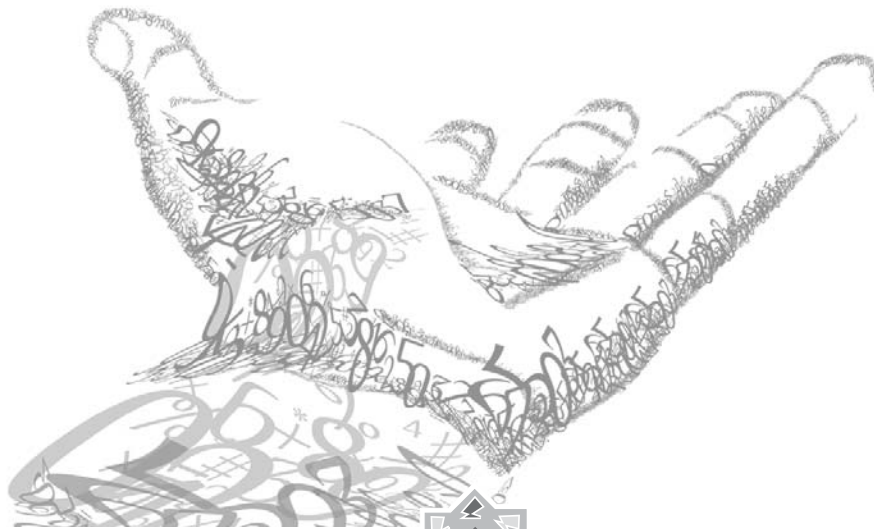




Accounts for the Quarter & Nine Months Ended
March 31, 2011



collective wisdom



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Faysal Income & Growth Fund

The prime objective of Faysal Income & Growth Fund (FIGF) is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments; in particular, the aim is to minimise interest rate risk through duration management and default risk through portfolio diversification. The Fund will employ prudent and disciplined investment management, and maximize the total investment return through systematic and informed security selection.

collective wisdom



faysal funds

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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

Mr. Mian Ejaz Ahmed

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

Summit Bank Limited
Bank Alfalah Limited
Faysal bank Limited
MCB Bank Limited
The Bank of Punjab
Silk Bank Limited
Habib Bank limited
Habib Metropolitan Bank Limited
NIB Bank Limited
United Bank Limited
My Bank Limited
KASB Bank Limited

Auditors

M. Yousuf Ali Saleem & 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

Summit Capital (Pvt) Limited
Alfalah Securities (Pvt) Limited
Faysal Asset Management Limited
Faysal Bank Limited
Flow (Pvt) Limited
Foundation Securities (Pvt) Limited
IGI Investment Bank Limited
JS Global Capital Limited
Pak Oman Investment Bank Limited





FIGF seeks to provide its risk-averse investors an opportunity to earn a consistent market based income with a conservative risk profile while maintaining security of principal as its prime objective.



The Board of Directors of the Faysal Asset Management Limited, the management company of the **Faysal Income & Growth Fund (FIGF)**, is pleased to present the un-audited accounts of FIGF 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	14,524	13,256	46,841	87,569
Operating Expenses	3,208	16,255	13,443	24,520
Profit Before Tax	11,316	(2,999)	33,398	63,049
Taxation	-	-	-	-
Profit After Tax	11,316	(2,999)	33,398	63,049
Earnings per Unit-Rs.	1.87	(0.42)	5.51	8.87

MONEY MARKET REVIEW:

The State Bank of Pakistan (SBP), during the quarter in review, maintained the discount rate in monetary policy to 14.00%. Due to market expectation of no change in Policy Rate, financial institutions opted for massive participations in 6 months and 12 months tenors as evident in last T-Bills auctions. During the quarter, beside T-Bills and PIB auctions, SBP had also conducted GoP Ijara Sukuk auction in March and accepted Rs. 47.5 billion against total participation of Rs. 56.8 billion at 13.68%. Money market during the quarter remained quite volatile and rates witnessed major fluctuations particularly due to the liquidity situation in the market. SBP effectively intervened from time to time and addressed the liquidity situation in the market through OMOs for different tenors.

