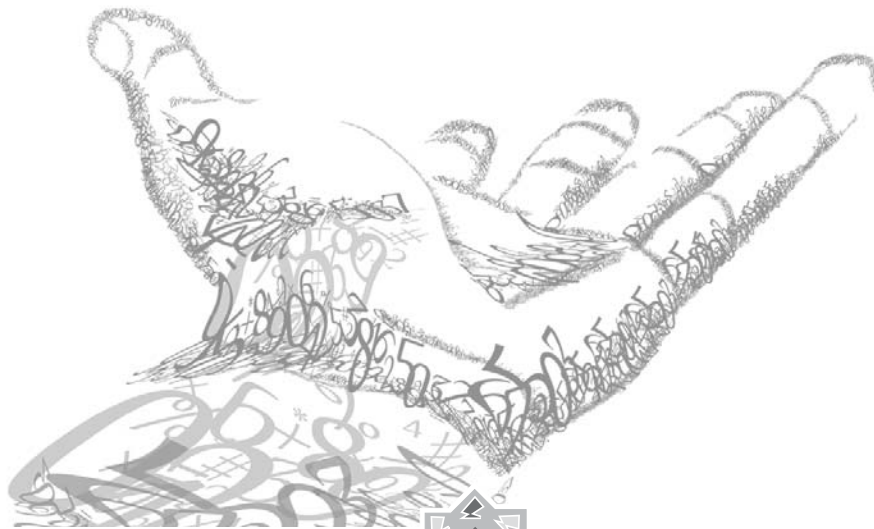




Accounts for the Quarter & Nine Months Ended
March 31, 2011



collective wisdom



faysal funds



Faysal Balanced Growth Fund

The Faysal Balanced Growth Fund (FBGF) is an open-ended mutual fund. The units of FBGF are listed on the Karachi Stock Exchange and were initially offered to the public on April 19, 2004. FBGF seeks to provide long-term capital appreciation with a conservative risk profile and a medium to long-term investment horizon. FBGF's investment philosophy is to provide stable returns by investing in a portfolio balanced between equities and fixed income instruments.

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Management Company

Faysal Asset Management Limited

Board of Directors of the Management Company

Mr. Mohammad Abdul Aleem, Chairman
Mr. Salman Haider Sheikh, Chief Executive Officer
Mr. Feroz Rizvi, Director
Syed Majid Ali Esq., Director
Mr. Zafar Ahmed Siddiqui, Director
Mr. Salman Ahmed Usmani, Director
Syed Ibad-ur-Rehman Chishti, Director

CFO of the Management Company

Mr. Shahid Usman Ojha

Company Secretary of the Management Company

Mr. Mian Ejaz Ahmed

Audit Committee

Mr. Feroz Rizvi, Chairman
Syed Maid 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

Altas Bank Limited
Bank Alfalah Limited
Faysal bank Limited
MCB Bank Limited
The Bank of Punjab

Auditors

Ford Rhodes Sidat Hyder & Co., Chartered Accountants

Legal Advisor

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

Registrar

Gangjees Registrar Service (Pvt) Limited
Room # 506, 5th Floor, Clifton Centre,
Kehkashan Clifton-Karachi.

Distributors

Access Financial Service (Pvt) Ltd.
Summit Capital (Pvt) Limited
Alfalah Securities (Pvt) Limited
AKD securities (Pvt) Limited
Faysal Asset Management Limited
Faysal Bank Limited
Picic Commercial 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) Ltd.



FBGF endeavours to provide investors with an opportunity to earn income and long-term capital appreciation by investing in a large pool of fund representing equity/ non equity investment in a broad range of sectors and financial instruments.



The Board of Directors of the Faysal Asset Management Limited, the management company of the **Faysal Balanced Growth Fund (FBGF)**, is pleased to present the un-audited accounts of FBGF for the quarter and nine months ended March 31, 2011.

