | |
| Payable to Faysal Asset Management Limited - Management Company | | (301,271) | 2,583,173 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 24,716 | (91,807) |
| Payable to the Securities and Exchange Commission of Pakistan | | 38,093 | (1,195,040) |
| Payable against redemotion of units | | 123,748 | - |
| Accrued and other liabilities | | 1,049,392 | (8,898,154) |
| | | 934,678 | (7,601,828) |
| **Net cash (used in) / generated from operating activities** | | (59,944,600) | 61,101,123 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Amounts received against issuance of units | | 2,118,592,927 | 263,051,262 |
| Payments made against redemption of units | | (2,369,936,621) | (354,204,457) |
| Dividend paid | | - | (49,482,332) |
| **Net cash used in financing activities** | | (251,343,694) | (140,635,527) |
| Net decrease cash and cash equivalents during the period | | (311,288,294) | (79,534,404) |
| Cash and cash equivalents at beginning of the period | | 1,741,884,414 | 708,408,906 |
| **Cash and cash equivalents at end of the period** | 4 | 1,430,596,120 | 628,874,502 |

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

| | Nine Months ended March 31, 2021 | | | Nine Months ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees) | | | (Rupees) | | |
| **Net assets at beginning of the period** | 2,551,813,075 | 59,034,401 | 2,610,847,476 | 1,513,676,683 | 56,306,222 | 1,569,982,905 |
| Issuance of 20,317,566 units (2020: 2,460,884 units) | | | | | | |
| - Capital value (at net asset value per unit at beginning of the period) | 2,082,956,917 | - | 2,082,956,917 | 251,969,947 | - | 251,969,947 |
| - Element of income | 35,636,010 | - | 35,636,010 | 11,081,315 | - | 11,081,315 |
| Total proceeds on issuance of units | 2,118,592,927 | - | 2,118,592,927 | 263,051,262 | - | 263,051,262 |
| Redemption of 22,721,867 units (2020: 3,309,320 units) | | | | | | |
| - Capital value (at net asset value per unit at beginning of the period) | (2,329,445,803) | | (2,329,445,803) | (338,841,184) | - | (338,841,184) |
| - Element of income | (27,574,778) | (12,916,040) | (40,490,818) | (9,994,090) | (5,369,183) | (15,363,273) |
| Total payments on redemption of units | (2,357,020,581) | (12,916,040) | (2,369,936,621) | (348,835,274) | (5,369,183) | (354,204,457) |
| Total comprehensive income for the period | - | 115,561,104 | 115,561,104 | - | 133,814,970 | 133,814,970 |
| **Net assets at end of the period** | 2,313,385,421 | 161,679,465 | 2,475,064,886 | 1,427,892,671 | 184,752,009 | 1,612,644,680 |
| **Accumulated (loss) / undistributed income income brought forward** | | | | | | |
| - Realised | | 63,988,763 | | | 64,293,697 | |
| - Unrealised (loss) / income | | (4,954,362) | | | (7,987,475) | |
| | | 59,034,401 | | | 56,306,222 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 12,801,668 | | | - | |
| - Excluding capital gains | | 89,843,396 | | | 128,445,787 | |
| | | 102,645,064 | | | 128,445,787 | |
| Undistributed income carried forward | | 161,679,465 | | | 184,752,009 | |
| - Realised | | 154,757,708 | | | 188,527,795 | |
| - Unrealised loss | | 6,921,757 | | | (3,775,786) | |
| | | 161,679,465 | | | 184,752,009 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at the beginning of the period | | | 102.52 | | | 102.39 |
| Net assets value per unit at the end of the period | | | 107.32 | | | 111.33 |

The annexed notes from 1 to 16 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 Nine Months And Quarter Ended March 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Faysal Savings Growth Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on December 28, 2006 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 by the SECP 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 and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

**1.2** 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. 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 May 7, 2007 and are transferable and redeemable by surrendering them to the Fund.

**1.3** The objective of the Fund is to generate competitive returns by investing primarily in debt and fixed income instruments having investment grade credit rating. The investment objectives and policies are explained in the Fund's offering document.

