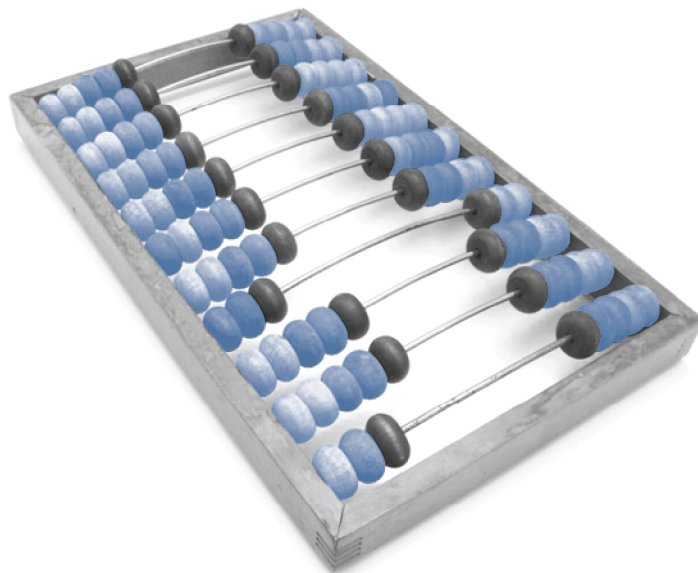


Faysal Asset Management

MTS Fund

Condensed Interim Financial Information for the Quarter Ended
September 30, 2018



Faysal MTS Fund

Faysal MTS Fund (FMTSF) is an open Ended Mutual Fund seeks to provide competitive returns primarily through investment into MTS market.

CONTENTS

Fund Information	04
Mission Statement	05
Review Report of the Directors of the Management Company	06
Condensed Interim Statement of Assets and Liabilities	09
Condensed Interim Income Statement	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Cash Flow Statement	12
Condensed Interim Statement of Movement in Unit Holders' Fund	13
Notes to the Condensed Interim Financial Information	14
ڈائریکٹرز رپورٹ	22

FUND INFORMATION

Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Salman Ahmed Usmani, Chairman
Mr. Osman Khan, Director
Syed Ibad-Ur-Rehman Chishti, Director
Mr. Tahir Yaqoob Bhatti, Director
Mr. Farooq Hassan, Director
Mr. Razi-ur-Rahman Khan, Director/CEO

Chief Executive Officer

Mr. Razi-ur-Rahman Khan

Chief Financial Officer and Company Secretary of the Management Company

Mr. Naved Hanif

Audit Committee

Mr. Osman Khan, Chairman
Syed Ibad-ur-Rehman Chishti, Member
Mr. Farooq Hassan, Member

HR Committee

Mr. Osman Khan, Chairman
Syed Ibad-Ur-Rehman Chishti, Member
Mr. Razi-ur-Rahman 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
Habib Bank Limited
JS Bank Limited
Zarai Taraqiati Bank Limited

Auditors

EY Ford Rhodes, Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.
2nd Floor, Dime Centre,
BC-4 Block-9, KDA-5,
Clifton, Karachi.

Registrar

JWAFFS Registrar Service (Pvt) Limited
407-408, Al-Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.

MISSION STATEMENT

Faysal MTS Fund (FMTSF) endeavours to provide investors competitive returns primarily through investment into MTS market.

Review Report of the Directors of the Management Company

The Board of Directors of Faysal Asset Management Limited, the Management Company of Faysal MTS Fund (FMTSF), is pleased to present the un-audited condensed interim financial information of FMTSF for the three months and quarter ended September 30, 2018.

FINANCIAL HIGHLIGHTS

	Three Months & Quarter Ended September 30	
	2018	2017
	-----Rupees in million-----	
Total income	13.770	4.640
Total expenses	(3.932)	(1.388)
Net income for the period before taxation	9.838	3.253
Taxation	-	-
Profit after tax	9.838	3.253
NAV per unit (Rs.)	102.28	101.70

ECONOMIC REVIEW

Economy of Pakistan has started posing better picture as the new government focused on the economic and structural reforms. In order to boost foreign exchange reserves, government formally approached International Monetary Fund (IMF) for another bailout package. Increased regulatory duties on luxurious imports coupled with PKR depreciation helped to contain trade deficit. Lower trade deficit along with decent growth in remittances helped to contain current account deficit. During the first quarter of fiscal year 2019 (1QFY19), central bank cumulatively increased the policy rate by 200 basis points (bps).

New government took strategic steps to curb imports by imposing further regulatory duties on luxurious items. Moreover, multiple rounds of PKR depreciation during the last couple of months started reflecting impact on trade figures on monthly basis. Thus, imports during the period 1QFY19 stood at USD 14.26bn as compared to USD 14.17bn, depicting a meager increase of 0.64%. During the period 1QFY19, exports recorded at USD 5.39bn as compared to USD 5.16bn during the same period last year, presenting an increase of 4.54% on year-on-year (YoY) basis. Resultantly, trade deficit for the period 1QFY19 reported at USD 8.87bn as compared to USD 9.01bn during the corresponding period last year, revealing a slowdown of 1.61% on YoY basis.