FINANCIAL HIGHLIGHTS

	Quarter Ended March 2011	Quarter Ended March 2010	Nine Months ended March 2011	Nine Months ended March 2010
----- Rupees in million -----				
Total Income	21.036	2.715	74.030	210.394
Operating Expenses	3.406	5.192	12.575	16.383
Profit Before Tax	17.630	(2.477)	61.455	194.011
Taxation	-	-	-	-
Profit After Tax	17.630	(2.477)	61.455	194.011
Earnings per Unit - Rs.	3.40	(0.41)	11.86	31.82

MARKET REVIEW

The 3rd quarter proved to be a dull one for the KSE - 100 index. The KSE - 100 index started the quarter at the level of 12,022 and closed at 11,809 down 1.77% on quarterly basis. Foreign buying was the major highlight of the quarter under review as international investors continued to invest in the local bourses. According to the data provided by NCCPL, foreign investors remained net buyers for the quarter but their quantum decreased in comparison to the previous quarter as net buying decreased by 63.57% to USD 52.38 Mn compared to USD 143.80 Mn in the previous quarter. In Rupee terms foreigners bought shares worth PKR 22 Bn and sold shares worth PKR 17.48 Bn during the quarter thus resulting in net buying of PKR 4.5 Bn. One of the major reasons for slow down in foreign buying was due to deteriorating political conditions and social unrest in the MENA region, and its expected spill over effect in the surrounding countries with weak democratic systems. However, local investors remained net sellers as political unrest in MENA region triggered a rally in commodities, especially oil, raising concerns on Pakistan's macro economic situation. Pakistan imports oil worth USD 833 Mn on monthly basis. Investors also feared a run on the Rupee in anticipation of increasing oil import bill due to rising international oil prices thus putting further pressure on PKR against the USD. Political situation on the local front also remained dicey as PML (N) announced the removal of PPP from Punjab coalition government due to non implementation of their reform agenda. Implementation of MTS also failed to generate local investors' interest as the initial response to the MTS has been lukewarm owing to lack of understanding, ironing out of the finer details and strict risk management measures. The current macro economic situation in Pakistan witnessed some positives in March as GoP introduced new reforms to generate additional revenue in order to curb the ballooning fiscal deficit. The GoP introduced new initiatives in the form of 15% flood surcharge tax, 17% GST on some tax exempt items and 2.50% Special Excise Duty (SED). Implementation of these reforms will pave way for the GoP to resume talks with IMF and secure the 5th tranche of USD 1.7 Bn and other financial assistance programs which were contingent on the government implementing measures to document the economy, increase the tax base and reduce the subsidy given to various sectors. Although higher oil prices due to political turmoil in the MENA region pose a threat as Pakistan is net oil importer however, high cotton prices will dilute the impact of increasing oil prices and keep trade deficit under control.



FUND PERFORMANCE

FBGF started the quarter at net assets of PKR 468.95 Mn and NAV/unit of PKR 76.12 respectively and closed the quarter at net assets of PKR 388.59 Mn and NAV/unit of PKR 75 respectively, down 1.47% on quarterly basis. During the same period the KSE - 100 index posted a negative return of 1.77%. In comparison FBGF's benchmark gave a return of 0.58% for the quarter. The average return of balanced funds on Year to date (YTD) basis was 19.14% while FBGF yielded a return of 14.14% on YTD basis. On the asset allocation side average quarterly exposure in equities was 54.82% while average exposure in fixed income instruments was 45.18% on quarterly basis.

Reference to the amendment in Workers Welfare Fund as disclosed in Note 7.2 to the financial statements, the Management, based on a legal advice, is of a firm view that as Collective Investments Schemes are not establishments, thus Workers Welfare Ordinance, 1971 is not applicable. However, without prejudice to the above, the Fund, as a matter of abundant caution, has made a provision for WWF in the financial statements for the period upto December 31, 2010. Further, in order to compensate the unit holders of the fund, subject to the payment of WWF, the Board of Directors of the management company in their meeting held on October 02, 2010, has decided to reduce their management fee for the year ended June 30, 2010 by Rupees 3,230,314 being the amount of provision for WWF for the period upto June 30, 2010. Accordingly this amount has been recorded as receivable from the management company in the financial statements.

FUND RANKING

JCR-VIS ranked FBGF as "5-Star" fund in the balanced equity category. This is the highest fund ranking of any open-ended balanced equity fund in the country.