FUND PERFORMANCE

Faysal Income and Growth Fund (FIGF), during the quarter ended March 31, 2011 yielded a net return of 7.66% during the month as compared to its peer group's average return of -3.57%. On year to date, FIGF yielded a net return of 8.72% while its peer group's average return was -1.01%.

On the asset allocation side, our portfolio as at March 31, 2011 comprises of 54.40% in bank deposits, 21.26% in GoP Ijara Sukuk, 14.90% in TBills, 5.57% in TFCs and 2.48% in preference shares. Approximately 90.38% of the portfolio is invested in AA or better rated instruments.

Reference to the amendment in Workers Welfare Fund as disclosed in Note 8.2 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 Management Company made a provision for WWF contribution in the half yearly financial statements for the period ended March 31, 2011.





FUND RATINGS

Subsequent to the period end, JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has revised the fund stability rating of Faysal Income and Growth Fund (FIGF) to 'A(f)' (Single A (f)) from 'A+(f)' (Single A Plus(f)) as its categorization was changed from Hybrid Income Fund to an Aggressive Income fund as per SECP's Circular 7 of 2009.

INCOME DISTRIBUTION:

The Board of Directors of the Management Company has approved interim profit distribution at the rate of 3.50% (i.e. Rs 3.50 per unit) for the quarter ended March 31, 2011.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company thanks 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 and the unit holders for their confidence in the Management.

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	5	346,154,236	385,316,971
Dividend, deposits and other receivables	6	8,948,888	7,636,691
Investments	7	281,389,587	356,659,752
Total assets		636,492,711	749,613,414
Liabilities			
Payable to the Management Company		803,928	916,791
Remuneration payable to the Trustee		91,123	122,239
Accrued and other liabilities	8	4,867,637	1,601,096
Total liabilities		5,762,688	2,640,126
Net assets		630,730,023	746,973,289
Unit holders' fund		630,730,023	746,973,289
		----- (Number of units) -----	
Number of Units in issue		6,056,972	7,174,009
		----- (Rupees) -----	
Net assets value per unit (face value per unit Rs. 100/-)		104.13	104.12

The annexed notes form 1 to 14 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
Note	(Rupees)			
Income				
Profit earned on debt and government securities	20,234,064	25,725,120	7,748,661	3,040,045
Dividend income	2,112,108	3,412,108	-	150,000
Return on bank balances & Term Deposit Receipts	39,593,365	42,554,353	12,414,883	19,498,600
Other income	23,241	-	23,241	-
Net gain / (loss) on investments 'at fair value through profit or loss'				
- Net capital (loss) / gain on sale of investments	(1,234,819)	16,379,669	455,868	6,087,286
- Net Unrealised (loss) / gain on revaluation of investments	(10,334,331)	4,086,133	(5,941,290)	(3,448,963)
	(11,569,150)	20,465,802	(5,485,422)	2,638,323
Element of (loss) and capital (losses) included in prices of units sold less those in units redeemed	(3,552,406)	(4,588,003)	(177,490)	(12,071,026)
Total Income	46,841,222	87,569,380	14,523,873	13,255,942
Expenses				
Remuneration of the Management Company	7,485,525	8,716,962	2,355,998	2,943,671
Remuneration of the Trustee	950,959	1,159,768	267,022	389,996
Provision against debt instruments	-	12,075,000	-	12,075,000
Brokerage	218,109	1,063,843	10,345	345,875
Bank charges	106,777	107,314	12,583	15,976
Auditors' remuneration	296,780	280,336	106,259	95,573
SECP annual fee	374,280	428,669	117,799	147,183
Legal and professional charges	55,442	45,040	14,794	14,794
Fees and subscriptions	184,097	162,143	47,331	46,526
Printing Charges	125,712	189,548	(1,576)	62,241
Settlement charges and FED	171,516	291,777	46,500	118,558
Workers Welfare Fund	3,473,649	-	230,938	-
Total Expenses	13,442,846	24,520,400	3,207,993	16,255,393
Net income for the period before taxation	33,398,376	63,048,980	11,315,880	(2,999,451)
Taxation	9	-	-	-
Net income for the period after taxation	33,398,376	63,048,980	11,315,880	(2,999,451)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period carried forward for distribution	33,398,376	63,048,980	11,315,880	(2,999,451)
Earnings per unit - basic and diluted	10			