Overseas Pakistani also showed confidence on the new government as remittances during the period 1QFY19 settled at USD 5.42bn as compared to USD 4.79bn, surged by 13.14% on YoY basis. Slowdown in the trade deficit coupled with higher remittances is expected to keep the current account deficit on the lower side as noted in August 2018 where CAD recorded at USD 600mn as compared to USD 2.12bn in July 2018. During the period 2MFY19, CAD posted an increase of 9.85% on YoY basis and stood at USD 2.72bn as compared to USD 2.48bn during the same period last year. On the other hand, Foreign Direct Investment (FDI) remained on the lower side and recorded a decline of 40.03% on YoY basis and stood at USD 288.20mn during the period 2MFY19. However, FDI is expected to recover in the months ahead on account of

Review Report of the Directors of the Management Company

interest of neighboring countries (China and Saudi Arabia) to invest in oil, energy and infrastructure projects. Fiscal deficit is also expected to remain on the lower side on account of reduction in subsidy and austerity drive in order to curb expenditure adopted by new government.

Foreign exchange reserves remained under pressure during the period under review on account of debt servicing. Resultantly, reserves dropped to worsening level of USD 14.89bn at the end of 1QFY19 as compared to USD 16.41bn at the end of FY18, depicting a decline of 9.23%. CPI inflation remained on the higher side during the period 1QFY19 and clocked-in at 5.60% against 3.39% during the period 1QFY18. During the period 1QFY19, central bank conducted two monetary policies where the bank adopted cautious stance and opted to go for 100bps increase in policy rate in both the monetary policies in order to ensure economic stability.

Going forward, Inflation is expected to remain elevated in the months ahead on account of upward revision in gas prices and expected hike in electricity tariff. In order to maintain real interest rate, central bank is expected to increase the policy rate in the periods ahead. Further, recent development related to approaching IMF for another bailout package of around USD 8-10bn may provide much needed support to foreign exchange reserves. Moreover, government's stance to implement economic & structural reforms is expected to bode well for the economic health of the country.

MONEY MARKET REVIEW

Market remained short of liquidity during the 3MFY19 and to accomplish this liquidity shortage SBP conducted 15 OMO – Injections where the total participation stood at PKR 11.325trn and total accepted amount was PKR 10.215trn and the weighted average rate of all OMO – Injections was 7.52%. State bank also conducted 07 OMO Mop-Ups during Jul'18, Aug'18 and Sep'18 where total accepted amount stood at PKR 2.4trn.

Central bank conducted 7 T-bill auctions during 3MFY19, where in cut offs were maintained at 3M – 7.75% and 6M – 7.8526% till monetary policy was revised at the end of September; the new Cut offs were 3M – 8.80% and 6M – 8.8492% settled in first auction of Oct'18.

Besides, in the PIB auction, bids worth Rs. 7.15 billion were received for 03 years and Rs. 26.11 for 05 years tenor while no bids were received for 10 years and 20 years tenor. The target was Rs. 50 billion against the maturity of Rs. 510 billion; however, the auction was rejected.

SBP issued 2 monetary policies in which it raised its policy rate by 100bps in Jul'18 and by another 100 bps in Sep'18. The sharp hike was driven by an attempt to ensure the macroeconomic stability. A higher trajectory of CPI inflation in the coming months considering the recent increase in gas prices coupled with continuing second round impact of currency devaluation is likely to result in further hike in interest rates in the coming months. The SBP estimates CPI inflation to settle between 6.5-7.5%.

FUND PERFORMANCE

Faysal MTS Fund yielded return of 6.75% during the period 1QFY19. By the end of quarter, your fund's exposure in Margin Trading System (MTS) was 71.83%. Going forward, your fund would keep exploring the MTS market to yield higher returns.

Review Report of the Directors of the Management Company

FUND RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "A+(f)" stability rating to Faysal MTS Fund as of June 20, 2018.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company thanks the unit holders for their confidence in the Management and the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work.