INCOME DISTRIBUTION

The Board of Directors of the Management Company has not approved any interim profit distribution for the quarter ended March 31, 2011.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Karachi: April 23, 2011

Salman Haider Sheikh
Chief Executive Officer



		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	----- (Rupees) -----	
Assets			
Bank balances	4	45,254,834	172,013,850
Dividend, deposits and other receivables	5	10,313,696	11,049,544
Investments	6	336,833,669	339,029,602
Receivable from Management Company		3,230,314	3,230,314
Total assets		395,632,513	525,323,310
Liabilities			
Payable to the Management Company		655,893	855,726
Remuneration payable to the Trustee		65,589	85,573
Accrued and other liabilities	7	6,320,333	8,082,811
Total liabilities		7,041,816	9,024,110
Net assets		388,590,697	516,299,200
Unit holders' fund		388,590,697	516,299,200
		----- (Number of units) -----	
Number of units in issue		5,181,090	5,569,018
		----- (Rupees) -----	
Net asset value per unit		75.00	92.71
Contingencies and commitments	8		

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director



	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Income	Note ----- (Rupees) -----			
Profit earned on clean placements, debt and government securities	7,067,119	8,606,000	2,155,146	2,430,249
Dividend income	12,873,251	18,527,208	5,376,750	3,040,000
Return on bank balances	10,323,982	15,671,826	1,842,850	5,290,077
Net gain on sale of investments 'at fair value through profit or loss'				
- Net capital gain on investments	42,734,535	140,329,258	17,042,258	16,145,192
- Unrealised gain / (loss) on revaluation of investments	8,851,265	19,557,251	(28,073,276)	(24,092,992)
	51,585,800	159,886,509	(11,031,018)	(7,947,800)
Element of (loss) / income and capital gains / (losses) included in prices of units sold less those in units redeemed	(7,819,742)	7,702,694	22,692,513	(96,839)
Total income	74,030,410	210,394,238	21,036,241	2,715,688
Expenses				
Remuneration of the Management Company	7,220,776	10,390,252	1,998,042	3,200,503
Remuneration of the Trustee	722,078	1,039,025	199,804	320,050
Brokerage charges	1,861,204	3,096,445	433,305	1,041,773
Bank charges	18,282	26,263	4,863	4,989
Auditors' remuneration	328,862	296,421	131,031	108,617
SECP annual fee	306,887	439,897	84,921	136,021
Legal and professional charges	150,919	127,263	47,210	46,607
Fee and subscription	40,000	40,000	-	-
Settlement charges federal excise duty and capital value tax	539,448	741,585	139,764	272,429
Printing and other expenses	131,247	186,422	6,061	61,236
Workers' Welfare Fund	1,255,715	-	361,332	-
Total expenses	12,575,418	16,383,573	3,406,333	5,192,225
Net income for the period before taxation	61,454,992	194,010,665	17,629,908	(2,476,537)
Taxation	9	-	-	-
Net income for the period after taxation	61,454,992	194,010,665	17,629,908	(2,476,537)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	61,454,992	194,010,665	17,629,908	(2,476,537)
Earnings per unit	10	11.86	31.82	3.40
				(0.41)

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

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	March 31, 2011	March 31, 2010
Note	----- (Rupees) -----	
Undistributed loss brought forward	(40,602,595)	(202,118,272)
Final bonus distribution for the year ended June 30, 2010 @ Rs.27 per unit (2009: Rs.Nil per unit) declared for distribution on July 07, 2010	(99,208,199)	-
Final cash dividend for the year ended June 30, 2010 @ Rs.27 per unit (2009: Rs.Nil per unit) declared for distribution on July 07, 2010	(51,155,287)	-
Net income for the period after taxation	61,454,992	194,010,665
Undistributed loss carried forward	<u>(129,511,089)</u>	<u>(8,107,607)</u>