**1.4** The Management Company has been assigned a quality rating of 'AM2' by VIS Credit Rating Company Limited dated March 31, 2021 (2019: 'AM2' dated February 18, 2020). The rating reflects the Company’s experienced management team, structured investment process and sound quality of systems and processes. Moreover, PACRA has maintained the stability rating of the Fund at 'AA-(f)' dated October 16, 2020 (2019: 'AA-(f) dated April 17, 2020).

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

### 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

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

For The Nine Months And Quarter Ended March 31, 2021

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 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 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 IAS 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, 2020.

**2.2** 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 affairs of the Fund as at March 31, 2021.

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

**3.1** The accounting policies applied and the methods of computations 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, 2020.

**3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management

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

For The Nine Months And Quarter Ended March 31, 2021

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 these condensed interim financial statements, the significant judgments made by the 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, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2020.

**3.3 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, 2020. 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 Amendments to the published accounting and reporting standards that are not yet effective**

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

| | Note | (Un-audited) March 31, 2021 | (Audited) June 30, 2020 |
|---|---|---|---|
| | | -------------- (Rupees) | --------------- |
| **4 BALANCES WITH BANKS** | | | |
| PLS savings accounts | 4.1 | 1,430,596,120 | 1,741,884,414 |

**4.1** These savings accounts carry mark-up at rates ranging from 5.5% to 7.85% (June 30, 2020: 6.50% to 10.75%) per annum. Deposits in savings accounts also include Rs. 3.608 million (June 30, 2020: Rs. 12.193 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 5.50% (June 30, 2020: 6.50%) per annum.

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

For The Nine Months And Quarter Ended March 31, 2021

| | Note | (Un-audited) March 31, 2021 | (Audited) June 30, 2020 |
|---|---|---|---|
| | | (Rupees) | (Rupees) |
| **5 INVESTMENTS** | | | |
| **At fair value through profit or loss** | | | |
| Listed equity securities | 5.1 | 33,400,650 | - |
| Term finance certificates | 5.2 | 414,671,811 | 484,799,237 |
| Sukuk certificates | 5.3 | 366,082,512 | 334,495,066 |
| Pakistan Investment Bonds | 5.4 | 187,083,150 | 49,710,000 |
| | | 1,001,238,123 | 869,004,303 |