For and on behalf of the Board

Karachi: October 19, 2018

Razi-ur-Rahman Khan
Chief Executive Officer

Condensed Interim Statement of Assets and Liabilities

As at September 30, 2018

		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
Assets			
Bank balances	5	98,637,082	364,817,379
Investments	6	44,840,726	39,755,106
Receivable against Margin Trading System (MTS)		380,579,311	412,923,785
Prepayments, deposits and other receivables		5,571,675	4,627,049
Preliminary expenses and floatation costs		542,979	597,159
Receivable against issuance of units		-	56,555,507
Total assets		530,171,773	879,275,985
Liabilities			
Payable to the Management Company		1,045,435	745,591
Remuneration payable to the Trustee		95,003	101,704
Accrued and other liabilities	7	1,318,039	1,267,511
Payable against redemption of units		-	232,885,399
Total liabilities		2,458,477	235,000,205
Net assets		527,713,296	644,275,780
Unit holders' fund (as per statement attached)		527,713,296	644,275,780
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		5,159,560	6,081,452
		----- (Rupees) -----	
Net assets value per unit		102.28	105.94

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement

For the Quarter Ended September 30, 2018 (Un-Audited)

	For the quarter ended	
	September 30,	
	2018	2017
	(Rupees)	
Income		
Profit earned on government securities classified as 'at fair value through profit or loss'	771,103	307,863
Income from Margin Trading System (MTS)	10,790,249	3,242,916
Return on bank balances	2,211,051	1,089,274
Net (loss) / gain on investments classified as 'at fair value through profit or loss' - held-for-trading:		
- Net capital (loss) / gain on sale of investments	-	240
- Net unrealised loss on revaluation of investments	(2,028)	199
	(2,028)	439
Total income	13,770,375	4,640,492
Expenses		
Remuneration of the Management Company	1,466,336	595,605
Sales tax on Management fee	190,624	77,430
Reimbursement of expenses from the Management Company	-	(229,269)
Remuneration of the Trustee	249,286	104,375
Sales tax on Trustee fee	32,407	13,571
Bank charges	7,008	6,339
Auditors' remuneration	50,416	50,416
SECP annual fee	109,974	44,168
Fees and subscription	69,583	73,624
Settlement charges and federal excise duty	1,497,556	476,626
Printing charges and other expenses	4,245	54,281
Provision for Sindh Workers' Welfare Fund (SWWF)	200,775	66,382
Amortisation of preliminary expenses and floatation costs	54,180	54,180
Total expenses	3,932,390	1,387,728
Net income for the period before taxation	9,837,985	3,252,764
Taxation	-	-
Net income for the period after taxation	9,837,985	3,252,764
Allocation of net income for the period		
Net income for the period	9,837,985	3,252,764
Income already paid on units redeemed	(1,849,486)	(1,215,194)
	7,988,499	2,037,570
Accounting income available for distribution		
Relating to capital gains	-	439
Excluding capital gains	7,988,499	2,037,131
	7,988,499	2,037,570

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income

For the Quarter Ended September 30, 2018 (Un-Audited)

	For the quarter ended	
	September 30,	
	2018	2017
	----- (Rupees) -----	
Net income for the period after taxation	9,837,985	3,252,764
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>9,837,985</u>	<u>3,252,764</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement

For the Quarter Ended September 30, 2018 (Un-Audited)

	For the quarter ended	
	September 30,	
Note	2018	2017
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	9,837,985	3,252,764
Adjustments for non-cash and other items:		
Profit earned on government securities classified as 'at fair value through profit or loss'	(771,103)	(307,863)
Income from Margin Trading System (MTS)	(10,790,249)	(3,242,916)
Return on bank balances	(2,211,051)	(1,089,274)
Net (loss) / gain on investments classified as 'at fair value through profit or loss' - held-for-trading:		
- Net capital loss / (gain) on sale of investments	-	(240)
- Net unrealised loss on revaluation of investments	2,028	(199)
Amortisation of preliminary expenses and floatation costs	54,180	54,180
	<u>(3,878,210)</u>	<u>(1,333,548)</u>
Decrease / (increase) in assets		
Prepayments, deposits and other receivables	771,697	(92,928)
Increase / (decrease) in liabilities		
Payable to the Management Company	299,844	176,425
Remuneration payable to the Trustee	(6,701)	28,261
Accrued and other liabilities	50,528	43,694
	<u>343,671</u>	<u>248,380</u>
Proceeds from redemption of investments	40,683,455	14,688,906
Payments made against purchase of investments	(45,000,000)	(39,526,460)
Receipts / payments made against Margin Trading System (MTS)	32,344,474	(216,503,713)
Profits and returns received	11,284,977	4,220,820
Net cash generated from / (used in) operating activities	<u>36,550,064</u>	<u>(238,298,543)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	219,662,433	274,894,579
Payments made against redemption of units	(509,616,364)	(126,895,886)
Dividend paid	(12,776,430)	(293,479)
Net cash (used in) / generated from financing activities	<u>(302,730,361)</u>	<u>147,705,214</u>
Net decrease in cash and cash equivalents during the period	(266,180,297)	(90,593,329)
Cash and cash equivalents at beginning of the period	364,817,379	127,810,152
Cash and cash equivalents at end of the period	<u>5 98,637,082</u>	<u>37,216,823</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Movement in Unit Holders' Fund