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director



**Condensed Interim
Cash Flow Statement (Un-audited)**

For the Nine Months Ended March 31, 2011

	March 31, 2011	March 31, 2010
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	61,454,992	194,010,665
Adjustments for non-cash and other items		
Net capital gain on sale of investments designated 'at fair value through profit or loss'	(42,734,535)	(140,329,258)
Profit earned on clean placement, debt and government securities	(7,067,119)	(8,606,000)
Return on bank balances	(10,323,982)	(15,671,826)
Dividend income	(12,873,251)	(18,527,208)
Unrealised gain on revaluation of investments designated 'at fair value through profit or loss'	(8,851,265)	(19,557,251)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed	7,819,742	(7,702,694)
	<u>(12,575,418)</u>	<u>(16,383,572)</u>
(Increase) / decrease in assets		
Receivables against sale of investments	(41,191)	(16,099,710)
(Decrease) / increase in Liabilities		
Payable to the Management Company	(199,833)	373,712
Remuneration payable to the Trustee	(19,984)	(546)
Accrued and other liabilities	(1,762,478)	26,907,040
	<u>(1,982,294)</u>	<u>27,280,206</u>
	(14,598,902)	(5,203,076)
Proceeds from sale / redemption of investments	1,222,810,186	1,949,797,648
Payment against purchase of investments	(1,169,028,454)	(1,716,525,030)
Profit received on clean placement, debt and government securities	6,176,526	7,655,737
Return received on bank balances	10,841,614	13,616,691
Dividend received	14,023,251	20,130,704
Net cash from operating activities	70,224,221	269,472,675
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	75,170,381	94,295,969
Payments made against redemption of units	(220,998,331)	(318,983,292)
Dividend paid	(51,155,287)	-
Net cash used in financing activities	(196,983,237)	(224,687,323)
Net (decrease) / increase in cash and cash equivalents during the period	(126,759,016)	44,785,351
Cash and cash equivalents at the beginning of the period	172,013,850	67,451,680
Cash and cash equivalents at the end of the period	45,254,834	112,237,031

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

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Note	March 31, 2011 ----- (Rupees) -----	March 31, 2010
Net asset value per unit at the beginning of the period	<u>92.71</u>	<u>76.00</u>
Net asset value per unit at the end of the period	<u>75.00</u>	<u>98.67</u>
Net assets at the beginning of the period	516,299,200	640,003,370
Amount received on issue of units *	75,170,381	94,295,969
Amount paid on redemption of units **	(220,998,331)	(318,983,292)
	(145,827,950)	(224,687,323)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed	7,819,742	(7,702,694)
Final cash dividend for the year ended June 30, 2010 @ Rs.27 per unit (2009: Rs.Nil per unit) declared for distribution on July 07, 2010	(51,155,287)	-
Net income for the period after taxation	61,454,992	194,010,665
Other comprehensive income for the period	-	-
Total comprehensive income for the period	61,454,992	194,010,665
Net assets at the end of the period	388,590,697	601,624,018
* Number of units issued (including 1,509,944 bonus units issued during the period ended March 31, 2011 and Nil bonus units issued during the period ended March 31, 2010)	2,609,948	1,018,086
** Number of units redeemed	2,997,876	3,341,986

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

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1. LEGAL STATUS AND NATURE OF BUSINESS

Faysal Balanced Growth Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on February 18, 2004. It has been constituted under a Trust Deed, dated January 29, 2004, between Faysal Asset Management Limited (the Management Company), a Company incorporated under the Companies Ordinance, 1984 and Muslim Commercial Financial Services (Private) Limited (MCFSL) as the Trustee till June 04, 2005 and thereafter between Faysal Asset Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Fund is an open ended balanced mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Karachi Stock Exchange (Guarantee) Limited (KSE). The Fund was launched on April 19, 2004.

The principal activity of the Fund is to make investments in equity market and fixed income securities including money market instruments.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the fund for the year ended 30 June 2010.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the fund for the year ended June 30, 2010.

During the period following amendment, interpretation and improvements to the accounting standards became effective:

Amendments / interpretations issued by International Accounting Standards Board (IASB)

- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments





Improvements to various standards issued by International Accounting Standards Board (IASB)

Issued in May 2008

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

Issued in April 2009

IFRS 2 – Share-based Payments

IAS 1 – Presentation of Financial Statements

IAS 17 – Leases

IAS 38 – Intangible Assets

IAS 39 Financial Instruments: Recognition and Measurement

IFRIC 9 – Reassessment of Embedded Derivatives

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on these condensed interim financial statements.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2010.

