Faysal Savings Growth Fund

Faysal Savings Growth Fund (FSGF) an open-ended mutual fund, seeks maximum preservation of capital and a reasonable rate of return via investing primilary in money market and debt securities having good credit rating and liquidity.

CONTENTS

FUND INFORMATION

Management Company
Faysal Asset Management Limited

Board of Directors of the Management Company
Mr. Mohammad Abdul Aleem, Chairman
Mr. Enamullah Khan, Chief Executive Officer
Mr. Razi-ur-Rahman Khan, Director
Mr. Feroz Rizvi, Director
Syed Majid Ali, Director
Mr. Zafar Ahmed Siddiqui, Director
Mr. Ibad-ur-Rehman Chishti, Director

CFO & Company Secretary of the Management Company
Mr. Najm-ul-Hassan

Audit Committee
Mr. Feroz Rizvi, Chairman
Syed Majid Ali Esq., Member
Mr. Zafar Ahmed Siddiqui, Member

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

Bankers to the fund
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
NIB Bank Limited
The Bank of Punjab
Habib Bank Limited
Soneri Bank Limited
Summit Bank Limited
Habib Metropolitan Bank Ltd.

Auditors
A. F. Ferguson & Co.

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

Registrar
JWAFFS Registrar Service (Pvt) Limited
Room # 505, 5th Floor, Kashif Centre,
Near Hotel Mehran, Main Shahra-e-Faisal,
Karachi.

Distributors
Access Financial Service (Pvt) Limited
Summit Capital Markets (Pvt) Limited
Alfalah Securities (Pvt) Limited
AKD securities (Pvt) Limited
Faysal Asset Management Limited
Faysal Bank Limited
Flow (Pvt) Limited
IGI Investment Bank Limited
JS Global Capital Limited
Pak Oman Investment Bank Limited
Reliance Financial Products (Pvt) Limited
Investment Capital & Securities (Pvt) Limited

MISSION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Directors of the Faysal Asset Management Limited, the Management Company of **Faysal Savings Growth Fund (FSGF)**, are pleased to present the 6th Annual Report on the operations of FSGF along with the audited accounts, Reports of the Trustee and Auditors to the Unit Holders for the year ended June 30, 2012.

SALE AND REDEMPTION OF UNITS

During the year, units worth Rupees 2,805 million were issued and units with a value of Rupees 5,951 million were redeemed.

UNIT HOLDERS

As of June 30, 2012, total unit outstanding were decreased by 62%. As of June 30, 2012, 16,719,412 units with a value of Rs. 1,726 million were outstanding (June 30, 2011: 44,235,107 units with a value of Rs. 4,556 million).

UNIT PRICES

Unit prices are being announced on a daily basis based on the NAV of the underlying portfolio. The highest and lowest offer/redemption prices during the year as well as the prices prevailing as of June 30, 2012 were as below:

	Offer Price	Redemption Price
Highest	105.08	105.08
Lowest	100.95	100.95
As of June 30, 2012	103.26	103.26

Economic Outlook

FY12 remained a challenging year for the economy as GDP growth slowed down and fiscal deficit widened amidst increase in trade deficit and current account deficit. GDP expanded by 3.7%, less than the target of 4.2%. This growth was primarily driven by the agricultural and services sectors as growth across the manufacturing sector remained subdued due to severe shortage of electricity and fuel. Pak Rupee depreciated by 9% during the year as the country's foreign exchange reserves depleted by USD 3bn to USD 15.2bn.

The headline Consumer Price Index (CPI) during FY12 consolidated at 11% Y/Y compared to 13.31%Y/Y in FY11. This met the market consensus and SBP target of 11%Y/Y. Descending international commodity prices excluding oil, and relatively better domestic crop production data helped ease up food price pressure, while high base effect from the previous year lend added support to price softening. Resultantly, the SBP slashed the policy rate by 200 bps to 12% over the course of the year.

Country's external side continued to face headwinds on the back of unfavorable trade terms. Prevailing uncertainty in European countries, non-materialization of 3G auction proceeds and Coalition Support Fund (CSF) - due to uneasy relation with US - resulted in lack of external funding. This along with country's foreign debt repayments - including USD ~900mn made to IMF during the FY12 - resulted in overall depletion in Foreign exchange reserve by USD 3.0bn. This exerted considerable pressure on Pakistani rupee, forcing it to breach the PKR 94 mark by June-end against the Greenback. In order to make up for external funding squeeze and fiscal deficit financing, the government's budgetary borrowing requirement stepped up substantially.

On the positive front, remittances registered a hefty increase of 17% Y/Y to reach USD ~13bn, primarily driven by channelized inflows through the banking sector under the Pakistan Remittance Initiative (PRI). Over the upcoming year, remittances are once again expected to bolster balance of payment in conjunction with a lower oil import bill on account of reduced crude oil prices. Support to the balance of payments is also expected to emanate from recommencement of Coalition Support Fund (CSF) after resumption of NATO ground lines of communication. In this regard, the US has also agreed to arrange another USD2.0bn to support Pakistan's balance of payment situation.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

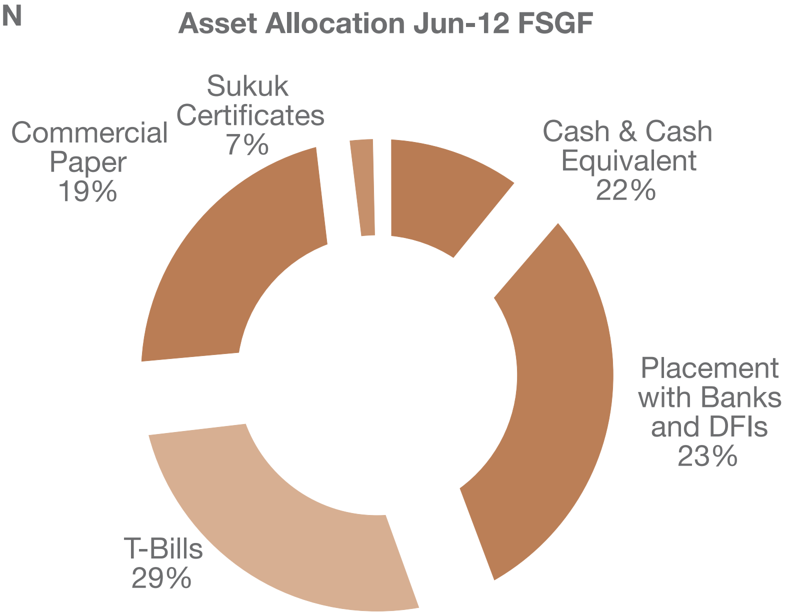
MONEY MARKET REVIEW:

Since July 2011, burgeoning fiscal deficit has kept the money market more volatile than what the Central Bank would have preferred. In the absence of external financial support, the money market was the only platform for the government to fill the widening gap between revenues and expenditure. Due to the heightened demand for funds by the government, yields across all the tenors remained at historically high levels - deviating significantly from its normality of fifty to sixty basis points above the discount rate. Throughout the outgoing fiscal year, State Bank intervened to stabilize money market yields through open market operation but gradually reduced the quantum of injections. Furthermore, downward surprises in the monthly inflation drove the yields on longer tenor down during preceding fiscal year. Considering the interest rate volatility and constant fluctuations in the yields, institutional investors remained inclined towards short-tenor instruments to enjoy liquidity, ward-off interest rate risk and time the entry and exit as per economic indicators. Going forward, relatively disciplined inflationary pressure may push yields down while increased reliance on domestic borrowing is expected to keep yields elevated till successful realization of external financial flows.

PERFORMANCE

FSGF yielded a return of 10.87% in June 2012 - locking the FY12-YTD return at 11.14%. Through most of FY12, your fund secured position within the top 10 funds of the income fund category. In order to take advantage of the unusual volatility in longer tenor instrument, your fund invested in PIBs and generated attractive trading returns. Owing to the prevailing interest rate uncertainty, the portfolio was deployed across higher yielding investment avenues comprising of T-bills and TDRs. Furthermore, the portfolio has scored well even with minimal TFC exposure (as compared to peer funds), which further highlights the proactive fund management employed during the year. Going forward, the management will continue to prudently allocate funds to high yielding instruments thereby enhancing yields.

ASSET ALLOCATION



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

INCOME DISTRIBUTION

The Board of directors has approved fund distribution at the rate of 10.75% (Interim 8.20% and final 2.55%) (i.e Rs. 10.75 per unit of par value of Rs.100 each).