For the Quarter Ended September 30, 2018 (Un-Audited)

	September 30, 2018		September 30, 2017	
	Capital value	Undistributed Income	Total	Total
	(Rupees)			
Net assets at beginning of the period	630,296,681	13,979,099	644,275,780	172,597,518
Issuance of 1,809,539* units (September 30, 2017: 2,705,061 units)				
- Capital value (at net assets value per unit at beginning of the period)	162,104,358	-	162,104,358	-
- Element of income	1,002,568	-	1,002,568	-
Total proceeds on issuance of units	163,106,926	-	163,106,926	273,734,701
Redemption of 2,731,431 units (September 30, 2017: 1,242,206 units)				
- Capital value (at net assets value per unit at beginning of the period)	(274,700,016)	-	(274,700,016)	-
- Amount paid out of element of income				
- Relating to 'Net income for the period after taxation'	-	(1,849,486)	(1,849,486)	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-
- Refund / adjustment on units as element of income	(181,463)	-	(181,463)	-
Total payments on redemption of units	(274,881,479)	(1,849,486)	(276,730,965)	(125,786,018)
Income already paid on units redeemed	-	-	-	1,215,194
Total comprehensive income for the period	-	9,837,985	9,837,985	2,037,570
Final cash distribution for the year ended June 30, 2018 @ Rs.2.10 (2017: Rs. Nil) per unit	-	(12,776,430)	(12,776,430)	-
Net income for the period less distribution	-	(2,938,445)	(2,938,445)	2,037,570
Net assets at end of the period	518,522,128	9,191,168	527,713,296	323,788,965
Distribution for the period				
Undistributed income brought forward				
- Realised	-	13,983,917	13,983,917	509,275
- Unrealised	-	(4,818)	(4,818)	(260)
	-	13,979,099	13,979,099	509,015
Accounting income available for distribution				
- Relating to capital gains	-	-	-	439
- Excluding capital gains	-	7,988,499	7,988,499	2,075,060
	-	7,988,499	7,988,499	2,075,499
Final cash distribution for the year ended June 30, 2018 @ Rs.2.10 (2017: Rs. Nil) per unit	-	(12,776,430)	(12,776,430)	-
Undistributed income carried forward	-	9,191,168	9,191,168	2,584,514
- Realised	-	9,198,014	9,198,014	2,584,315
- Unrealised	-	(6,846)	(6,846)	199
	-	9,191,168	9,191,168	2,584,514
			----- (Rupees) -----	
Net assets value per unit at the beginning of the period			105.94	100.29
Net assets value per unit at the end of the period			102.28	101.70

* Number of units issued includes 197,683 (2017: Nil units) units at Nil cost on account of refund of capital.

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2018 (Un-Audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal MTS Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 16, 2015. It has been constituted under a Trust Deed, dated November 17, 2015 between Faysal Asset Management Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also a company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017).

The Fund is an open-ended income fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis and the units are transferable and can be redeemed by surrendering them to the Fund. Title to the assets of the fund are held in the name of CDC as a Trustee of the Fund. The Fund was launched on April 08, 2016.

The objective of the Fund is to provide competitive returns primarily through investment in Margin Trading System (MTS) market.

The Fund is categorised as an "Income Scheme" as per the Circular No. 7 of 2009 issued by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a "A+(f)" stability rating to Faysal MTS Fund as of June 20, 2018.

JCR - VIS has awarded an "AM3" asset manager rating to the Management Company as of March 19, 2018.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3. BASIS OF PREPARATION

3.1 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2018.

3.2 This condensed interim financial information is presented in Pak rupees, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and basis of accounting estimates applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2018 (Un-Audited)