The annexed notes form 1 to 14 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 Income brought forward	29,572,287	12,808,469
Final bonus distribution for the year ended June 30, 2010 @ Rs. 2.75 per unit, declared for distribution on July 7, 2010 (2009:Rs. 0.8 per unit)	(14,575,335)	(4,182,159)
Final cash distribution for the year ended June 30, 2010 @ Rs. 2.75 per unit, declared for distribution on July 7, 2010 (2009:Rs. 0.8 per unit)	(5,153,190)	(1,499,110)
Interim bonus distribution for the quarter ended September 30, 2010 @ Rs. Nil per unit, (2009:Rs. 2.75 per unit)	-	(13,494,638)
Interim cash distribution for the quarter ended September 30, 2010 @ Rs. Nil per unit, (2009:Rs. 2.75 per unit)	-	(5,153,190)
Interim bonus distribution for the half year ended December 31, 2010 @ Rs. 3 per unit, declared for distribution on February 19, 2011 (2009: Rs. 3 per unit)	(12,566,945)	(15,504,551)
Interim cash distribution for the half year ended December 31, 2010 @ Rs. 3 per unit, declared for distribution on February 19, 2011 (2009: Rs. 3 per unit)	(5,621,663)	(5,621,657)
Net Income for the period after taxation	33,398,376	63,048,980
Undistributed Income carried forward	25,053,530	30,402,144

The annexed notes form 1 to 14 form an integral part of these 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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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	33,398,376	63,048,980
Adjustments for non-cash and other items:		
Net capital loss / (gain) on sale of investment classified as 'financial asset at fair value through profit or loss'	1,234,819	(16,379,669)
Dividend income	(2,112,108)	(3,412,108)
Profit earned on debt and government securities	(20,234,064)	(25,725,120)
Return on bank balances and Term Deposit Receipts	(39,593,365)	(42,554,353)
Element of loss and capital losses included in prices of units sold less those in units redeemed	3,552,406	4,588,003
Provision against unlisted debt securities	-	12,075,000
Unrealized loss on investment classified as 'financial asset at fair value through profit or loss' - held for trading	10,334,331	(4,086,133)
	(13,419,605)	(12,445,400)
decrease in assets		
Other receivables	(50,172)	16,799,575
(decrease) in liabilities		
Payable to the Management Company	(112,863)	69,042
Remuneration payable to the Trustee	(31,116)	5,690
Accrued and other liabilities	3,266,541	448,825
	3,122,562	523,557
	(10,347,215)	4,877,732
Sale / redemption of investments	2,084,350,456	562,889,150
Payment against purchase of investments	(2,022,467,338)	(461,049,861)
Dividend received	2,987,108	3,562,108
Profit received on debt securities	19,414,610	5,431,633
Return received on bank balances and Term Deposit Receipts	40,093,691	36,335,782
Net cash inflow / (outflow) from operating activities	114,031,312	152,046,543
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units	209,405	421,124,495
Payments made against redemption of units	(142,628,599)	(457,879,895)
Dividend paid	(10,774,853)	(12,273,959)
Net cash outflows in financing activities	(153,194,047)	(49,029,359)
Net decrease in cash and cash equivalents during the period	(39,162,735)	103,017,184
Cash and cash equivalents at the beginning of the period	385,316,971	472,622,928
Cash and cash equivalents at the end of the period	346,154,236	575,640,112