MUTUAL FUND RATING

JCR-VIS has awarded the fund stability rating of "A+(f)" for Faysal Savings Growth Fund (FSGF). This rating denotes Moderate degree of stability in Net Asset Value. The credit rating also signifies the strength of the credit quality of financial instruments in the portfolio. It also denotes low portfolio risk, duration risk and interest rate risk.

CORPORATE GOVERNANCE

A prescribed under clause xli of the Code of Corporate Governance 2012 **Statement of Compliance with the Code of Corporate Governance** along with the auditors' report thereon for the year ended June 30, 2012 forms part of this annual report.

1. Statements under clause xvi of the Code:

   a. The financial statements, prepared by the management of the listed company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
   b. Proper books of account of the listed company have been maintained;
   c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
   d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
   e. The system of internal control is sound in design and has been effectively implemented and monitored;
   f. There are no significant doubts upon the listed company's ability to continue as a going concern;
   g. The details of taxes, duties, levies and charges outstanding, are disclosed in the financial statements;
   h. The number of board and committees' meetings held during the year and attendance by each director forms part of this Annual Report; and
   i. The prescribed pattern of shareholding is given as part of this Annual Report.

The sale and repurchase of units of the Fund carried out by the directors, CEO, COO, CFO, Head of Internal Audit, Company Secretary, their spouses and minor children, and the Management Company are as under:

Trades By:	Investment	Redemption
	--------------(No. of Units)----------	
Mr. Zafar Ahmed Siddiqui (Director)	Nil	1,716
Mr. Shahid Usman Ojha (CFO)	5,834	6,306
Management Company	Nil	1,389,205

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

PATTERN OF HOLDING

The Pattern of Holding as at June 30, 2012 of FSGF is given as part of this Annual Report.

AUDITORS

The present auditors M/s. A. F. Ferguson & Co., Chartered Accountants retired and are recommended for appointment as auditors of the Management Company by the audit committee being the auditors of Faysal Bank Limited (an associated company) to comply with the Code of Corporate Governance 2012. Therefore, the Board on the recommendation of the Audit Committee has approved appointment of M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants being eligible as auditors of FSGF for the year ending June 30, 2013.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company is thankful to unit holders for their confidence on the Management, the Securities and Exchange Commission of Pakistan and the management of Karachi Stock Exchange for their 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

Enamullah Khan
Chief Executive Officer

Karachi: August 16, 2012

FUND MANAGER'S REPORT

Economic Review

FY12 remained a challenging year for the economy as GDP growth slowed down and fiscal deficit widened amidst increase in trade deficit and current account deficit. GDP expanded by 3.7%, less than the target of 4.2%. This growth was primarily driven by the agricultural and services sectors as growth across the manufacturing sector remained subdued due to severe shortage of electricity and fuel. Pak Rupee depreciated by 9% during the year as the country's foreign exchange reserves depleted by USD 3bn to USD 15.2bn.

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Country's external side continued to face headwinds on the back of unfavorable trade terms. Prevailing uncertainty in European countries, non-materialization of 3G auction proceeds and Coalition Support Fund (CSF) - due to uneasy relation with US - resulted in lack of external funding. This along with country's foreign debt repayments - including USD ~900mn made to IMF during the FY12 - resulted in overall depletion in Foreign exchange reserve by USD 3.0bn. This exerted considerable pressure on Pakistani rupee, forcing it to breach the PKR 94 mark by June-end against the Greenback. In order to make up for external funding squeeze and fiscal deficit financing, the government's budgetary borrowing requirement stepped up substantially.

On the positive front, remittances registered a hefty increase of 17% Y/Y to reach USD ~13bn, primarily driven by channelized inflows through the banking sector under the Pakistan Remittance Initiative (PRI). Over the upcoming year, remittances are once again expected to bolster balance of payment in conjunction with a lower oil import bill on account of reduced crude oil prices. Support to the balance of payments is also expected to emanate from recommencement of Coalition Support Fund (CSF) after resumption of NATO ground lines of communication. In this regard, the US has also agreed to arrange another USD2.0bn to support Pakistan's balance of payment situation.

Money Market Review

Since July 2011, burgeoning fiscal deficit has kept the money market more volatile than what the Central Bank would have preferred. In the absence of external financial support, the money market was the only platform for the government to fill the widening gap between revenues and expenditure. Due to the heightened demand for funds by the government, yields across all the tenors remained at historically high levels – deviating significantly from its normality of fifty to sixty basis points above the discount rate. Throughout the outgoing fiscal year, State Bank intervened to stabilize money market yields through open market operation but gradually reduced the quantum of injections. Furthermore, downward surprises in the monthly inflation drove the yields on longer tenor down during preceding fiscal year. Considering the interest rate volatility and constant fluctuations in the yields, institutional investors remained inclined towards short-tenor instruments to enjoy liquidity, ward-off interest rate risk and time the entry and exit as per economic indicators. Going forward, relatively disciplined inflationary pressure may push yields down while increased reliance on domestic borrowing is expected to keep yields elevated till successful realization of external financial flows.

Equity Review

Pakistan's equity market proved to be one of the most dynamic and lucrative investment avenues across the global frontier markets over FY-2012, shaped primarily by noteworthy political and geopolitical proceedings. The key benchmark index, KSE-100, recorded a return of 10.45% YoY, succeeded only by Thailand's SET with a return of 12.54% YoY.

FUND MANAGER'S REPORT

Although the first half of the fiscal year proved to be a dismal one as the benchmark index receded by 9.2%, the index still managed to outpace the MSCI Frontier Index that contracted by 14.3% over the same period. This contraction was primarily based on the growing bitterness between United States and its non-NATO ally Pakistan that had emanated from the incarceration of the alleged US operative Raymond Davis, the Salala-post airstrike incident which claimed the lives of 26 Pakistani soldiers and the subsequent blockade of the NATO ground lines of communication.

The second half remained significantly more robust, as the relaxation and incentives introduced under the Capital Gain Tax regime helped the market gain 21.6%. Comparatively, the MSCI Frontier Market Index contracted by 4.7% over January-June 2012. Foreign investment trend also fared relatively better over the second half, as FIPI recorded an outflow of USD 31.7mn against outflow of USD 157.4mn in the previous half.

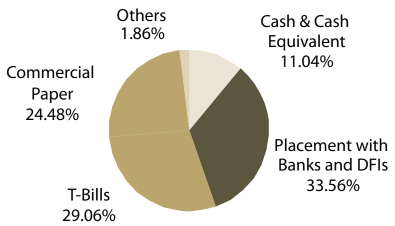
Over the quarter ending June 2012, the equity market displayed mixed trends as certain political and geopolitical factors played their part in creating an oscillating momentum that saw the market form a peak and trough of +6.2% and -2.9%, respectively, and close the period with an insignificant +0.3%. The benchmark index gained support on account of Capital Gain Tax incentives over the better part of the quarter with the market gaining 6.2% till first week of May 2012. The MAY FACTOR soon assumed control of the benchmark and the market, true to expectations, corrected itself, erasing all gains by the end of the historically notorious month of May.

Going forward, the market is expected to remain buoyed by expected inflows from the US-funded Coalition Support Fund, especially in light of recommencement of NATO ground lines of communication in June. That said, under present circumstances, the equity market is exposed more to threats on the economic side as high import bill, IMF repayments and downgraded sovereign rating all pose considerable risk to the macroeconomic and company-specific valuations at the bourse.