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

For The Nine Months And Quarter Ended March 31, 2021

## 5.1 Listed equity securities * - at fair value through profit or loss

| Name of the Investee Company | Note | As at July 01, 2020 | Purchased during the period | Bonus / right shares received during the period | Disposed off during the period | As at March 31, 2021 | Carrying Value as at March 31, 2021 | Market Value as at March 31, 2021 | Unrealised gain / (loss) on revaluation | Market Value as a percentage of Net assets of the Fund | Market Value as a percentage of Total investments of the Fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ---- Number of shares ---- | | | | | ---- (Rupees) ---- | | | ---- % ---- | |
| **Automobile Assembler** | | | | | | | | | | | |
| Ghandhara Industries Limited | | - | 21,500 | - | 21,500.00 | - | - | - | - | - | - |
| Ghandhara Nissan Limited | | - | 30,000 | - | 30,000.00 | - | - | - | - | - | - |
| Pak Suzuki Motor Company Limited | | - | 3,000 | - | 3,000.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Banks** | | | | | | | | | | | |
| National Bank Of Pakistan | | - | 5,000 | - | 5,000.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Cables & Electrical Goods** | | | | | | | | | | | |
| Pak Elektron Limited | | - | 31,500 | - | 31,500.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Chemicals** | | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | | - | 8,500 | - | 8,500.00 | - | - | - | - | - | - |
| Lotte Chemical Pakistan Limited | | - | 367,000 | - | 367,000.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Foods & Personal Care Products** | | | | | | | | | | | |
| Unity Foods Limited | | - | 4,582,000 | - | 4,582,000 | - | | | - | - | - |
| | | | | | | | - | - | - | - | - |
| **POWER GENERATION & DISTRIBUTION** | | | | | | | | | | | |
| The Hub Power Company Limited | | - | 90,000 | - | 90,000.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Cement** | | | | | | | | | | | |
| Cherat Cement Company Limited | | - | 500 | - | 500 | - | - | - | - | - | - |
| D.G. Khan Cement Company Limited | | - | 33,000 | - | 33,000 | - | - | - | - | - | - |
| Maple Leaf Cement Factory Limited | | - | 12,500 | - | 12,500 | - | - | - | - | - | - |
| Pioneer Cement Limited | | - | 11,000 | - | 11,000.00 | - | - | - | - | - | - |
| Power Cement Limited | | - | 14,000 | - | 14,000.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Industrial Engineering** | | | | | | | | | | | |
| Amreli Steels Limited | | - | 17,500 | - | 17,500 | - | - | - | - | - | - |
| International Industries Limited | | - | 1,000 | - | 1,000 | - | - | - | - | - | - |
| International Steels Limited | | - | 1,500 | - | 1,500 | - | - | - | - | - | - |
| Mughal Iron And Steel Industries Ltd | | - | 500 | - | 500.00 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Oil & Gas Marketing Companies** | | | | | | | | | | | |
| Pakistan Petroleum Limited | | - | 500 | - | 500 | - | - | - | - | - | - |
| Hascol Petroleum Limited | | - | 1,265,500 | - | 1,265,500 | - | - | - | - | - | - |
| Pakistan State Oil Company Limited | | - | 4,000 | - | 4,000 | - | - | - | - | - | - |
| Sui Northern Gas Pipelines Limited | | - | 500 | - | 500 | - | - | - | - | - | - |
| | | | | | | | - | - | - | - | - |
| **Technology & Communications** | | | | | | | | | | | |
| Avanceon Limited | | - | 3,000 | - | 3,000 | - | - | - | - | - | - |
| Netsol Technologies Limited | | - | 146,500 | - | 146,500 | - | - | - | - | - | - |
| TRG Pakistan Limited - Class 'A' | 5.1.1 | - | 704,000 | - | 491,000 | 213,000 | 33,142,964 | 31,994,730 | (1,148,234) | 1.29 | 3.20 |
| | | | | | | | 33,142,964 | 31,994,730 | (1,148,234) | 1.29 | 3.20 |
| **Textile Composite** | | | | | | | | | | | |
| Gul Ahmed Textile Mills Limited | | - | 47,500 | - | 47,500 | - | - | - | - | - | |
| Nishat Mills Limited | | - | 20,500 | - | 20,500 | - | - | - | - | - | |
| | | | | | | | - | - | - | - | - |
| **Paper & Board** | | | | | | | | | | | |
| Century Paper & Board Mills Limited | | - | 3,000 | - | 3,000 | - | - | - | - | - | |
| | | | | | | | - | - | - | - | - |
| **Pharmaceuticals** | | | | | | | | | | | |
| Ferozsons Laboratories Limited | | - | 8,000 | - | 8,000 | - | - | - | - | - | |
| The Searle Company Limited | | - | 5,000 | - | 5,000 | - | - | - | - | - | |
| | | | | | | | - | - | - | - | - |
| **Refinery** | | | | | | | | | | | |
| Attock Refinery Limited | | - | 209,500 | - | 209,500 | - | - | - | - | - | |
| National Refinery Limited | | - | 73,500 | - | 73,500 | - | - | - | - | - | |
| Pakistan Refinery Limited | | - | 326,500 | - | 326,500 | - | - | - | - | - | |
| | | | | | | | - | - | - | - | - |
| **Transport** | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | | - | 267,500 | - | 267,500 | - | - | - | - | - | |
| | | | | | | | - | - | - | - | - |
| **Total as at March 31, 2021** | | | | | | | 33,142,964 | 31,994,730 | (1,148,234) | | |
| **Total as at June 30, 2020** | | | | | | | - | - | - | | |

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

For The Nine Months And Quarter Ended March 31, 2021

**5.1.1** Investments include the following securities, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

| | March 31, 2021 | |
|---|---|---|
| | (Un-audited) | |
| | No. of shares | Rupees |
| TRG Pakistan Limited - Class 'A' | 213,000 | 31,994,730 |
| | 213,000 | 31,994,730 |