		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)							
5. BANK BALANCES	Note	(Rupees)	(Rupees)							
Cash at bank - PLS savings accounts	5.1	98,637,082	364,817,379							
5.1 These carry mark-up ranging between 5.50% and 8.40% (June 30, 2018: 4.50% and 7.35%) per annum and include a balance of Rs. 1,372,000 (June 30, 2018: 4,155,401) held with Faysal Bank Limited (a related party).										
6. INVESTMENTS										
'At fair value through profit or loss' - held-for-trading										
Government securities	6.1	44,840,728	39,755,106							
6.1 Government securities - 'at fair value through profit or loss' - held-for-trading										
		-- Balance as at September 30, 2018 --								
Name of security	Rate of return per annum	Face value			Carrying value	Market value	Unrealised loss on revaluation	Market value as percentage of total Investments	Market value as percentage of net assets	
		As at July 01, 2018	Purchased during the period	Sold / matured during the period						As at September 30, 2018
(Rupees)										
Market treasury bills										
Market treasury bills - 3 months (note 6.1.1)	6.21% to 8.74%	40,000,000	45,000,000	40,000,000	45,000,000	44,847,572	44,840,728	(6,846)	100.00%	8.50%
September 30, 2017					4,873,325	4,873,065	(260)			
6.1.1 The above investments have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by the SECP.										
6.2 Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)							
Market value of investments		44,840,728	39,755,106							
Cost of Investments		(44,847,572)	(39,759,924)							
		(6,846)	(4,818)							
Net unrealised (loss) / gain on investments at beginning of the period		4,818	(260)							
Realised on disposal during the period		4,818	260							
		(2,028)	(4,818)							
7. ACCRUED AND OTHER LIABILITIES	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)							
SECP annual fee payable	7.1	109,848	257,907							
Accrued liabilities		419,888	419,158							
Provision for Sindh Workers' Welfare Fund (SWWF)	7.2	724,859	524,154							
Provision for indirect taxes and duties	7.3	69,292	69,292							
		1,319,039	1,267,511							
7.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP annually an amount equal to 0.075% (June 30, 2018: 0.075%) per annum of the daily net assets value of the Fund.										
7.2 There is no change in the status of Sindh Workers Welfare Fund (SWWF) as reported in note 13.2 of the annual financial statements of the fund for the year ended June 30, 2018.										
7.3 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty at the rate of 18% on the services of the Management Company, as reported in note 13.3 to the annual financial statements of the Fund for the year ended June 30, 2018.										
8. CONTINGENCIES AND COMMITMENTS		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)							
Margin Trading System (MTS) transactions entered into by the Fund which have not been settled as at year end:										
Purchase transactions		-	39,750,007							
Sale transactions		51,109,681	68,053,568							
9. TAXATION										
The income of the fund is exempt from income tax under Clause (89) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 98), subject to the condition that not less than 80 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause II A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the period to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial information for the period ended September 30, 2018.										
10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES										
10.1 Connected persons / related parties include Faysal Asset Management Limited being the Management Company, CDC 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 connected persons. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.										
10.2 The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.										
10.3 The details of significant transactions carried out by the Fund with connected persons / related parties and balances with them at period end are as follows:										

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2018 (Un-Audited)

	For the quarter ended	
	September 30,	
	2018	2017
	(Un-audited)	
	(Rupees)	
Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	1,466,336	595,605
Sales tax on Management fee	190,624	77,430
Reimbursement of expenses from the Management Company	-	229,269
Issue of 88,482 units (2017: Nil units)	9,000,000	-
Redemption of 73,414 units (2017: Nil units)	7,491,519	-
Faysal Bank Limited (Group / Associated Company)		
Return on PLS savings account	70,454	635
Bank charges	-	555
Directors and Key Management Personnel of the Management Company		
Issue of 759 units (2017: Nil units)	76,336	-
Cash dividend paid (net of tax)	76,336	-
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Remuneration of the Trustee	249,286	104,375
Sales tax on Trustee fee	32,407	13,571
Settlement charges	92,000	61,640
Unit holder holding 10% or more units		
Zeba Rashid Faruqi		
Issue of 25,096 units (2017: Nil units) on account of refund of capital	-	-
Issue of 10,432 units (2017: Nil units)	1,049,136	-
Cash dividend paid (net of tax)	1,049,136	-
Outstanding balances		
	September 30,	June 30,
	2018	2018
	(Un-audited)	(Audited)
	(Rupees)	
Faysal Asset Management Limited (Management Company)		
Reimbursement of expenses receivable from the Management Company	776,379	776,379
Management fee payable	521,382	521,382
Sales tax payable on Management fee	67,780	67,780
Sales load payable	156,429	156,429
Units in issue of 15,068 units (2018: Nil units)	1,541,155	-
Faysal Bank Limited (Group / Associated Company)		
Balance in PLS savings accounts	1,372,000	4,155,401
Return receivable on PLS savings account	15,120	15,120
Directors and Key Management Personnel of the Management Company		
Units in issue of 17,483 units (2018: 16,724 units)	1,788,161	1,771,741
Central Depository Company of Pakistan Limited - (Trustee of the Fund)		
Security deposit	100,000	100,000
Remuneration payable to the Trustee	84,075	90,005
Sales tax payable on Trustee fee	10,928	11,699
Unit holder holding 10% or more units		
Zeba Rashid Faruqi		
Units in issue of 728,813 units (2018: 693,285 units)	74,542,994	73,446,613

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2018 (Un-Audited)