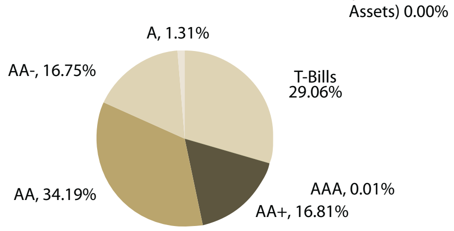
FUND INFORMATION

Fund Type	Open Ended
Category	Income scheme
Risk Profile	Low
Net Assets (PKR mn)	1726.45
NAV 30-Jun-2012	103.26
Pricing Mechanism	Forward
Trustee	CDC
Auditor	A. F. Ferguson & Co.
Management Fee	1.5%
Front End Load	Nil
Back End Load	Nil
Launch Date	12-May-07
Benchmark	75% 6M KIBOR & 25% 3M PKRV
Fund Rating	A+(f) (JCRVIS)
Asset Manager Rating	AM3 + (JCRVIS)

Asset Allocation



Asset Quality (as % of Total Assets)



FUND RETURNS

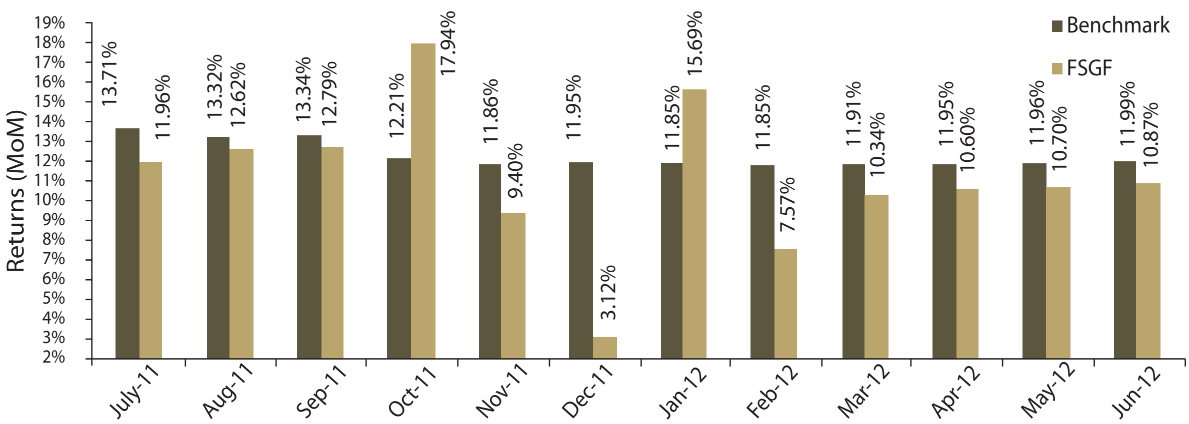
	FY12	FY11
Annual Return	11.14	11.01
Since Inception	11.35	11.40
Benchmark	12.33	13.34

FUND MANAGER'S REPORT

FSGF Performance

FSGF yielded a return of 10.87% in June 2012 - locking the FY12-YTD return at 11.14%. Through most of FY12, your fund secured position within the top 10 funds of the income fund category. In order to take advantage of the unusual volatility in longer tenor instrument, your fund invested in PIBs and generated attractive trading returns. Owing to the prevailing interest rate uncertainty, the portfolio was deployed across higher yielding investment avenues comprising of T-bills and TDRs. Furthermore, the portfolio has scored well even with minimal TFC exposure (as compared to peer funds), which further highlights the proactive fund management employed during the year. Going forward, the management will continue to prudently allocate funds to high yielding instruments thereby enhancing yields.

Distributions	FY12
	PKR Per Unit
1st Interim Distribution	2.50
NAV Before Distribution	104.92
Nav After Distribution	102.42
Distribution Date	October 28, 2011
2nd Interim Distribution	3.00
NAV Before Distribution	105.06
Nav After Distribution	102.06
Distribution Date	February 11, 2012
3rd Interim Distribution	2.70
NAV Before Distribution	103.86
Nav After Distribution	101.16
Distribution Date	April 21, 2012
Final Interim Distribution	2.55
NAV Before Distribution	103.26
Nav After Distribution	100.71
Distribution Date	July 5, 2012



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**
Head Office
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

ISO 27001 Certified

TRUSTEE REPORT TO THE UNIT HOLDERS

FAYSAL SAVINGS GROWTH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Faysal Savings Growth Fund (the Fund) are of the opinion that Faysal Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2012 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2012

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Faysal Asset Management Limited, the management Company of **Faysal Savings Growth Fund**, to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's ompliance with the provisions of the Code of corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35 (x) of the listing regulations notified by the Karachi Stock Exchange (Guarantee) Limited requires the company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transaction carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2012.

Chartered Accountants

Dated: September 12, 2012

Karachi

STATEMENT OF COMPLIANCE BY FAYSAL SAVINGS GROWTH FUND WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No 35 of the Listing Regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance. The Board of Directors (the Board) of Faysal Asset Management Limited (the Management Company), an unlisted public company, manages the affairs of **Faysal Savings Growth Fund** (the Fund). The Fund being a unit trust open end scheme does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Exchange, in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present, the Board includes:

Category	Names
Independent Directors	Mr. Mohammad Abdul Aleem Mr. Feroz Rizvi Mr. Zafar Ahmed Siddiqui
Executive Director	Mr. Enamullah Khan (CEO)
Non-Executive Directors	Mr. Syed Majid Ali Mr. Syed Ibadur Rehman Chishti Mr. Razi-Ur-Rehman Khan

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them are serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, have been declared as a defaulter by that stock exchange.
4. During the year under review one casual vacancy occurred on the Board on June 19, 2012, which was filled within 30 days thereof.
5. The company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, an overall corporate strategy and significant policies for the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the directors on their duties and responsibilities and the requirements of the Code, the company has a policy to conduct formal orientations for directors. The Board did not arrange director training / education program required under the Code as all the directors meet the exemption criteria of minimum fourteen years of education and fifteen years of experience. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

STATEMENT OF COMPLIANCE BY FAYSAL SAVINGS GROWTH FUND WITH THE CODE OF CORPORATE GOVERNANCE

10. The Board approved the appointments of Chief Financial Officer (CFO) and Company Secretary including the remuneration and terms and conditions of employment.
11. The Directors' report relating to the Fund for the year ended June 30, 2012 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and acting CFO of the Management Company before approval of the Board.
13. The Directors, CEO, and executives do not hold any interest in the units of the Fund other than disclosed in the Directors' Report.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company including the Chairman of the Committee who is an independent non-executive director.
16. The meetings of the Audit Committee were held at least once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed an HR and Compensation Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the Committee.
18. The Management Company has outsourced its internal audit function to KPMG Taseer Hadi & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Fund's units, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the the Code have been complied with.

For and on behalf of the Board

Karachi, August 16, 2012

Enamullah Khan
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Faysal Saving Growth Fund**, which comprise the statement of assets and liabilities as at June 30, 2012, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express and opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

And Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2012, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance companies and Notified Entities Regulations, 2008.

Other matters

The financial statements of the Fund for the year ended June 30, 2011 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2011.

Chartered Accountants

Engagement Partner: **Shabbir Yunus**
Dated: September 12, 2012
Karachi

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STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2012

	Note	**June 30, 2012**	June 30, 2011
		---------- (Rupees) ----------	
ASSETS			
Bank balances and term deposit receipts	4	**397,054,414**	2,385,597,306
Investments	5	**1,380,822,420**	2,009,807,768
Deposits and other receivables	6	**7,081,291**	215,961,587
Preliminary expenses and floatation costs	7	**-**	690,412
Total assets		**1,784,958,125**	4,612,057,073
LIABILITIES			
Remuneration payable to the Management Company	8	**2,595,946**	6,230,091
Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee	9	**216,783**	421,660
Accrued and other liabilities	10	**55,694,797**	49,684,703
Total liabilities		**58,507,526**	56,336,454
NET ASSETS		**1,726,450,599**	4,555,720,619
Unit holders' fund (as per statement attached)		**1,726,450,599**	4,555,720,619
Contingencies and commitments	11		
		-------- (Number of units) --------	
Number of units in issue		**16,719,412**	44,235,107
		-------- (Rupees) -------	
Net asset value per unit		**103.26**	102.99

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

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INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012	June 30, 2011
		------------- (Rupees) -------------	
INCOME			
Income from debt and government securities		341,438,817	209,392,677
Return on bank deposits and term deposit receipts		132,914,281	628,906,407
Income from reverse repurchase transactions		7,133,215	4,109,863
Gains / (losses) on investments classified as 'at fair value through profit or loss'			
- Capital gains / (losses) on sale of investments - net		1,621,731	(915,307)
- Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.6	(223,169)	(939,943)
		1,398,562	(1,855,250)
		482,884,875	840,553,697
EXPENSES			
Remuneration of Faysal Asset Management Limited - Management Company	8.1	56,514,841	99,153,545
Sindh Sales tax on Management Company's remuneration	10.3	9,042,239	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	4,051,279	7,047,024
Annual fee - Securities and Exchange Commission of Pakistan	10.1	2,812,953	4,957,860
Brokerage charges		1,006,603	792,326
Bank charges		324,823	127,183
Auditor's remuneration	12	556,107	461,710
Legal and professional charges		295,000	383,452
Settlement charges, federal excise duty and capital value tax		6,109	6,369
Amortisation of preliminary expenses and floatation costs		690,412	800,000
Printing and other expenses		236,568	130,107
Provision for Workers' Welfare Fund		6,536,018	39,041,836
		82,072,952	152,901,412
Net income from operating activities		400,811,923	687,652,285
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(80,547,133)	(107,951,052)
Net income for the year before taxation		320,264,790	579,701,233
Taxation	13	-	-
Net income for the year after taxation		320,264,790	579,701,233
Other comprehensive income for the year		-	-
Total comprehensive income for the year		320,264,790	579,701,233
Earnings per unit	14		