**5.2 Term finance certificates**

| Name of the security | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2020 | Purchases during the period | Sold / redeemed during the period | As at March 31, 2021 | Carrying value as at March 31, 2021 | Market value as at March 31, 2021 | Unrealised appreciation / (diminution) as at March 31, 2021 | Percentage in relation to Net assets of the Fund | Percentage in relation to Total Market Value of Investment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | ------------ Number of certificates ------------ | | | | -------------- (Rupees) -------------- | | | ------------ % ------------ | |
| **COMMERCIAL BANKS** | | | | | | | | | | | | |
| Askari Bank Limited TFC V (AA-, VIS, non-traded) (Face value of 4,989 per certificate) | Semi-annually | | 6 months KIBOR plus base rate of 1.20% | 8,598 | - | 8,598 | - | - | - | - | - | - |
| JS Bank Limited (A+, PACRA, non-traded) (Face value of 4,992 per certificate) | Semi-annually | | 6 months KIBOR plus base rate of 1.40% | 32,000 | - | - | 32,000 | 156,764,058 | 157,924,196 | 1,160,139 | 6.38 | 15.77 |
| The Bank of Punjab (AA-, PACRA, non-traded) (Face value of 99,840 per certificate) | Semi-annually | | 6 months KIBOR plus base rate of 1.00% | 1,300 | 500 | 500 | 1,300 | 127,352,913 | 129,792,000 | 2,439,087 | 5.24 | 12.96 |
| **INVESTMENT COMPANIES** | | | | | | | | | | | | |
| Jahangir Siddiqui & Company Limited (A+, PACRA, non-traded) (Face value of 2,500 per certificate) | Semi-annually | | 6 months KIBOR plus base rate of 1.40% | 20,000 | - | - | 20,000 | 46,433,167 | 47,654,755 | 1,221,588 | 1.93 | 4.76 |
| Jahangir Siddiqui & Company Limited (A+, PACRA, non-traded) (Face value of 4,167 per certificate) | Semi-annually | | 6 months KIBOR plus base rate of 1.40% | 20,000 | - | - | 20,000 | 79,366,627 | 79,300,861 | (65,765) | 3.20 | 7.92 |
| **Total as at March 31, 2021** | | | | | | | | 409,916,764 | 414,671,812 | 4,755,049 | 16.75 | 41.42 |
| **Total as at June 30, 2020** | | | | | | | | 492,610,884 | 484,799,237 | (7,811,647) | | |

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

For The Nine Months And Quarter Ended March 31, 2021

## 5.3 Sukuk certificates

| Name of the security | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2020 | Purchases during the period | Sales during the period | As at March 31, 2021 | Carrying value as at March 31, 2021 | Market value as at March 31, 2021 | Unrealised appreciation / (diminution) as at March 31, 2021 | Percentage in relation to Net assets of the Fund | Percentage in relation to Total market value of investment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | ------------- Number of certificates ------------- | | | | ---------------- (Rupees) ---------------- | | | ------------ % ------------ | |
| **FERTILIZER** | | | | | | | | | | | | |
| Dawood Hercules Corporation Limited - I (AA, PACRA, traded) (Face value of 60,000 per certificate) | Quarterly / Semi-annually | November 16, 2022 | 3 months KIBOR plus base rate of 1.00% | 140 | - | 140 | - | - | - | - | 0.00 | 0.00 |
| Dawood Hercules Corporation Limited - II (AA, PACRA, traded) (Face value of 70,000 per certificate) | Quarterly / Semi-annually | March 1, 2023 | 3 months KIBOR plus base rate of 1.00% | 610 | - | 610 | - | - | - | - | 0.00 | 0.00 |
| **POWER GENERATION & DISTRIBUTION** | | | | | | | | | | | | |
| The Hub Power Company Limited (AA+, PACRA, non-traded) (Face value of 100,000 per certificate) | Semi-annually | March 19, 2024 | 12 months KIBOR plus base rate of 1.90% | 1,000 | - | - | 1,000 | 100,000,000 | 102,200,000 | 2,200,000 | 4.13 | 10.21 |
| The Hub Power Company Limited (AA+, PACRA, traded) (Face value of 100,000 per certificate) | Quarterly / Semi-annually | August 22, 2023 | 3 months KIBOR plus base rate of 1.90% | 500 | - | 500 | - | - | - | - | 0.00 | 0.00 |
| Hub Power Holding Limited (AA+,PACRA, non-traded) (Face value of 100,000 per certificate) | Semi-annually* | October 1, 2025 | 6 months KIBOR minus base rate of 2.50% | - | 2,000 | - | 2,000 | 171,636,024 | 171,636,024 | - | 6.93 | 17.14 |
| **MISCELLANEOUS** | | | | | | | | | | | | |
| International Brands Limited (AA, VIS, non-traded) (Face value of 64,353 per certificate) | Monthly | May 5, 2022 | 3 months KIBOR plus base rate of 0.50% | 1,750 | - | - | 1,750 | 91,630,114 | 92,246,488 | 616,374 | 3.73 | 9.21 |
| **Total as at March 31, 2021** | | | | | | | | 363,266,138 | 366,082,512 | 2,816,374 | 14.79 | 36.56 |
| **Total as at June 30, 2020** | | | | | | | | 331,347,781 | 334,495,066 | 3,147,285 | | |