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	----- (Rupees) -----	
4. BANK BALANCES			
Cash at bank - PLS savings accounts	4.1	<u>45,254,834</u>	<u>172,013,850</u>
4.1		These carry mark-up ranging from 5% to 13.10% (June 30, 2010: 5% to 12.35%) per annum and includes balance of Rs.335,895 (June 30, 2010: Rs.187,565) with Faysal Bank Limited (a related party).	
5. DIVIDEND, DEPOSITS AND OTHER RECEIVABLES - considered good			
Dividend receivable		2,437,500	3,587,500
Security deposit			
- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited		107,500	107,500
		<u>2,607,500</u>	2,607,500
Prepayments		41,271	-
Receivable against sale of investments		-	80
Profit receivable on debt securities		2,523,846	1,633,253
Return accrued on bank balances		967,169	1,484,801
Income tax refundable	5.1	<u>1,736,410</u>	<u>1,736,410</u>
		<u>10,313,696</u>	<u>11,049,544</u>

5.1 This represents tax withheld till September 30, 2004 under Section 233(A) of the Income Tax Ordinance, 2001. This amount has been claimed as refundable in the return of income for the year ending June 30, 2005 and efforts are being made through tax advisor of the Fund to recover the same as soon as possible.



	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
----- (Rupees) -----			
6. INVESTMENTS			
'At fair value through profit or loss'			
Held-for-trading			
Listed equity securities	6.1	216,081,076	161,885,973
Designated 'at fair value through profit or loss'			
Preference shares	6.2	61,193,525	67,715,743
Listed debt securities	6.3	59,559,068	64,350,986
Government securities	6.4	-	45,076,900
		<u>336,833,669</u>	<u>339,029,602</u>

6.1 Listed equity securities *

Name of the investee company	Number of shares					Market value as at March 31, 2011 (Rupees)	-- Investment as % of --		
	As at July 01, 2010	Purchased during the period	Bonus / right shares received	Disposed off during the period	As at March 31, 2011		Net assets	Total Investments	Investee company paid-up capital

* Ordinary shares having a face value of
Rs.10 each unless stated otherwise

Construction and material

DG Khan Cement Company Limited	-	2,794,856	-	2,794,856	-	-	-	-	-
Lucky Cement Limited	-	990,000	-	990,000	-	-	-	-	-
Attock Cement Pakistan Limited	-	20,000	-	20,000	-	-	-	-	-
						-	-	-	-

Banks

Bank Alfalah Limited	500,000	300,000	-	800,000	-	-	-	-	-
National Bank of Pakistan	-	1,025,000	25,000	925,000	125,000	7,127,500	1.83%	2.12%	0.01%
The Bank of Khyber	6,033,125	-	-	-	6,033,125	25,339,125	6.52%	7.52%	1.21%
United Bank Limited	-	800,000	-	800,000	-	-	-	-	-
						32,466,625	8.35%	9.64%	1.21%

Chemicals

Engro Corporation Limited	-	350,000	-	250,000	100,000	20,578,000	5.30%	6.11%	0.03%
Fauji Fertilizer Company Limited	50,000	-	-	50,000	-	-	-	-	-
Fauji Fertilizers Bin Qasim Limited	-	550,000	-	550,000	-	-	-	-	-
ICI Pakistan Limited	-	165,000	-	165,000	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	125,000	-	125,000	-	-	-	-	-
Lotte Pakistan PTA Limited	-	2,221,901	-	1,671,901	550,000	8,877,000	2.28%	2.64%	0.04%
						29,455,000	7.58%	8.74%	0.06%

Non-life insurance

Adamjee Insurance Company Limited	-	320,309	-	320,309	-	-	-	-	-
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Financial services