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

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DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012	June 30, 2012	June 30, 2011
	-------------- (Rupees) --------------	
Undistributed income brought forward [includes unrealised loss on re-measurement of investments classified as 'at fair value through profit or loss' amounting to Rs 939,943 (2010: Rs 160,598)]	**132,182,907**	216,929,895
Final distribution: - Rs 2.40 per unit on July 9, 2011 (2011: Rs 2.95 per unit on July 7, 2010)		
Cash distribution	**(18,522,539)**	(71,384,772)
Issue of bonus units	**(87,641,715)**	(130,775,495)
Interim distribution: - Rs 2.50 per unit on October 28, 2011 (2011: Nil)		
Cash distribution	**(19,315,068)**	-
Issue of bonus units	**(89,757,499)**	-
Interim distribution: - Rs 3 per unit on February 11, 2012 (2011: Rs 4.25 per unit on February 19, 2011)		
Cash distribution	**(23,126,953)**	(45,422,840)
Issue of bonus units	**(79,056,661)**	(233,505,164)
Interim distribution: - Rs 2.70 per unit on April 21, 2012 (2011: Rs 3.75 per unit on April 23, 2011)		
Cash distribution	**(23,056,478)**	(39,910,377)
Issue of bonus units	**(41,254,137)**	(143,449,573)
Net income for the year after taxation	**320,264,790**	579,701,233
Undistributed income carried forward [includes unrealised loss on re-measurement of investments classified as 'at fair value through profit or loss' amounting to Rs 223,169 (2011: Rs 939,943)]	**70,716,647**	132,182,907

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

	Note	June 30, 2012	June 30, 2011
		-------------- (Rupees)	--------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**320,264,790**	579,701,233
Adjustments:			
Capital (gains) / losses on sale of investments - net		**(1,621,731)**	915,307
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net		**223,169**	939,943
Income from debt and government securities		**(341,438,817)**	(209,392,677)
Profit on bank deposits and term deposit receipts		**(132,914,281)**	(628,906,407)
Income from reverse repurchase transactions		**(7,133,215)**	(4,109,863)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		**80,547,133**	107,951,052
Amortisation of preliminary expenses and floatation costs		**690,412**	800,000
		(81,382,540)	(152,101,412)
Decrease / (increase) in assets			
Deposits and other receivables		**189,530,951**	(189,631,000)
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - Management Company		**(3,634,145)**	(1,557,926)
Payable to Central Depository Company of Pakistan Limited - Trustee		**(204,877)**	(179,610)
Accrued and other liabilities		**6,010,094**	40,510,655
		2,171,072	38,773,119
		110,319,483	(302,959,293)
Amounts received against sale / redemption of investments		**29,947,881,256**	22,179,813,657
Payments made against purchase of investment		**(29,325,201,949)**	(22,582,740,610)
Income received on reverse repurchase transactions		**7,618,000**	3,625,078
Income received on debt and government securities		**353,695,909**	214,033,097
Profit received on bank balances and term deposit receipts		**147,226,352**	647,988,928
Net cash generated from operating activities		**1,241,539,051**	159,760,857
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts / (payments) made against sales / redemption of units		**(3,146,060,905)**	(3,045,059,802)
Dividend paid		**(84,021,038)**	(156,717,989)
Net cash used in financing activities		**(3,230,081,943)**	(3,201,777,791)
Net decrease in cash and cash equivalents during the year		**(1,988,542,892)**	(3,042,016,934)
Cash and cash equivalents as at the beginning of the year		**2,385,597,306**	5,427,614,240
Cash and cash equivalents as at the end of the year	4	**397,054,414**	2,385,597,306

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

STATEMENT OF MOVEMENT IN UNIT HOLDERS FUND

FOR THE YEAR ENDED JUNE 30, 2012

	June 30, 2012	June 30, 2011
	-------------- (Rupees) --------------	
Net assets at the beginning of the year	**4,555,720,619**	7,069,846,125
Amount received on issue of units *	**2,804,845,056**	8,841,783,154
Amount paid on redemption of units **	**(5,950,905,961)**	(11,886,842,956)
	(3,146,060,905)	(3,045,059,802)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	**80,547,133**	107,951,052
Capital gains	**1,621,731**	(915,307)
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	**(223,169)**	(939,943)
Other net income for the year	**318,866,228**	581,556,483
Total income for the year	**320,264,790**	579,701,233
Final distribution: - Rs 2.40 (2011: Rs 2.95 on July 7, 2010) per unit on July 9, 2011		
Cash distribution	**(18,522,539)**	(71,384,772)
Interim distribution: - Rs 2.50 (2011: Nil) per unit on October 28, 2011		
Cash distribution	**(19,315,068)**	-
Interim distribution: - Rs 3.00 (2011: 4.25 on February 19, 2011) per unit on February 11, 2012		
Cash distribution	**(23,126,953)**	(45,422,840)
Interim distribution: - Rs 2.70 (2011: 3.75 on April 23, 2011) per unit on April 21, 2012		
Cash distribution	**(23,056,478)**	(39,910,377)
Net assets at the end of the year	**1,726,450,599**	4,555,720,619
Net asset value per unit at the beginning of the year	**102.99**	103.17
Net asset value per unit at the end of the year	**103.26**	102.99
	-------- (Number of units) --------	
* Number of units issued (including 2,930,064 bonus units issued during the year ended June 30, 2012 and 4,888,979 bonus units issued during the year ended June 30, 2011)	**30,262,517**	91,173,577
** Number of units redeemed	**57,778,212**	115,467,362

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Savings Growth Fund (the Fund) was established under a Trust Deed executed between Faysal Asset Management Limited (FAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee on December 28, 2006. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 27, 2007 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 . The Fund was launched on May 7, 2007.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8th floor, Saima Trade Centre, I.I. Chundrigar Road, Karachi.

1.3 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Karachi Stock Exchange (Guarantee) Limited. The fund was launched on May 7, 2007.

1.4 The Fund has been categorized as an Open-End Income Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

1.5 The objective of the Fund is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market and debt securities having good credit rating and liquidity.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following standards, amendments and interpretations to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2011:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

a) IFRS 7, 'Financial Instruments: Disclosures' (effective January 1, 2011). The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment does not have any significant impact on the Fund's financial statements, other than certain additional disclosures.

b) IFRS 7, 'Financial instruments: Disclosures' (effective July 1, 2011). This amendment aims to promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendment does not have any impact on the Fund's financial statements during the current year.

c) IAS 1, 'Presentation of financial statements' (effective January 1, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendment does not have any impact on the Fund's financial statements as currently no items are being reported in other comprehensive income.

d) IAS 24 (revised), 'Related party disclosures', issued in November 2009. It superseded IAS 24, 'Related Party Disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The revised standard does not have any impact on the Fund's financial statements.

e) IAS 34, 'Interim financial reporting' (effective January 1, 2011). The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and adds disclosure requirements around:
- The circumstances likely to affect fair values of financial instruments and their classification;
- Transfers of financial instruments between different levels of the fair value hierarchy;
- Changes in classification of financial assets; and
- Changes in contingent liabilities and assets.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012:

a) IAS 1, 'Financial statement presentation' (effective July 1, 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment will not have any effect on the Fund's financial statement as presently no items are reported in other comprehensive income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

b) IFRS 7, 'Financial instruments: Disclosures' (effective January 1, 2013). This amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements. The management of the Fund is in the process of assessing the impact of this amendment on the Fund's financial statements.

c) IAS 32, 'Financial instruments: Presentation', (effective January 1, 2014). This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The management of the Fund is in the process of assessing the impact of this amendment on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

i) Classification and valuation of investments (notes 3.1 and 5)

ii) Amortisation of preliminary expenses and floatation cost (notes 3.12 and 7)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments which are accounted for as stated in note 3.1 below.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.1 Investments

3.1.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

c) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity.

d) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.1.4 Subsequent measurement

a) Financial assets classified as 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- **Basis of valuation of debt securities**

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 of 2009 dated January 6, 2009. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- **Basis of valuation of government securities**

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of available for sale financial assets are recorded in other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in other comprehensive income is transferred to income before taxation.

b) Financial assets classified as 'Loans and receivables' and 'Held to maturity'

Subsequent to initial recognition financial assets classified as 'Loans and receivables' and 'Held to maturity' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.1.5 Derivatives

Derivative financial instruments are initially recognised at fair value and subsequent to initial measurement each derivative financial instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.1.6 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Transactions of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

3.1.7 Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement in case of held for trading financial assets. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement is reclassified from other comprehensive income to income before taxation.