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement, where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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 financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analysed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	September 30, 2018				September 30, 2018			
	Carrying amount				Fair value			
'At fair value through profit or loss' - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
	(Rupees)			(Rupees)				
Financial assets measured at fair value								
Investments classified as 'at fair value through profit or loss' - held-for-trading								
Government securities								
Market treasury bills	44,840,726	-	-	44,840,726	-	44,840,726	-	44,840,726
Financial assets not measured at fair value								
Bank balances	-	98,637,082	-	98,637,082				
Receivable against Margin Trading System (MTS)	-	380,570,311	-	380,570,311				
Receivable against issuance of units	-	-	-	-				
Deposits and other receivables	-	4,784,307	-	4,784,307				
	-	484,000,700	-	484,000,700				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	982,195	982,195				
Remuneration payable to the Trustee	-	-	84,075	84,075				
Accrued and other liabilities	-	-	416,869	416,869				
Payable against redemption of units	-	-	-	-				
	-	-	1,483,139	1,483,139				
June 30, 2018								
Carrying amount				Fair value				
'At fair value through profit or loss' - held-for-trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
	(Rupees)			(Rupees)				
Financial assets measured at fair value								
Investments classified as 'at fair value through profit or loss' - held-for-trading								
Government securities								
Market treasury bills	39,755,106	-	-	39,755,106	-	39,755,106	-	39,755,106
Financial assets not measured at fair value								
Bank balances	-	364,817,379	-	364,817,379				
Receivable against Margin Trading System (MTS)	-	412,923,785	-	412,923,785				
Deposits and other receivables	-	3,844,383	-	3,844,383				
Profit or loss - held-for-trading	-	56,555,507	-	56,555,507				
Receivable against issuance of units	-	-	-	-				
	-	838,141,034	-	838,141,034				
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	677,811	677,811				
Remuneration payable to the Trustee	-	-	90,005	90,005				
Accrued and other liabilities	-	-	419,158	419,158				
Payable against redemption of units	-	-	232,885,399	232,885,399				
Dividend payable	-	-	-	-				
	-	-	234,072,373	234,072,373				

During the period ended September 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

Notes to the Condensed Interim Financial Information

For the Quarter Ended September 30, 2018 (Un-Audited)

12. GENERAL

12.1 The Total Expense Ratio (TER) of the Fund is 2.67% (September 30, 2017: 2.31%) which includes 0.36% (September 30, 2017: 0.33%) 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% prescribed under the NBFC Regulations. In addition to the above prescribed limit Income Schemes which invest in Margin Trading System (MTS) may charge additional MTS related expenses upto 0.5% of average daily net assets value of the scheme.

12.2 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

12.3 Figures have been rounded off to the nearest rupee.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2018 by the Board of Directors of the Management Company.

**For Faysal Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

فنزڈ کی کارکردگی

فیصل ایم ٹی ایس فنڈ کو مالی سال 2019ء کی پہلی سہ ماہی کے دوران 6.75 فیصد آمدنی ہوئی سہ ماہی کے اختتام پر مارجن ٹریڈنگ سسٹم (ایم ٹی ایس) میں آپ کے فنڈ میں ایکسپوزر 71.83 فیصد تھا۔ مزید برآں آپ کا فنڈ زیادہ آمدنی کیلئے ایم ٹی ایس مارکیٹ میں جدوجہد جاری رکھے گا۔

فنزڈ کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے فیصل ایم ٹی ایس فنڈ کو 20 جون 2018ء کو "اے+ (ایف)" اسٹیبلٹی ریٹنگ تفویض کی ہے۔

اعتراف

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے مینجمنٹ پر اعتماد کے لئے یونٹ ہولڈرز اور گرانفدر حمایت، تعاون اور رہنمائی کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا شکریہ ادا کیا ہے۔ بورڈ نے مخلصانہ جدوجہد اور محنت پر مینجمنٹ کمپنی کے ملازمین اور اسٹیٹس کا بھی شکریہ ادا کیا ہے۔

برائے اور از طرف
رضی الرحمن خان
چیف ایگزیکٹو آفیسر

کراچی: 19 / اکتوبر 2018

شرح کو برقرار رکھنے کے لئے سینٹرل بینک کی جانب سے آئندہ پالیسی ریٹ میں اضافہ متوقع ہے۔ مزید 8-10 بلین امریکی ڈالر کے قریب ایک اور بیل آؤٹ پیکیج کے لئے آئی ایم ایف سے رابطہ سے متعلق حالیہ انکشاف سے زرمبادلہ کے ذخائر کو ضروری تعاون حاصل ہو سکتا ہے۔ مزید برآں حکومت کو معاشی اور سطحی اصلاحات پر عملدرآمد کے عزم سے ملک کی اقتصادی صحت کے لئے بہتری متوقع ہے۔