Arif Habib Securities Limited	-	150,000	-	150,000	-	-	-	-	-
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Name of the investee company	Number of shares					Market value as at March 31, 2011 (Rupees)	-- Investment as % of --		
	As at July 01, 2010	Purchased during the period	Bonus / right shares received	Disposed off during the period	As at March 31, 2011		Net assets	Total Investments	Investee company paid-up capital
Oil and gas									
Oil & Gas Development Company Limited	-	50,000	-	50,000	-	-	-	-	-
Pakistan Oilfields Limited	22,424	769,357	-	681,781	110,000	35,759,900	9.20%	10.62%	0.05%
Pakistan Petroleum Limited	25,000	345,500	10,000	370,500	10,000	2,114,100	0.54%	0.63%	0.00%
Attock Petroleum Limited	109,288	25,712	22,000	51,050	105,950	38,894,245	10.01%	11.55%	0.19%
Pakistan State Oil Company Limited	-	30,000	-	30,000	-	-	-	-	-
Mari Gas Company Limited	-	10,000	-	10,000	-	-	-	-	-
Attock Refinery Limited	-	100,500	-	100,500	-	-	-	-	-
						76,768,245	19.76%	22.79%	0.24%
Electricity									
The Hub Power Company Limited	300,000	1,025,000	-	650,000	675,000	25,407,000	6.53%	7.54%	0.06%
Nishat Power Limited	250,000	250,000	-	500,000	-	-	-	-	-
Nishat Chunian Power Limited	-	250,000	-	250,000	-	-	-	-	-
						25,407,000	6.53%	7.54%	0.06%
Fixed line telecommunications									
Pakistan Telecommunication Company Limited	2,050,000	-	-	2,050,000	-	-	-	-	-
Personal goods									
Azgard Nine Limited	-	100,000	-	100,000	-	-	-	-	-
Nishat Mills Limited	211,300	2,640,462	-	2,351,762	500,000	32,495,000	8.36%	9.65%	0.14%
Nishat Chunian Limited	-	655,959	-	655,959	-	-	-	-	-
						32,495,000	8.36%	9.65%	0.14%
Tobacco									
Pakistan Tobacco Company Limited	205,150	-	-	-	205,150	19,489,206	5.02%	5.79%	0.08%
Industrial transportation									
Pakistan National Shipping Corporation	227,498	-	-	227,498	-	-	-	-	-
	9,983,785	16,064,556	57,000	17,691,116	8,414,225	216,081,076	55.60%	64.15%	1.79%

6.2 Preference shares *

* (having a face value of Rs.10 each unless stated otherwise)

Household Goods									
Pak Elektron Limited	3,749,000	-	-	-	3,749,000	45,362,900	11.67%	11.75%	
Industrial transportation									
Pakistan International Container Terminal Limited	2,110,750	-	-	-	2,110,750	15,830,625	4.07%	4.70%	
	5,859,750	-	-	-	5,859,750	61,193,525	15.75%	16.45%	



6.3 Listed debt securities *

Name of the investee company	Note	Number of certificates					Market value as at March 31, 2011 (Rupees)	--- Investment as % of ---	
		As at July 01, 2010	Purchased during the period	Redeemed during the period	Disposed off during the period	As at March 31, 2011		Net assets	Total investments
* Term Finance Certificates (TFC's)									
Banks									
United Bank Limited (1st issue)	6.3.1	6,000	-	-	-	6,000	28,129,500	7.24%	8.35%
Fixed line telecommunications									
Telecard Limited		20,010	-	-	-	20,010	31,429,568	8.09%	9.33%
		26,010	-	-	-	26,010	59,559,068	15.33%	17.68%

6.3.1 These have been pledged in favour of National Clearing Company of Pakistan Limited as collateral against exposure margins and regular trades on the National Clearing and Settlement System (NCSS).

6.3.2 Significant terms and conditions of TFC's are as follows:

Name of security	Number of certificates	Face value (Rupees)	Mark-up rate (per annum)	Maturity	Secured / unsecured	Rating
United Bank Limited (1st issue)	6,000	5,000	8.45%	August, 2012	Unsecured	AA
Telecard Limited	20,010	5,000	6 month KIBOR + 3.75%	November 2013	Secured	BBB

6.4 Government securities (market treasury bills) were disposed off during the period.

6.5 Details of non-compliant investments with the investment criteria of assigned category

Name of non-compliant investment	Note	Type of investment	Market value as at March 31, 2011 Rupees	% of net assets	% of gross assets
Telecard Limited	6.5.1	TFC	31,429,568	8.09 %	7.94%
Attock Petroleum		Share	38,894,245	10.01%	9.83%
Pak Electron		Pref.Share	45,362,900	11.67%	11.47%

6.5.1 Circular 7 of 2009 of the SECP requires that the rating of any debt security in the portfolio shall not be lower than A-. However, the rating of above mentioned debt security is BBB.



		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	----- (Rupees) -----	
7. ACCRUED AND OTHER LIABILITIES			
Payable against purchase of investments		-	3,163,500
SECP annual fee payable	7.1	308,575	558,999
Accrued expenses		1,375,132	942,260
Zakat payable		146,798	146,211
Settlement charges payable		3,799	41,527
Workers' Welfare Fund payable	7.2	4,486,029	3,230,314
		6,320,333	8,082,811

7.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, 2008, whereby the Fund is required to pay SECP annually an amount equal to 0.085% (June 30, 2010: 0.085%) of the net asset value of the Fund.