For financial assets classified as 'loans and receivable' and 'held to maturity', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

Provision for non-performing debt securities is made in accordance with the criteria for provision of non-performing debt securities specified in Circular No. 1 dated January 06, 2009 and Circular No. 13 dated May 4, 2009 issued by the SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

3.1.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.4 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during dealing hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during dealing hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.6 Cash and cash equivalents

Cash and cash comprise deposits with banks and other short term highly liquid investments with original maturities of three months or less and which are subject to insignificant changes in value, net of short-term finances. Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost.

3.7 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

- Unrealised capital gains / (losses) arising on marking to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- Income from government securities and debt securities, return on certificates of investment, profit on bank deposits and term deposit receipts and income from reverse repurchase agreements are recognised on an accrual basis.

- Income on issue and repurchase of units is recognised when the units are issued and redeemed at the transaction date.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is credited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the sale proceeds of units. Upon redemption of units, the 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is debited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the redemption price.

The net 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' during an accounting period is transferred to the 'income statement'.

During the year the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is arrived at by comparing opening NAV as reduced by final distribution for the financial year then ended with the NAV prevailing on the date on which units were issued / redeemed and recognised in the income statement except to the extent that it is represented by unrealised appreciation / (diminution) on available for sale financial assets, which is included in other comprehensive income. Previously, the Fund used to determine element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed by comparing prevailing NAV with the face value of the units issued / redeemed.

The element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed is an equalisation account between income for the period and undistributed income, the change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology profit for the period would have been lower by Rs 16.234 million.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

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

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.10 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

3.11 Proposed dividend and transfer between reserves

Distributions declared and transfers between reserves made subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared or transfers are made.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred till the close of the Initial Public Offering Period. These costs are being amortised over a period of five years commencing from May 12, 2007.

4 BANK BALANCES AND TERM DEPOSIT RECEIPTS

	Note	**June 30, 2012**	June 30, 2011
		(Rupees)	
Savings accounts	4.1	**197,054,414**	2,135,597,306
Term deposit receipts	4.2	**200,000,000**	250,000,000
		397,054,414	2,385,597,306

4.1 These carry markup ranging from 6% to 11.75% (2011: 5% to 13.25%) per annum and include balance of Rs. 3.84 million (2011: Rs. 1.842 million) held with Faysal Bank Limited, a related party.

4.2 These have maturities upto July 17, 2012 (2011: August 6, 2011) and carry markup ranging between 12.25% to 12.40% (2011: 13.75%) per annum.

5 INVESTMENTS	Note	June 30, 2012	June 30, 2011
		(Rupees)	
At fair value through profit or loss - held for trading			
Government securities	5.1	518,738,814	1,278,979,001
Held to maturity			
Commercial papers	5.2	339,396,550	-
Sukuk certificate	5.3	117,817,878	-
Certificates of investment	5.4	404,869,178	730,828,767
		862,083,606	730,828,767
		1,380,822,420	2,009,807,768

5.1 Government securities

Particulars	Face value: As at July 01, 2011	Face value: Purchased during the year	Face value: Disposed / matured during the year	Face value: As at June 30, 2012	Balance as at June 30, 2012: Carrying Value	Balance as at June 30, 2012: Market value	Balance as at June 30, 2012: Appreciation / (diminution)	Investment as percentage of: Net assets	Investment as percentage of: Total investments
	(Rupees)								
Market Treasury Bills									
3 Months	450,000,000	2,825,000,000	2,875,000,000	400,000,000	394,173,333	394,082,000	(91,333)	22.83%	28.54%
6 Months	375,000,000	3,784,000,000	4,059,000,000	100,000,000	97,939,731	97,858,800	(80,931)	5.67%	7.09%
1 Year	375,000,000	7,310,500,000	7,657,500,000	28,000,000	26,848,919	26,798,014	(50,905)	1.55%	1.94%
	1,200,000,000	13,919,500,000	14,591,500,000	528,000,000	518,961,983	518,738,814	(223,169)	30.05%	37.57%
Pakistan Investment Bonds									
3 years	-	375,000,000	375,000,000	-	-	-	-	-	-
5 years	-	75,000,000	75,000,000	-	-	-	-	-	-
10 years	-	500,000,000	500,000,000	-	-	-	-	-	-
	-	950,000,000	950,000,000	-	-	-	-	-	-
Government of Pakistan Ijara Sukuk									
3 years	150,000,000	750,000,000	900,000,000	-	-	-	-	-	-
	150,000,000	750,000,000	900,000,000	-	-	-	-	-	-
	1,350,000,000	15,619,500,000	16,441,500,000	528,000,000	518,961,983	518,738,814	(223,169)	30.05%	37.57%

5.2 Commercial papers

Name of the investee company	Rate	Maturity date	Face value: As at July 01, 2011	Face value: Purchased during the year	Face value: Matured during the year	Face value: As at June 30, 2012	Carrying value as at June 30, 2012	Investment as percentage of: Net assets	Investment as percentage of: Total investments	Investment as percentage of: Issue size
			(Rupees)							
Hub Power Company Limited	13.09%	3-Aug-12	-	500,000,000	200,000,000	300,000,000	316,030,815	18.31%	22.89%	15.80%
Kot Addu Power Company Limited	13.10%	-	-	75,000,000	75,000,000	-	-	-	-	-
Tameer Microfinance Bank Limited	14.29%	27-Dec-12	-	23,320,085	-	23,320,085	23,365,735	1.35%	1.69%	4.17%
			-	598,320,085	275,000,000	323,320,085	339,396,550	19.66%	24.58%	19.97%

5.3 Sukuk certificates

Name of the investee company	Number of certificates: As at July 01, 2011	Purchased during the year	Disposed off during the year	As at June 30, 2012	Carrying value as at June 30, 2012	Investment as percentage of: Net assets	Total investments	Issue size
					(Rupees)			
Engro Fertilizer Company Limited	-	22,712	-	22,712	117,817,878	6.82%	8.53%	5.89%
	-	22,712	-	22,712	117,817,878	6.82%	8.53%	5.89%

5.4 Certificates of investment

Name of the investee company	Rate	Maturity date	Face value: As at July 01, 2011	Purchased during the year	Matured during the year	As at June 30, 2012	Carrying value as at June 30, 2012	Investment as percentage of: Net assets	Total investments
			(Rupees)						
Pak Brunei Investment Company Limited	11.80% - 13.95%	7-Sep-12	500,000,000	450,000,000	750,000,000	200,000,000	201,643,836	11.68%	14.60%
PAIR Investment Company Limited	12.50%	30-Jul-12	-	199,000,000	-	199,000,000	203,225,342	11.77%	14.72%
Pak Libya Holding Company (Private) Limited	14.00%	-	200,000,000	-	200,000,000	-	-	-	-
			700,000,000	649,000,000	950,000,000	399,000,000	404,869,178	23.45%	29.32%

5.5 Details of non-compliant investments with the investment limit specified by Regulation 55 of the NBFC Regulations

Name of non-compliant investment	Type of investment	Value of investment	Limit of Investment in a single company as a percentage of net assets	Investment as at year end as a percentage of: Net assets	Gross assets
Pak Brunei Investment Company Limited	Certificates of investment	201,643,836	10%	11.68%	11.30%
PAIR Investment Company Limited	Certificates of investment	203,225,342	10%	11.77%	11.39%
Hub Power Company Limited	Commercial papers	316,030,815	10%	18.31%	17.71%