* Principal redemption semi- annually commencing from April 26, 2023

## 5.4 Pakistan Investment Bonds

**Pakistan Investment Bonds**

| Name of security | Issue Date | As at July 1, 2020 | Purchased during the period | Matured / sold during the period | As at March 31, 2021 | Carrying value as at March 31, 2021 | Market value as at March 31, 2021 | Unrealised appreciation / (dimunition) as at March 31, 2021 | Market value as percentage of total investments | Market value as percentage of net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ------------------------------ Face value ------------------------------ | | | | ---------------------- Rupees ---------------------- | | | ----------- % ----------- | |
| Pakistan Investment Bonds - 10 years | June 28, 2018 | 50,000,000 | - | - | 50,000,000 | 49,710,000 | 49,345,000 | (365,000) | 1.99 | 4.93 |
| Pakistan Investment Bonds - 05 years | September 19, 2019 | - | 1,150,000,000 | 1,000,000,000 | 150,000,000 | 138,280,500 | 137,738,151 | (542,349) | 5.57 | 13.76 |
| Pakistan Investment Bonds - 03 years | September 19, 2019 | - | 100,000,000 | 100,000,000 | - | - | - | - | - | - |
| **Total as at March 31, 2021** | | | | | | 187,990,500 | 187,083,151 | (907,349) | 7.56 | 18.69 |
| **Total as at June 30, 2020** | | | | | | 50,000,000 | 49,710,000 | (290,000) | | |

# Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Months And Quarter Ended March 31, 2021

**5.5 Market Treasury Bills**

| Name of security | Issue Date | As at July 1, 2020 | Purchased during the period | Matured / sold during the period | As at March 31, 2021 | Carrying value as at March 31, 2021 | Market value as at March 31, 2021 | Unrealised appreciation / (dimunition) as at March 31, 2021 | Market value as percentage of total investments | Market value as percentage of net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| | | ---------- Face value ---------- | | | | ---------- Rupees ---------- | | | ---------- % ---------- | |
| Market treasury bills - 3 months | | - | 4,705,000,000 | 4,705,000,000 | - | - | - | - | 0.00 | 0.00 |
| Market treasury bills - 6 months | | - | 1,225,000,000 | 1,225,000,000 | - | - | - | - | 0.00 | 0.00 |
| Market treasury bills - 12 months | | - | 1,400,000,000 | 1,400,000,000 | - | - | - | - | 0.00 | 0.00 |
| **Total as at March 31, 2021** | | | | | | - | - | - | 0.00 | 0.00 |
| **Total as at June 30, 2020** | | | | | | - | - | - | | |

| **5.5 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'** | **Note** | **March 31, 2021 (Un-audited)** | **June 30, 2020 (Audited)** |
|---|---|---|---|
| | | ------------- (Rupees) ------------- | |
| Market value of investments | 5.1, 5.2, 5.3 & 5.4 | 1,001,238,123 | 869,004,303 |
| Less: carrying value of investments | 5.1, 5.2, 5.3 & 5.4 | 994,316,366 | 873,958,665 |
| | | 6,921,757 | (4,954,362) |