The annexed notes form 1 to 14 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>104.12</u>	101.80
Net asset value per unit at the end of the period	<u>104.13</u>	104.27
Net assets at the beginning of the quarter	746,973,289	722,967,020
Amount received on issue of units *	209,405	421,124,495
Amount paid on redemption of units **	(142,628,599)	(457,879,895)
	(142,419,194)	(36,755,400)
Element of loss and capital losses included in prices of units sold less those in units redeemed	3,552,406	4,588,003
Final cash distribution for the year ended June 30, 2010 @ Rs. 2.75 per unit, declared for distribution on July 7, 2010 (2009:Rs. 0.8 per unit)	(5,153,191)	(1,499,110)
Interim cash distribution for the quarter ended September 30, 2010 @ Rs. Nil per unit, (2009:Rs. 0.8 per unit)	-	(5,153,190)
Interim cash distribution for the quarter ended December 31, 2010 @ Rs. 3 per unit, declared for distribution on February 19, 2011 (2009:Rs. 3 per unit)	(5,621,663)	(5,621,657)
Net income for the quarter after taxation	33,398,376	63,048,980
Other comprehensive income for the period	-	-
Total comprehensive income	33,398,376	63,048,980
Net assets as at the end of the period	630,730,023	741,574,645
	----- (Number of units) -----	
* Number of units issued (including 266,568 bonus units issued during the period ended March 31, 2011 and 322,613 bonus units issued during the period ended March 31, 2011)	268,600	4,322,155
** Number of units redeemed	1,385,637	4,312,015

The annexed notes form 1 to 14 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

- 1.1 Faysal Income & 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 June 24, 2005. It has been constituted under a Trust Deed dated April 27, 2005 between Faysal Asset Management Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984. The Fund was launched on October 10, 2005.
- 1.2 The Fund is an open ended 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. The principal activity of the Fund is to make investments in fixed income securities including money market instruments.
- 1.3 During the period, the SECP vide its letter No SCD/NBFC II/DD/FAML/598/2010 dated July 28, 2010 required the Management Company to categorize the Fund as per the available categories in Circular 07 of 2009. Pursuant to this, the Management Company, with the approval of Board of Directors, has re-categorized the Fund from 'Income Scheme' to 'Aggressive Fixed Income Scheme'. The SECP has also given its approval for the said re-categorization subject to the fulfillment of certain conditions which were duly fulfilled by the Management Company.
- 1.4 The JCR - VIS Credit Rating Company Limited (JCR - VIS) has assigned a " A(f) " fund rating to Faysal Income and Growth Fund. JCR - VIS has awarded an " AM 2-" asset manager rating to the Management Company.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirements of 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 June 30, 2010.

3. BASIS OF MEASUREMENT

3.1 Accounting Convention

These interim financial statements have been prepared under the historical cost convention except certain financial instruments which have been included at fair value.

3.2 Functional Currency

These interim financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.



4. 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.

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	----- (Rupees) -----	
5. BANK BALANCES AND TERM DEPOSIT RECEIPTS			
Cash at bank - PLS saving accounts	5.1	<u>346,154,236</u>	<u>385,316,971</u>

5.1 These carry mark-up ranging from 5% to 13.10% (June 30, 2010: 5% to 12.35%) per annum and include balance of Rs. 0.282 million (June 30, 2010: Rs. 0.135 million) held with faysal bank limited (a related party).

6. DIVIDEND, DEPOSITS AND OTHER RECEIVABLES - considered good

Dividend income receivable	-	875,000
Mark-up receivable on debt and government securities	3,314,008	676,657
Security deposits	2,600,000	2,600,000
Prepayments	50,172	-
Return receivable on bank balances and term deposit receipts	2,984,708	3,485,034
		<u>8,948,888</u>
		<u>7,636,691</u>

7. INVESTMENTS

At fair value through profit or loss

Listed equity securities	7.1	-	12,490,994
Preference shares	7.2	15,803,310	22,367,224
Listed debt securities	7.3	3,172,811	3,744,130
Unlisted debt securities	7.4	32,265,559	86,839,875
Government securities	7.6	230,147,907	180,695,200
		<u>281,389,587</u>	<u>306,137,423</u>

Held-to-maturity

Certificate of investment		-	50,522,329
		-	50,522,329
		<u>281,389,587</u>	<u>356,659,752</u>