5.6 Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net

	June 30, 2012	June 30, 2011
	(Rupees)	
Market value of investments	**518,738,814**	1,278,979,001
Less: Carrying value of investments	**(518,961,983)**	(1,279,918,944)
	(223,169)	(939,943)
Unrealised diminution on re-measurement of investments at the beginning of year - Net	**(939,943)**	(160,598)
Realised on disposal during the year	**939,943**	160,598
	-	-
	(223,169)	(939,943)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		June 30, 2012	June 30, 2011
6	**DEPOSITS AND OTHER RECEIVABLES**	------------- (Rupees)	-------------
	Security deposits		
	- National Clearing Company of Pakistan Limited	**3,500,000**	3,500,000
	- Central Depository Company of Pakistan Limited	**100,000**	100,000
		3,600,000	3,600,000
	Profit receivable on debt and government securities	**-**	5,037,274
	Return receivable on bank balances and term deposit receipts	**3,381,242**	17,693,313
	Receivable in respect of reverse repurchase transactions	**-**	189,631,000
	Receivable against issuance of units	**100,049**	-
		7,081,291	215,961,587
7	**PRELIMINARY EXPENSES AND FLOATATION COSTS**		
	Preliminary expenses and floatation costs	**690,412**	1,490,412
	Amortised during the year	**(690,412)**	(800,000)
		-	690,412

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund as incurred by the Management Company and have been amortised over a period of five years commencing from May 12, 2007 and ended on May 11, 2012.

		Note	June 30, 2012	June 30, 2011
			------------- (Rupees)	-------------
8	**REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY**			
	Management fee	8.1	**2,595,946**	6,230,091

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Management Company is entitled to receive remuneration for services rendered to the Fund during the first five years of the Fund's existence, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets. During the current year, the Management Company has charged its remuneration at the rate of 1.5% (2011: 1.5%) of the average annual net assets of the Fund.

		Note	June 30, 2012	June 30, 2011
			------------- (Rupees)	-------------
9	**REMUNERATION PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE**			
	Trustee fee	9.1	**216,783**	421,660

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund. The remuneration is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund as at June 30, 2012 is as follows:

Net Assets	**Tariff per annum**
Upto Rs 1 billion	Rs 0.6 million or 0.17 percent per annum of NAV whichever is higher.
Rs 1 billion to Rs 5 billion	Rs 1.7 million plus 0.085 percent per annum of NAV exceeding Rs 1 billion.
Over Rs 5 billion	Rs 5.1 million plus 0.07 percent per annum of NAV exceeding Rs 5 billion.

10 ACCRUED AND OTHER LIABILITIES	**Note**	**June 30, 2012**	June 30, 2011
		-------------- (Rupees) --------------	
Fee payable to the Securities and Exchange Commission of Pakistan	10.1	**2,829,462**	4,974,369
Provision for Workers' Welfare Fund	10.2	**45,577,854**	39,041,836
Redemption proceeds payable		**4,519,431**	-
Zakat payable		**28,858**	-
Accrued liabilities		**1,918,839**	5,317,594
Auditors' remuneration		**405,000**	350,904
Sindh Sales tax payable to Management Company on its remuneration	10.3	**415,353**	-
		55,694,797	49,684,703

10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay, as an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the scheme.

10.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

During the year, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to retain and continue with the provision for WWF amounting to Rs. 45.578 million (including Rs. 6.536 million for the current year) in these financial statements. Had the above provision not been retained the net asset value per unit of the Fund would have been higher by Rs 2.73 per unit.

10.3 During the year the Provincial Government of Sindh has levied Sindh Sales Tax (SST) at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2012.

12 AUDITORS' REMUNERATION

	June 30, 2012	June 30, 2011
	(Rupees)	
Annual audit fee	**325,000**	300,000
Half yearly review fee	**100,000**	66,125
Other certification and services	**80,000**	61,813
Out of pocket expenses	**51,107**	33,772
	556,107	461,710

13 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains, whether realised or unrealised, to its unit holders.

14 EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the year has not been disclosed as in the opinion of the Management Company determination of the same is not practicable.

15 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2012, all the financial assets carried on the Statement of Assets and Liabilities are categorised either as financial assets 'at fair value through profit or loss', 'loans and receivables' or 'held to maturity'. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	June 30, 2012			
	Loans and receivables	At fair value through profit or loss	Held to maturity	Total
Financial assets	(Rupees)			
Bank balances and term deposit receipts	397,054,414	-	-	397,054,414
Investments	-	518,738,814	862,083,606	1,380,822,420
Deposits and other receivables	7,081,291	-	-	7,081,291
	404,135,705	518,738,814	862,083,606	1,784,958,125

	June 30, 2012		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
Financial liabilities	(Rupees)		
Payable to Faysal Asset Management Limited - Management Company	-	2,595,946	2,595,946
Payable to Central Depository Company of Pakistan Limited - Trustee	-	216,783	216,783
Accrued and other liabilities	-	7,258,623	7,258,623
	-	10,071,352	10,071,352

	June 30, 2011			
	Loans and receivables	At fair value through profit or loss	Held to maturity	Total
Financial assets	(Rupees)			
Bank balances and term deposit receipts	2,385,597,306	-	-	2,385,597,306
Investments	-	1,278,979,001	730,828,767	2,009,807,768
Deposits and other receivables	215,961,587	-	-	215,961,587
	2,601,558,893	1,278,979,001	730,828,767	4,611,366,661

	June 30, 2011		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
Financial liabilities	(Rupees)		
Payable to Faysal Asset Management Limited - Management Company	-	6,230,091	6,230,091
Payable to Central Depository Company of Pakistan Limited - Trustee	-	421,660	421,660
Accrued and other liabilities	-	5,668,498	5,668,498
	-	12,320,249	12,320,249

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes 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.

16.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.

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

	June 30, 2012	June 30, 2011
	-------------- (Rupees)	--------------
Transactions during the year		
Faysal Asset Management Limited		
Remuneration for the year	56,514,841	99,153,545
Issue of Nil units (2011: 2,243,245 units)	-	238,467,719
Issue of bonus units 32,373 (2011: 139,166 units)	3,256,398	14,152,654
Redemption of 1,389,206 units (2011: 1,490,080 units)	142,152,256	154,500,000
Sindh sales tax on remuneration of Management Company	9,042,239	-
Faysal Bank Limited		
Profit received on deposit account	6,443,430	1,395,086
Issue of 1,952,906 units (2011: Nil units)	200,174,863	-
Bank charges paid	9,105	10,532
Purchase of Government Securities	6,756,809,037	29,578,874
Sale of Government Securities	347,348,050	-
Cash dividend paid	22,343,659	23,081,421
Central Depository Company of Pakistan Limited		
Remuneration for the year	4,051,279	7,047,024
Faysal Asset Management Limited - Staff Provident Fund		
Issue of 1,272 bonus units (2011: 1,182 units)	129,252	119,649
Faysal Asset Management Limited - Staff Gratuity Fund		
Issue of 379 bonus units (2011: 480 units)	38,587	48,565
Redemption of 5,139 units (2011: Nil Units)	528,642	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	June 30, 2012	June 30, 2011
	(Rupees)	
Faysal Bank Limited - Staff Provident Fund		
Issue of 14,700 bonus units (2011: 30,319 units)	1,492,467	3,070,160
Redemption of 315,622 units (2011: Nil units)	32,436,491	-
Faysal Bank Limited - Staff Gratuity Fund		
Issue of 14,700 bonus units (2011: 30,319 units)	1,492,467	3,070,160
Redemption of 315,622 Units (2011: Nil Units)	32,436,491	-
Directors and Key Management Personnel of the Management Company		
Issue of 23,529 units (2011: 91,280 units)	2,413,414	9,306,053
Issue of 2,338 bonus units (2011: 7,994 units)	237,551	802,595
Redemption of 14,793 units (2011: 330,743 units)	1,515,025	33,786,541
Meezan Bank Limited (Common director)		
Sale of Government securities	302,257,329	-
Purchase of Government securities	256,606,148	-
Unit holders having 10% or more of the units in issue		
Pakistan Petroleum Limited		
Issue of 33,910 units (2011: 6,310,364 units)	3,492,019	652,096,025
Issue of 636,931 bonus units (2011: 505,552 units)	64,744,157	51,380,982
Redemption of 7,486,756 units (2011: Nil units)	768,073,957	-
Habib Metropolitan Bank Limited		
Issue of 14,979 units (2011: 17,701 units)	1,547,538	1,848,797
Cash dividend paid	35,704,637	61,381,363
Redemption of 3,664,385 units (2011: 1,963,190 units)	377,508,478	200,000,000
Profit received on deposit account	609	23,062,552
Gul Ahmed Energy Limited		
Issue of 421,098 units (2011: 4,127,854 units)	43,251,247	418,001,512
Issue of 375,688 bonus units (2011: 826,019 units)	38,204,987	83,727,789
Redemption of 5,841,964 units (2011: 5,263,171 units)	600,973,947	540,238,042
Engro Fertilizer Limited		
Issue of Nil units (2011: 14,098,372units)	-	1,450,000,000
Issue of 205,278 bonus units (2011: 211,212 units)	20,815,029	21,575,015
Redemption of 5,004,530 units (2011: 10,478,092 units)	519,406,653	1,075,722,891