**6 PAYABLE TO THE FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY**

| | Note | March 31, 2021 | June 30, 2020 |
|---|---|---|---|
| Management remuneration payable | 6.1 | 2,591,855 | 1,434,273 |
| Sindh Sales Tax on remuneration of the Management Company | 6.2 | 336,941 | 186,455 |
| Allocated expenses payable | 6.3 | 1,919,664 | 2,714,005 |
| Selling and marketing expenses payable | 6.4 | 2,456,464 | 3,250,536 |
| Sales tax on sales and marketing charges | | 1,631 | - |
| Sales load payable | | - | 22,557 |
| | | 7,306,555 | 7,607,826 |

**6.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

| **From July 1, 2020 to July 21, 2020** | **From July 22, 2020 to March 31, 2021** |
|---|---|
| 0.80% of average annual net assets | 1.25% of average annual net assets |

The remuneration is payable to the Management Company monthly in arrears.

## Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Months And Quarter Ended March 31, 2021

**6.2** During the period, an amount of Rs. 2.907 million was charged on account of sales tax @ 13% (June 30, 2020: 13%) on management fee levied through the Sindh Sales Tax on Services Act, 2011.

**6.3** In accordance with Regulation 60 of the NBFC Regulations, 2008, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company, the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore, charged allocated expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

| From July 1, 2020 to July 21, 2020 | From July 22, 2020 to March 31, 2021 |
|---|---|
| 0.15% of average annual net assets | 0.10% of average annual net assets |

**6.4** The SECP has allowed the Asset Management Companies to charge selling and marketing to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

| From July 1, 2020 to July 21, 2020 | From July 22, 2020 to October 21, 2020 | From October 22, 2020 to March 31, 2021 |
|---|---|---|
| 0.70% of average annual net assets | 0.30% of average annual net assets | 0.40% of average annual net assets |

## Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Months And Quarter Ended March 31, 2021

| | | | (Un-audited) March 31, 2021 | (Audited) June 30, 2019 |
|---|---|---|---|---|
| **7** | **ACCRUED AND OTHER LIABILITIES** | **Note** | **(Rupees in '000)** | |
| | Auditors' remuneration payable | | 552,724 | 578,449 |
| | Brokerage payable | | 1,511,423 | 984,834 |
| | Printing charges payable | | 151,433 | 157,200 |
| | Zakat payable | | 33,331 | 33,331 |
| | Withholding and Capital gain tax payable | | 642,884 | 754,851 |
| | Other payable | | 900,437 | 234,175 |
| | Provision for Sindh Workers' Welfare Fund (SWWF) | 7.1 | 17,150,041 | 14,791,652 |
| | Provision for Federal Excise Duty on management fee | 7.2 | 18,281,365 | 18,281,365 |
| | | | 39,223,638 | 35,815,857 |

**7.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers’ Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers’ Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have mutual funds / CISs excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on mutual funds / CISs, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.74 per unit (June 30, 2020: Re. 0.58 per unit).

**7.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 18.281 million (June 30, 2020: Rs. 18.281 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.79 (June 30, 2020: Re 0.72) per unit.

## 8 CONTINGENCIES AND COMMITMENTS

**8.1** There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

## 9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2021 is 2.28% which includes 0.32% representing government levies, Sindh Workers' Welfare Fund and the SECP fee, etc. The ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## 10 TAXATION

The Fund's income is exempt from income tax as per 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, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

## 11 EARNINGS PER UNIT

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

## 12 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

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

**12.2** Transactions with connected persons are executed on an arm's length basis 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. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

**12.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

**12.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

**12.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

## Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Months And Quarter Ended March 31, 2021

**12.6** 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:

| | (Un-audited) For the Nine Months ended March 31 | |
|---|---|---|
| | **2021** | **2020** |
| | ------------- (Rupees) ------------- | |
| **Transactions during the period** | | |
| **Faysal Asset Management Limited - Management Company** | | |
| Remuneration of Faysal Asset Management Limited - Management Company | 22,366,884 | 15,477,660 |
| Sindh sales tax on remuneration of the Management Company | 2,907,695 | 2,012,096 |
| Allocated expenses | 1,917,555 | 2,073,171 |
| Selling and marketing charges to be reimburse to the Management Company | 7,203,216 | 2,410,092 |
| Issuance of 1,953,125 (2020: Nil) units | 200,000,000 | - |
| Redemption of 1,953,125 (2020: Nil) units | 201,054,688 | - |
| **Faysal Bank Limited (group company)** | | |
| Return on PLS savings accounts | 376,698 | 717,082 |
| Bank charges | 5,877 | - |
| Units in issue: Nil (2020:6,478,940) | - | 721,300,377 |