منی مارکیٹ کا جائزہ

مالی سال 2019ء کے اوائل تین ماہ کے دوران مارکیٹ میں لیکویڈیٹی کی کمی رہی اور اس قلت کو دور کرنے کے لئے اسٹیٹ بینک آف پاکستان نے 15 ادا ایم او۔ انجکشنز منعقد کئے جس میں مجموعی شرکت 11.325 ٹریلین روپے رہی اور مجموعی قبول کردہ رقم 10.215 ٹریلین روپے تھی جبکہ تمام ادا ایم او۔ انجکشنز کا اوسط نرخ 7.5 فیصد تھا۔ اسٹیٹ بینک نے جولائی 2018ء سے اگست 2018ء اور ستمبر 2018ء کے دوران بھی 7 ادا ایم او۔ ایم او پی۔ یو پی ایس منعقد کئے جن میں مجموعی منظور کردہ رقم 2.4 ٹریلین روپے تھی۔

سینٹرل بینک نے مالی سال 2019ء کے تین ماہ کے دوران 7۔ ٹی بل نیلام کئے جن میں ستمبر کے آخر میں مانیٹری پالیسی پر نظر ثانی تک کٹ آف 3 ایم۔ 7.75 فیصد اور 6 ایم 7.8526 فیصد پر برقرار ہے جبکہ اکتوبر 2018ء کو پہلے نیلام میں نئے کٹ آف 3 ایم۔ 8.80 فیصد اور 6 ایم۔ 8.8492 فیصد طے ہوئے۔

علاوہ ازیں پی آئی بی نیلام میں تین سال کی مدت کے لئے 7.15 بلین روپے اور پانچ سال کے لئے 26.11 بلین روپے کی بولیاں موصول ہوئیں جبکہ دس سال اور تیس سال کی مدت کے لئے کوئی بولی موصول نہیں ہوئی۔ 510 بلین روپے کی بیچورٹی کے مقابلے میں 50 بلین روپے کا ہدف تھا البتہ نیلامی کو مسترد کر دیا تھا۔

ایس بی بی نے دو مانیٹری پالیسیاں جاری کیں جن میں اس نے جولائی 2018ء کو اپنے پالیسی ریٹ میں 100 بی بی ایس تک اضافہ کیا اور ستمبر 2018ء کو مزید 100 بی بی ایس بڑھایا۔ معاشی استحکام کی یقین دہانی کے لئے ایک چھوٹی سی ہوشیاری دکھائی گئی۔ گیس کی قیمتوں میں حالیہ اضافہ اور روپے کی قدر میں کمی کے دوسرے مرحلے سے آئندہ مہینوں میں پی آئی افراط زر کے المیہ کے نتیجے میں منافع کے نرخوں میں مزید اضافہ ہو سکتا ہے۔ ایس بی بی کا تخمینہ ہے کہ پی آئی۔ افراط زر 6.5 اور 7.5 فیصد کے درمیان ٹھہرے گا۔

رہی جس سے 0.64 فیصد اضافہ نظر آیا۔ مالی سال 2019ء کی پہلی سہ ماہی کے دوران گزشتہ سال اسی مدت کی 5.16 بلین امریکی ڈالرز کی برآمدات کے مقابلے میں 5.39 بلین امریکی ڈالر رہی جس سے سال بہ سال کی بنیاد (YOY) پر 4.54 فیصد اضافہ ظاہر ہوتا ہے۔ نتیجتاً مالی سال 2019ء کی پہلی سہ ماہی کے دوران تجارتی خسارہ 8.27 بلین امریکی ڈالر ہا جبکہ گزشتہ سال اسی مدت کے دوران یہ 9.01 بلین امریکی ڈالر تھا جس سے YOY بنیاد پر 1.61 فیصد کمی دکھائی دیتی ہے۔

اور سیز پاکستانیوں نے بھی نئی حکومت پر اعتماد کا اظہار کیا ہے کیونکہ مالی سال 2019ء کی پہلی سہ ماہی کے دوران ترسیل زر 5.42 بلین امریکی ڈالر ہا جبکہ گزشتہ 4.79 بلین امریکی ڈالر تھا جو YOY بنیاد پر 13.14 فیصد تک رہا۔ تجارتی خسارہ میں کمی اور اعلیٰ ترسیل زر سے توقع ہے کہ کرنٹ اکاؤنٹ خسارہ میں کمی رہے گی جیسا کہ اگست 2018ء میں یہ 600 ملین امریکی ڈالر جبکہ جولائی 2018ء میں یہ 2.12 بلین امریکی ڈالر ریکارڈ کیا گیا تھا۔ مالی سال 2019ء کے اوائل دو ماہ کے دوران CAD میں 9.85 فیصد YOY بنیاد پر اضافہ دیکھا گیا اور یہ گزشتہ سال کے 2.48 بلین امریکی ڈالر کے مقابلے میں 2.72 بلین امریکی ڈالر رہا۔ دوسری جانب فارن ڈائریکٹ انویسٹمنٹ (ایف ڈی آئی) میں کمی کا رجحان رہا اور YOY کی بنیاد پر اس میں 40.03 فیصد کمی دکھائی دی۔ یہ مالی سال 2019ء کی اوائل دو ماہ کے دوران 288.20 بلین امریکی ڈالر رہا۔ تاہم ایف ڈی آئی کو بڑوسی ممالک (چین اور سعودی عرب) کی دلچسپی کے مد نظر آئندہ مہینوں میں بڑھنے کی توقع ہے۔ چونکہ یہ تیل، توانائی اور انفراسٹرکچر پروجیکٹس میں سرمایہ کاری کا ارادہ رکھتے ہیں۔ مالی خسارہ میں بھی نئی حکومت کی جانب سے سبسڈی میں تخفیف اور اخراجات پر قابو پانے کے باعث کمی رہنے کی توقع ہے۔