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

16.4 Amounts outstanding as at year end

	June 30, 2012	June 30, 2011
	(Rupees)	
Faysal Asset Management Limited		
Remuneration payable	2,595,946	6,230,091
Units in issue Nil units (2011: 1,356,833 units)	-	139,740,231
Sindh sales tax payable	415,353	-
Faysal Asset Management Limited - Staff Provident Fund		
Units in issue 13,000 units (2011: 11,728 units)	1,342,380	1,207,867
Faysal Asset Management Limited - Staff Gratuity Fund		
Units in issue Nil units (2011: 4,761units)	-	490,335
Faysal Bank Limited		
Balance in savings account	3,843,662	1,841,533
Profit receivable on savings account	34,469	358,202
Units in issue 4,060,798 units (2011: 2,107,892 units)	419,318,001	217,091,797
Faysal Bank Limited - Staff Provident Fund		
Units in issue Nil units (2011: 300,922 units)	-	30,991,957
Faysal Bank Limited - Staff Gratuity Fund		
Units in issue Nil units (2011: 300,922 units)	-	30,991,957
Directors and Key Management Personnel of the Management Company		
Units in issue 24,448 units (2011: 13,374 units)	2,524,500	1,377,388
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee	216,783	421,660
Deposit	100,000	100,000
National Clearing Company of Pakistan Limited (Common director)		
Deposit	3,500,000	3,500,000
Faysal Islamic Savings Growth Fund		
Receivable against conversion of units	100,049	-
Unit holders having 10% or more of the units in issue		
Pakistan Petroleum Limited		
Units in issue Nil units (2011: 6,815,915 units)	-	701,971,086
Habib Metropolitan Bank Limited		
Balance in savings account	13,099	10,863
Profit receivable on savings account	-	1,705
Units in issue Nil (2011: 3,649,406 units)	-	375,852,324
Gul Ahmed Energy Limited		
Units in issue Nil (2011: 4,863,755 units)	-	500,918,127
Engro Fertilizer Limited		
Units in issue Nil (2011: 4,799,252 units)	-	494,274,963

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio by exposures and by following the internal guidelines established by the investment committee.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instruments and is not exposed to cashflow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments comprise of treasury bills, commercial paper, certificates of investments and term deposit receipts. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in respective fair values.

Treasury bills which are classified as financial assets 'at fair value through profit or loss' expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association on June 30, 2012, with all other variables held constant, the net income for the period and net assets would be lower by Rs 0.760 million (2011: Rs 22.860 million). In case of 100 basis points decrease in rates announced by Financial Market Association on June 30, 2012, with all other variables held constant, the net income for the period and net assets would be higher by the same amount.

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for financial instruments recognised on the statement of assets and liabilities is based on the earlier of contractual reprising or maturity date and for off-balance sheet instruments is based on the settlement date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	----- June 30, 2012 -----					
	Effective yield / interest rate	Exposed to yield / interest rate risk: Upto three months	Exposed to yield / interest rate risk: More than three months and up to one year	Exposed to yield / interest rate risk: More than one year	Not exposed to yield / interest rate risk	Total
On-balance sheet financial instruments	Percentage	----- (Rupees) -----				
Financial assets						
Bank balances and term deposit receipts	6 - 12.4	397,054,414	-	-	-	397,054,414
Investments	12.11 - 12.43	491,940,800	26,798,014	-	862,083,606	1,380,822,420
Deposits and other receivables		-	-	-	7,081,291	7,081,291
		888,995,214	26,798,014	-	869,164,897	1,784,958,125
Financial liabilities						
Payable to Faysal Asset Management Limited -Management Company		-	-	-	2,595,946	2,595,946
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	216,783	216,783
Accrued and other liabilities		-	-	-	7,258,623	7,258,623
		-	-	-	10,071,352	10,071,352
On-balance sheet gap		888,995,214	26,798,014	-	859,093,545	1,774,886,773
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		888,995,214	26,798,014	-	859,093,545	1,774,886,773
Cumulative interest rate sensitivity gap		888,995,214	915,793,228	915,793,228		

	----- June 30, 2011 -----					
	Effective yield / interest rate	Exposed to yield / interest rate risk: Upto three months	Exposed to yield / interest rate risk: More than three months and up to one year	Exposed to yield / interest rate risk: More than one year	Not exposed to yield / interest rate risk	Total
On-balance sheet financial instruments	Percentage	----- (Rupees) -----				
Financial assets						
Bank balances and term deposit receipts	6 - 12.4	2,385,597,306	-	-	-	2,385,597,306
Investments	13.36 - 13.82	1,278,979,001	-	-	730,828,767	2,009,807,768
Deposits and other receivables		-	-	-	215,961,587	215,961,587
		3,664,576,307	-	-	946,790,354	4,611,366,661
Financial liabilities						
Payable to Faysal Asset Management Limited -Management Company		-	-	-	6,230,091	6,230,091
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	421,660	421,660
Accrued and other liabilities		-	-	-	5,668,498	5,668,498
		-	-	-	12,320,249	12,320,249
On-balance sheet gap		3,664,576,307	-	-	934,470,105	4,599,046,412
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		3,664,576,307	-	-	934,470,105	4,599,046,412
Cumulative interest rate sensitivity gap		3,664,576,307	3,664,576,307	3,664,576,307		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current period.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the period.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	June 30, 2012			
	Upto three months	More than three months and up to one year	More than one year	Total
Financial liabilities				
Payable to Faysal Asset Management Limited - Management Company	2,595,946	-	-	2,595,946
Payable to Central Depository Company of Pakistan Limited - Trustee	216,783	-	-	216,783
Accrued and other liabilities	7,258,623	-	-	7,258,623
	10,071,352	-	-	10,071,352

	June 30, 2011			
	Upto three months	More than three months and up to one year	More than one year	Total
Financial liabilities				
Payable to Faysal Asset Management Limited - Management Company	6,230,091	-	-	6,230,091
Payable to Central Depository Company of Pakistan Limited - Trustee	421,660	-	-	421,660
Accrued and other liabilities	5,668,498	-	-	5,668,498
	12,320,249	-	-	12,320,249

17.3 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in term deposit receipts, Commercial papers, Sukuk certificate and certificates of Investment and balances with banks. The Fund does not foresee any credit risk with respect to Market Treasury Bills since these represent the interests of Government of Pakistan. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

The table below analyses the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	June 30, 2012	June 30, 2011
	(Rupees)	
Bank balances and term deposit receipts	**397,054,414**	2,385,597,306
Commercial papers	**339,396,550**	-
Sukuk certificate	**117,817,878**	-
Certificates of investment	**404,869,178**	730,828,767
Deposits and other receivables	**7,081,291**	21,293,313
	1,266,219,311	3,137,719,386

The table below analyses the credit quality of Fund's exposure:

	June 30, 2012	June 30, 2011
	%	
AAA	**0.01**	0.05
AA+, AA, AA-	**88.81**	94.01
A+, A, A-	**11.18**	5.83
Unrated	**-**	0.11
	100.00	100.00

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

The table below analyses the Fund's concentration of credit risk by industrial distribution:

	June 30, 2012	June 30, 2011
	% of assets exposed to credit risk	
Commercial banks	**31.63%**	76.60%
Financial services	**33.82%**	23.29%
Electricity	**24.96%**	-
Chemicals	**9.31%**	-
Others	**0.28%**	0.11%
	100%	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Collateral

The Fund does not hold any collateral from the counter parties against its investment in Market Treasury Bills, Term Deposit Receipts and balances with banks and these are unsecured. The Fund enters into reverse repo transactions for which the counter party provides its securities as collateral to the Fund. These securities do not form part of the Fund's investment portfolio. As at June 30, 2012 no securities have been pledged with the Fund as no reverse repo transactions are outstanding.