| | (Un-audited) For the Nine Months ended March 31 | |
|---|---|---|
| | **2021** | **2020** |
| | ------------- (Rupees) ------------- | |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 1,382,263 | 894,388 |
| Sindh sales tax on remuneration of the Trustee | 180,616 | 116,270 |
| Settlement charges | - | 188,260 |
| **Key Management Personnel of the Management Company** | | |
| Redemption of 63,693 (2020: Nil) units | 6,543,947 | - |
| **Unitholders holding 10% or more units** | | |
| Issuance of 2,891,288 (2020: Nil) units | 300,000,000 | - |

## Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Months And Quarter Ended March 31, 2021

| | (Un-audited) March 31 2021 | (Audited) June 30, 2020 |
|---|---|---|
| **Outstanding balances** | ------------- (Rupees) | ------------- |
| **Faysal Asset Management Limited - Management Company** | | |
| Management remuneration payable | 2,591,855 | 1,434,273 |
| Sindh Sales Tax on remuneration of the Management Company | 336,941 | 186,455 |
| Allocated expenses payable | 1,919,664 | 2,714,005 |
| Selling and marketing expenses payable | 2,456,464 | 3,250,536 |
| Sales load payable | - | 22,557 |
| **Faysal Bank Limited (Group company / Associated company)** | | |
| Balance with bank | 3,608,963 | 12,192,681 |
| Profit receivable on balance with bank | 19,639 | 55,459 |
| Units in issue: 6,478,940 units (June 30, 2020: 6,478,940 units) | 695,319,841 | 664,220,929 |
| **Central Depository Company of Pakistan Limited - Trustee** | | |
| Trustee fee payable | 155,510 | 134,463 |
| Sindh Sales Tax on remuneration of the Trustee | 21,149 | 17,480 |
| Security deposit | 100,000 | 100,000 |
| **Faysal Bank Limited** | | |
| Units in issue: 5,984,670 units (June 30, 2020: 4,011,269 units) | 642,274,784 | 411,235,298 |
| **Unit holder with more than 10% unit holding** | | |
| Units in issue: 10,635,158 units (June 30, 2020: 7,691,629 units) | 1,141,365,157 | 788,545,805 |

**12.7** Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

## 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 at 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.

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

For The Nine Months And Quarter Ended March 31, 2021

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

| | As at March 31, 2021 (Un-audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **ASSETS** | -------------------------------- (Rupees) -------------------------------- | | | |
| **Financial assets 'at fair value through profit or loss'** | | | | |
| Listed equity securities | 33,400,650 | | - | 33,400,650 |
| Term finance certicates | - | 414,671,811 | - | 414,671,811 |
| Sukuk certificates | - | 366,082,512 | - | 366,082,512 |
| Pakistan Investment Bonds | - | 187,083,150 | - | 187,083,150 |
| | 33,400,650 | 967,837,473 | - | 1,001,238,123 |

| | As at June 30, 2020 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **ASSETS** | -------------------------------- (Rupees) -------------------------------- | | | |
| **Financial assets 'at fair value through profit or loss'** | | | | |
| Term finance certicates | - | 484,799,237 | - | 484,799,237 |
| Sukuk certificates | - | 334,495,066 | - | 334,495,066 |
| Pakistan Investment Bonds | - | 49,710,000 | - | 49,710,000 |
| | - | 869,004,303 | - | 869,004,303 |

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

For The Nine Months And Quarter Ended March 31, 2021

**14 CORRESPONDING FIGURES**

Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

**15 GENERAL**

**15.1** Figures have been rounded off to the nearest rupee.

**15.2 Impact of COVID-19**

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expired on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

For The Nine Months And Quarter Ended March 31, 2021

### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 19 April 2021 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

| | | |
|---|---|---|
| Chief Financial Officer | Chief Executive Officer | Director |

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