زیر جائزہ مدت کے دوران ڈیٹ سروسنگ کے باعث زرمبادلہ کے ذخائر دباؤ کا شکار ہیں۔ نتیجتاً مالی سال 2019ء کی پہلی سہ ماہی کے دوران ذخائر 14.89 بلین امریکی ڈالر کی کم ترین سطح پر رہے جبکہ مالی سال 2018ء کے اختتام پر یہ 16.41 بلین امریکی ڈالر تھے جس سے 9.23 فیصد کمی ظاہر ہوتی ہے۔ سی پی آئی افراد زر مالی سال 2019ء کی پہلی سہ ماہی کے دوران بلند سطح پر رہا اور 5.60 فیصد تک رہا جبکہ مالی سال 2019ء کی پہلی سہ ماہی کے دوران یہ 3.39 فیصد تھا۔ مالی سال 2019ء کی پہلی سہ ماہی کے دوران سینٹرل بینک نے دو مائٹری پالیسیاں وضع کیں بینک نے محتاط اقدامات کئے اور معاشی استحکام کو یقینی بنانے کے لئے دونوں مائٹری پالیسیوں میں پالیسی ریٹ میں 100 بی پی ایس اضافہ کیا۔

مزید برآں گیس کی قیمتوں میں اور بجلی کے نرخوں میں متوقع اضافہ کے باعث آئندہ مہینوں میں مہنگائی متوقع ہے۔ اصل منافع کی

ڈائریکٹرز رپورٹ

فیصل ایم ٹی ایس فنڈ (ایف ایم ٹی ایس ایف) کی مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2018 کو مکمل ہونے والی سہ ماہی اور تین ماہ کے لئے ایف ایم ٹی ایس ایف کے غیر آڈٹ شدہ مربوط عبوری معلومات بخوشی فراہم کرتے ہیں۔

اہم مالیاتی معلومات

30 ستمبر 2017 کو مکمل ہونے والی سہ ماہی	30 ستمبر 2018 کو مکمل ہونے والی سہ ماہی	
4.640	13.770	کل آمدنی
(1.388)	(3.932)	کل اخراجات
3.253	9.838	قبل از محصولات مدت خالص آمدنی
-	-	محصولات
3.253	9.838	بعد از محصولات منافع
101.70	102.28	NAV فی یونٹ (روپے میں)

اقتصادی جائزہ

پاکستان کی معیشت نے نئی حکومت کی معاشی اور سٹیجی اصلاحات پر توجہ کے باعث اچھی تصویر پیش کرنا شروع کر دی ہے۔ زرمبادلہ کے ذخائر بڑھانے کے لئے حکومت نے انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) سے ایک اور تیل آؤٹ پیکیج کے لئے رابطہ کیا ہے۔ پرتیش اشیاء کی درآمد پر ڈیوٹی میں اضافہ اور پاکستانی روپے کی قدر میں کمی سے تجارتی خسارہ کو روکنے میں مدد ملے گی۔ تجارتی خسارہ میں کمی اور تسلیل زر میں بہتری سے کرنٹ اکاؤنٹ خسارہ کو روکنے میں مدد حاصل ہوگی۔ مالی سال 2019ء کی پہلی سہ ماہی کے دوران سینٹرل بینک نے 200 بیسز پوائنٹس (بی پی ایس) تک پالیسی ریٹ میں بھاری اضافہ کر دیا ہے۔

نئی حکومت نے پرتیش سامان پر مزید ریگولیٹری ڈیوٹی عائد کر کے درآمدات کو لگام دینے کے لئے حکمت عملی سے اقدام کئے ہیں۔ مزید برآں گزشتہ دو ماہ کے دوران پاکستانی روپے کی قدر میں کمی اور کئی مرحلوں سے مہینوں کے اعتبار سے تجارت پر اثرات ظاہر ہونے لگے ہیں۔ پچاس مالی سال 2019ء کی پہلی سہ ماہی کے دوران درآمدات 14.17 بلین امریکی ڈالر کے مقابلے میں 14.26 امریکی ڈالر

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