7.1 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
Fixed line telecommunication									
Pakistan Telecommunication Company Limited	500,000	-	-	(500,000)	-	-	-	-	-
Banks									
National Bank of Pakistan	-	50,000	-	(50,000)	-	-	-	-	-
The Bank of Khyber	950,000	-	-	(950,000)	-	-	-	-	-
Bank Alfalah Limited	-	100,000	-	(100,000)	-	-	-	-	-
United Bank Limited	-	50,000	-	(50,000)	-	-	-	-	-
Chemicals									
Lotte Pakistan PTA Limited	100,460	-	(100,460)	-	-	-	-	-	-
Construction and materials									
D.G. Khan Cement Company Limited	100,000	-	(100,000)	-	-	-	-	-	-
Personal Goods									
Azgard Nine Limited	-	100,000	-	(100,000)	-	-	-	-	-
Nishat Mills Limited	-	250,000	-	(250,000)	-	-	-	-	-
Nishat Churnian Limited	-	100,000	-	(100,000)	-	-	-	-	-
	1,450,000	850,460	-	(2,300,460)	-	-	-	-	-

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

7.2 Preference shares

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
Industrial Transportation									
Pakistan International Container Terminal Limited	2,112,108	-	-	(5,000)	2,107,108	15,803,310	2.51%	5.62%	1.66%
	2,112,108	-	-	(5,000)	2,107,108	15,803,310	2.51%	5.62%	1.66%

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



7.3 Listed debt securities*

Name of the investee company	Number of certificates				As at March 31, 2011	Market value as at March 31, 2011 (Rupees)	Investment as % of	
	As at July 01, 2010	Purchased during the period	Fully redeemed during the period	Disposed off during the period			Net assets	Total investments
* Term Finance Certificates (TFCs)								
Fixed line telecommunication								
Telecard Limited	2,020	-	-	-	2,020	3,172,811	0.50%	1.13%
	2,020	-	-	-	2,020	3,172,811	0.50%	1.13%

7.4 Unlisted debt securities*

* Sukuk Certificates								
Construction and materials								
Kohat Cement Limited	100,000	-	-	-	100,000	32,265,559	5.12%	11.47%
Banks								
Bank Alfalah Limited	10,000	-	(10,000)	-	-	0.00%	0.00%	0.00%
	110,000	-	-	(10,000)	100,000	32,265,559	5.12%	11.47%

7.4.1 Investment in listed and unlisted debt securities shall be valued at the rates notified by the Mutual Fund Association of Pakistan (MUFAP).

7.5 Significant terms and conditions of Debt Securities are as follows:

Name of security	Number of certificates	Face value per certificate (Rupees)	Mark-up rate (per annum)	Maturity	Secured / unsecured	Rating
------------------	------------------------	-------------------------------------	--------------------------	----------	---------------------	--------

Listed Debt Securities

Telecard Limited	2,020	5,000	3.75% + 6 months KIBOR	Nov 2013	Secured	BBB
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Unlisted Debt Securities

Kohat Cement Limited	100,000	500	1.8% + 3 months KIBOR	Dec 2015	Secured	-
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7.6 Government Securities

Note	March 31, 2011 (Rupees)	June 30, 2010	Investment as % of	
			Net assets	Total investments
Government of Pakistan Ijara Sukuk	6.6.1 135,300,000	-	21.45%	48.08%
Market Treasury Bills (MTBs)	6.6.2 94,847,907	-		
	230,147,907	-	21.45%	48.08%



- 7.6.1 This represent Government of Pakistan Ijara Sukuk having face value of Rs.135 million (June 30, 2010: Rs.Nil) and having maturities upto March 2014 (June 30, 2010: Nil). The Fund's yield on these instruments ranging 13.39% to 13.68% per annum (June 30, 2010: Nil). Cost of these instruments as at March 31, 2011 is Rs.135 million.
- 7.6.2 These represent Market Treasury Bills having face value of Rs.100 million (June 30, 2010: Rs.550 million) and having a tenure of six months (June 30, 2010: one year). The Fund's yield on these instruments ranges from 13.67% to 13.69% per annum (June 30, 2010: 12.14% to 12.19% per annum) with maturities upto August 2011.