7.2 Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it is alleged that all Collective Investment Schemes (CISs) / mutual funds 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, challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010 amounting to Rs.3,230,314. Further, in order to compensate the unit holders of the Fund, subject to payment of WWF, the Board of Directors of the Management Company in their meeting held on October 02, 2010, decided to reduce their management fee by the amount of the provision for WWF.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to Faysal Savings Growth Fund for collection of WWF. On December 14, 2010, the Ministry filed its response to the constitutional petition pending in the Court.

However, management is evaluating the need to have this provision in the financial statements and, as a matter of abundant caution, has retained the provision for WWF aggregating to Rs.4,486,029 as at March 31, 2011 in these financial statements for the period ended March 31, 2011.





8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2011.

9. TAXATION

The Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realized or unrealized, is distributed among its unit holders.

10. EARNINGS PER UNIT

Earnings per unit (EPU) is calculated by dividing the net income after tax for the period by the number of units outstanding as at the end of the period.

EPU based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company determination of the same is not practicable.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Details of transactions with connected persons and balances with them during the period are as follows:

	----- (Un-audited) ----- For the nine months ended	
	March 31, 2011	March 31, 2010
	----- (Rupees) -----	
11.1 Transactions during the period		
Faysal Asset Management Limited (Management Company)		
Remuneration of Management Company	7,220,776	10,390,252
Sales load	23,860	238,098
Faysal Bank Limited (group company)		
Profit on PLS saving account	111,854	36,745
Cash dividend	35,377,884	-
Faysal Bank Limited - Staff Provident Fund		
Issue of 69,193 bonus units (2009: Nil units)	4,546,689	-
Issue of 584,966 units (2009: Nil units)	40,000,000	-
Faysal Bank Limited - Staff Gratuity Fund		
Issue of 292,483 units (2009: Nil units)	20,000,000	-
AKD Securities (Private) Limited *		
Brokerage fee	233,956	280,549
AKD Staff Provident Fund		
Redemption of Nil units (2009: 8420 units)	-	697,159
Faysal Savings Growth Fund (Common management)		
Purchase of preference shares of Pakistan International Container Terminal Limited	-	19,008,972



----- (Un-audited) -----
For the nine months ended
March 31, March 31,
2011 2010
----- (Rupees) -----

**Central Depository Company of Pakistan Limited
(Trustee of the Fund)**

Remuneration of the Trustee	722,078	1,039,025
Settlement charges	62,172	96,817

* During the period, AKD Securities (Pvt) Limited has disposed off all the shares held of Faysal Asset Management Limited on November 02, 2010. The transactions herein above represents the transactions upto the date of disposal of shares by AKD Securities (Pvt) Limited.

(Un-audited) (Audited)
March 31, June 30,
2011 2010
----- (Rupees) -----

11.2 Outstanding balances

Faysal Asset Management Limited (Management Company)

Receivable from the Management Company	3,230,314	3,230,314
Remuneration of the Management Company	655,893	855,726
Sales load	8,167	-

Faysal Bank Limited (Group Company)

Units in issue 1,310,292 units (June 30, 2010: 1,310,292 units)	98,271,900	121,477,171
Balance in PLS saving account	335,895	187,565

Faysal Bank Limited - Staff Provident Fund

Units in issue 168,395 units (June 30, 2010: 168,395 units)	61,691,664	15,611,983
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Faysal Bank Limited – Staff Gratuity Fund

Units in issue 292,483 units (June 30, 2010: Nil units)	21,936,989	-
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AKD Securities (pvt) Limited

Brokerage payable	-	22,544
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**Central Depository Company of Pakistan Limited
(Trustee of the Fund)**

Remuneration payable to Trustee	65,589	85,555
Settlement charges payable	3,799	7,919
Deposit	107,500	100,000

Transaction with the connected persons / related parties are in normal course of business, at contracted rates.





12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 23, 2011 by the Board of Directors of the Management Company.

13. GENERAL

13.1 Figures are rounded off to the nearest rupee.

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