18 UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. These are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' funds.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to seek maximum preservation of unit holders' fund and an optimum rate of return by investing in investment avenues having good credit rating and liquidity and to maintain a strong capital base to support the development of the investment activities of the Fund.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. 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 traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically reprised.

International Financial Reporting Standard 7, 'Financial Instruments: Disclosure' requires the Fund to classify fair value measurements 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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 (unobservable inputs)

As at June 30, 2012, the Fund held the following financial instruments measured at fair value:

Investment of the Fund carried at fair value are categorised as follows:

	As at June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investment in securities - financial assets 'at fair value through profit or loss'				
Government securities				
- Market treasury bills	**-**	**518,738,814**	**-**	**518,738,814**

	As at June 30, 2011			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Investment in securities - financial assets 'at fair value through profit or loss'				
Government securities				
- Market treasury bills	-	1,128,609,004	-	1,128,609,004
- Ijara Sukuks	-	150,369,997	-	150,369,997
	-	1,278,979,001	-	1,278,979,001

During the year ended June 30, 2012, there were no transfers between level 1 and level 2 fair value measurements.

20 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company in their meeting held on July 05, 2012 approved a distribution of Rs 2.55 per unit (2011: Rs 2.40 per unit). The financial statements of the Fund for the year ended June 30, 2012 do not include the effect of the final distribution for the year ended June 30, 2012 which will be accounted for in the financial statements of the Fund for the year ending June 30, 2013.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding top ten brokers or dealers by percentage of commission paid by the Fund, details of member of investment committee with their qualification and experience, name and qualification of fund manager and details of other collective investment scheme (CIS) managed by the same manager, the date, names of persons attending each meeting of the Board of Directors, latest rating of the CIS and Management Company and pattern of unit holding have been disclosed in the Annexure to these financial statements.

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise specified.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 16, 2012 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Executive Officer *Director* *Director*

DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(i) PATTERN OF UNIT HOLDING

Category	Number of unit holders	Number of units held	Net asset value of the amount invested (Rupees)	Percentage of total investment
Individuals	788	6,862,916	708,666,396	41.05%
Associated companies and directors	2	4,060,881	419,327,572	24.29%
Insurance companies	3	97,175	10,034,314	0.58%
Banks and DFIs	3	2,268,859	234,282,939	13.57%
NBFCs	1	47,551	4,910,128	0.28%
Retirement funds	16	888,961	91,794,332	5.32%
Public limited companies	7	1,874,085	193,518,478	11.21%
Others	15	618,984	63,916,440	3.70%
	835	16,719,412	1,726,450,599	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

List of brokers by percentage of commission paid during the year ended June 30, 2012

S. No.	Particulars	Percentage
1	Invest Capital Securities (Private) Limited	24.88
2	KASB Securities Limited	19.81
3	Invest One Markets Limited	12.35
4	BMA Capital Management Limited	10.19
5	Alfalah Securities (Private) Limited	8.24
6	Icon Securities Limited	7.04
7	Invest & Finance Securities Limited	6.47
8	JS Global Capital Limited	5.79
9	Global Securities Pakistan Limited	3.73
10	Elixir Seurities (Private) Limited	1.49

(iii) MEMBERS OF THE INVESTMENT COMMITTEE

The following are the members of the Investment Committee of the Fund:

Name	Qualification	Experience
Mr. Enam Ullah Khan	B. Eco , FSA, Accreditations	Over 20 years
Mr. Mansoor Khalil	MBA	19 years
Mr. Najam Ul Hassan	MBA, ACMA, CFA I	Over 17 years
Mr. Vasseh Ahmed	Master in Science	Over 4 years
Mr. Ayub Khuhro	BSC Economics, CFA I	Over 4 years
Mr. Syed Shahid Iqbal	B. COM	Over 22 years experience
Mr. Imran Altaf	MBA, CFA II	Over 4 years of experience

(iv) PARTICULARS OF FUND MANAGERS

Name	Qualification	Experience	Other Collective Schemes
Syed Shahid Iqbal	Commerce Graduate	Over 22 years	Faysal Money Market Fund

DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(v) PERFORMANCE TABLE	June 30, 2012	June 30, 2011	June 30, 2010
	----------------------	(Rupees)	----------------------
Net assets	1,726,450,599	4,555,720,619	7,069,846,125
Net asset value per unit	103.26	102.99	103.17
Offer price	103.26	102.99	103.12
Repurchase price per unit	103.26	102.99	103.12
Highest offer price per unit	105.08	106.70	104.40
Highest repurchase price per unit	105.08	106.70	104.40
Lowest offer price	100.95	100.42	100.47
Lowest repurchase price per unit	100.95	100.42	100.47
Total return:	10.81%	10.96%	10.98%
- capital growth	0.06%	0.56%	0.03%
- income distribution	10.75%	10.40%	10.95%
Average annual return:			
(Launch date: May 12, 2007)			
- one year	10.81%	10.96%	10.98%
- two years	10.88%	10.97%	10.50%
- three years	10.92%	10.65%	7.46%
Distribution per unit:			
- Interim distribution per unit	8.20%	8.00%	8.00%
- Final distribution per unit	2.55%	2.40%	2.95%
	10.75%	10.40%	10.95%

The Fund's past performance is not necessarily indicative of future performance. Therefore, the unit prices and investment returns may go down, as well as up.

DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(vi) MEETINGS OF THE BOARD OF DIRECTORS

Following is the analysis of the attendance in the meetings of the Board of Directors of the Management Company during the year:

Name of Directors	Meetings Attended	Meetings held on						
		July 09, 2011	Sept 24, 2011	Oct 28, 2011	Jan 17, 2012	Feb 11, 2012	April 21, 2012	June 19, 2012
Mr. Mohammad Abdul Aleem, Chairman	7	1	1	1	1	1	1	1
Mr. Feroz Rizvi, Director	6	0	1	1	1	1	1	1
Syed Majid Ali, Director	7	1	1	1	1	1	1	1
Mr. Zafar Ahmed Siddiqui, Director	5	1	1	0	1	1	1	0
Mr Syed Ibadur Rahman Chishti, Director	6	1	1	0	1	1	1	1
Mr. Aliuddin Ansari, Director	2	0	1	1	0	0	0	0
Mr. Salman Haider Sheikh *	3	1	1	1	0	0	0	0
Mr. Enamullah Khan **	4	0	0	0	1	1	1	1

*Resigned with effect from January 4, 2012.
**Appointed as new CEO by the Board of directors with effect from January 4, 2012.

DISCLOSURE REQUIREMENTS UNDER CLAUSE 6 - NOTES TO THE ACCOUNTS SUB CLAUSE (D), (F), (G), (H), (I) AND (J) OF THE 5TH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(vii) MEETINGS OF THE AUDIT COMMITTEE

Following is the analysis of the attendance in the meetings of the Audit Committee of the Management Company during the year:

Name of Directors	Meetings Attended	Meetings held on							
		July 09, 2011	Sept 23, 2011	Oct 21, 2011	Jan 17, 2012	Feb 10, 2012	April 3, 2012	April 21, 2012	May 16, 2012
Mr. Feroz Rizvi, Director	7	0	1	1	1	1	1	1	1
Syed Majid Ali, Director	8	1	1	1	1	1	1	1	1
Mr. Zafar Ahmed Siddiqui, Director	7	1	1	1	1	1	0	1	1

(viii) MEETINGS OF THE BOARD HR COMMITTEE

Following is the analysis of the attendance in the meetings of the Board HR Committee of the Management Company during the year:

Name of Directors	Meetings Attended	Meetings held on	
		July 8, 2011	Feb 11, 2012
Mr. Zafar Ahmed Siddiqui, Chairman	2	1	1
Syed Majid Ali, Member	2	1	1
Mr. Enamullah Khan	1	0	1
Mr. Salman Haider Sheikh	1	1	0

(ix) RATING OF THE FUND AND THE MANAGEMENT COMPANY

The JCR - VIS Credit Rating Company Limited (JCR - VIS) has assigned a " A+(f) " fund rating to Faysal Savings Growth Fund.

JCR - VIS has awarded an " AM3+ " asset manager rating to the Management Company.