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	----- (Rupees) -----	
8. ACCRUED AND OTHER LIABILITIES			
SECP annual fee payable	8.1	381,458	573,598
Accrued liabilities		1,012,529	1,027,498
Workers Welfare Fund payable	8.2	3,473,650	-
		<u>4,867,637</u>	<u>1,601,096</u>

8.1 This represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP annually an amount equal to 0.075% of the net asset value of the Fund.

8.2 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. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members, filed a constitutional petition in the Honourable High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the Workers' Welfare Fund (WWF). The SHC has rejected the petition on technical grounds stating that MUFAP is not the aggrieved party in this case and required the aggrieved parties to approach the Court for the said petition. In response, another petition has been filed with the SHC by some of mutual funds through their Trustee. The matter is still pending in the SHC.

However, on prudent basis, the Board of Directors of the Management Company in their meeting held on October 02, 2010, has decided to make provision for WWF in the financial statements of the Fund with effect from July 01, 2008 and, accordingly, has adjusted the NAV of the Fund as at October 02, 2010 and onwards on a daily basis.

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 realised or unrealised, is distributed among its unit holders.



10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

11.1 Transactions during the period

Faysal Asset Management Limited (Management Company)		
Remuneration of Management Company	7,485,525	8,716,962
Sales load	14,508	153,169
Issue of Nil units (2010: 1,644,891 units)	-	175,000,000
Redemption of Nil units (2010: 1,644,891 units)	-	175,460,570
Faysal Asset Management Limited - Employees Provident Fund		
Issue of units Nil bonus units (2009: 100 units)	-	10,263
Redemption of Nil units (2010: 2,973 units)	-	317,236
Faysal Asset Management Limited - Staff Gratuity Fund		
Issue of units Nil bonus units (2009: 54 units)	-	5,513
Redemption of Nil units (2010: 1,597 units)	-	170,413
Faysal Bank Limited (group company)		
Cash dividend paid	10,774,852	12,273,962
Profit received on PLS saving accounts	25,167	136,889
Faysal Bank Limited - Staff Provident Fund		
Issue of 31,562 bonus units (2010: 32,889 units)	3,215,732	3,383,030
Faysal Bank Limited - Staff Gratuity Fund		
Issue of 16,464 bonus units (2010: 17,156 units)	1,677,456	1,764,726
Faysal Savings Growth fund (Common Management)		
Purchase of preference shares of Pakistan International Container Terminal Limited	-	19,008,972
AKD Securities (Pvt) Limited		
Brokerage fee	-	17,500
Purchase of marketable securities	-	3,048,806
Sale of marketable securities	-	12,043,325
Central depository company of pakistan limited		
Remuneration of the Trustee	950,959	1,159,768
Settlement charges	9,852	47,314



	(Un-audited) March 31, 2011	(Audited) June 30, 2010
	----- (Rupees) -----	
11.2 Outstanding balances as at period end		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	803,928	916,791
Sales load payable	50	-
Faysal Bank Limited (group company)		
Units in issue 1,873,887 units (June 30, 2010: 1,873,887 units)	195,127,893	195,109,154
Balance in PLS saving account	282,154	135,308
Faysal Bank Limited - Staff Provident Fund		
Units in issue 583,015 units (June 30, 2010: 551,453 units)	60,709,325	57,417,237
Faysal Bank Limited - Staff Gratuity Fund		
Units in issue 304,124 units (June 30, 2010: 287,660 units)	31,668,448	29,951,161
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of the Trustee payable	91,123	122,239
Deposit	100,000	100,000

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

12. SUBSEQUENT EVENT

- 12.1 The Board of Directors of the Management Company in their meeting held on April 23, 2011 have declared bonus issue at the rate of 3.5% (i.e. Rs. 3.50 per unit). The financial statements of the Fund for the quarter ended March 31, 2011 do not include the effect of the bonus issue which will be accounted for in the financial statements of the Fund subsequent to the period end.

13. GENERAL

Figures are rounded off to the nearest rupee.

14. DATE OF AUTHORISATION FOR ISSUE

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

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

