






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 maximise the total investment return through systematic and informed security selection.



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Fund Information

Faysal
Income &
Growth Fund

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

CFO of the Management Company

Mr. Shahid Usman Ojha

Company Secretary of the Management Company

Mr. Raza Mohsin Qizilbash

Audit Committee

Mr. Feroz Rizvi, Chairman
Syed Majid Ali Esq., Member

Trustee

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

Bankers to the Fund

Atlas Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
NIB Bank Limited
Silk Bank Limited
United Bank Limited
My 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 Services (Pvt) Limited
Room # 506, 5th Floor, Clifton Centre,
Kehkashan Clifton – Karachi.

Distributors

Atlas Capital Markets (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



Mission Statement

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.



Report of the Directors of the Management Company



The Directors of the Faysal Asset Management Limited, the Management Company of **Faysal Income & Growth Fund (FIGF)**, are pleased to present the 4th Annual Report on the operations of FIGF along with the audited accounts, Reports of the Trustee and Auditors to the Unit Holders for the financial year ended June 30, 2009.

SALE AND REDEMPTION OF UNITS

During the year, units worth Rupees 81 million were issued and units with a value of Rupees 1,739 million were redeemed. The fund witnessed higher than usual redemptions during the current year due to the declining trend in the equity markets. The fund also witnessed large redemption pressure due to its ability to meet its redemption obligations and providing a competitive return as compared to other fixed income or hybrid income funds. The floor on the prices of scrips was imposed on the Karachi Stock Exchange for over three and a half month resulted in deteriorating investor sentiment in both local and foreign investors.

UNIT HOLDERS

As of June 30, 2009, total unit outstanding were decreased by 68%. As of June 30, 2009, 7,101,585 units with a value of Rs. 723 million were outstanding (June 30, 2008: 22,280,970 units with a value of Rs. 2,304 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 period as well as the prices prevailing as of June 30, 2009 were as below:

	Offer Prices	Redemption Prices
Highest	105.83	104.78
Lowest	101.13	100.12
As of June 30, 2009	102.82	101.80

MONETARY POLICY

We have witnessed a shift in the monetary policy by the State Bank of Pakistan amid the economic slowdown and decreasing inflationary trend. The policy has shifted from the tightening mode to easing by increasing the money supply in the economy. In light of falling inflation, improving FOREX reserves and a slowing economy, the State Bank of Pakistan (SBP) is expected to continue this easing cycle. National Savings Scheme rates were recently reduced and treasury yields have also witnessed declining trend towards the end of the fiscal year.

MONEY MARKET REVIEW:

The money supply M2 growth remained on the slower side during the major part of the fiscal year. During the first three quarters of the year the M2 growth was around 2.0% which amounts to Rs. 94 Billion but the last quarter growth in the money supply was around Rs. 220 Billion marking a significant increase. The credit off-take remained dismal during the year and significant decline in the Reserve Money or M0 was also witnessed during the same period. The foreign exchange reserves condition strengthened after reaching US \$ 11.83 Billion in June 09. The decline in core inflation, leading to the decline in the interest rates, can also further impact this foreign reserve condition positively. The major slowdown occurred due to the slowdown in the credit off-take as the private sector borrowing declined to a much lower level when compared to Rs. 394 Billion in the previous fiscal year. The money market will see further liquidity injection with the shift in the monetary policy leading to downward revision in the



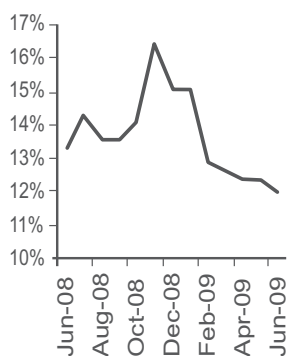
Report of the Directors of the Management Company



underlying investment and benchmark rates. This will impact in declining fixed rate returns and a possible positive impact on the equity markets resulting in an overall positive impact on Faysal Income & Growth fund when compared with other fixed income funds.

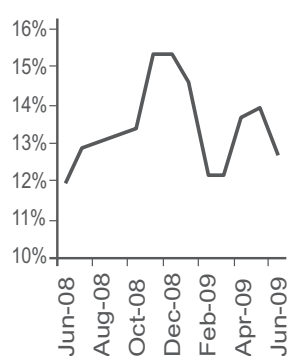
The following graphs illustrate the trend in the interbank rates along with the government securities during the year.

Graph: PIBs trend



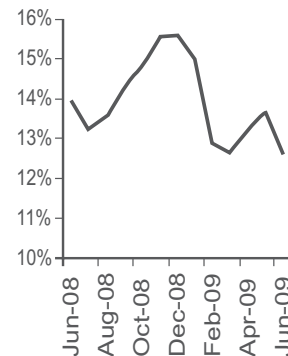
Source: SBP

Graph: T-Bills trend



Source: SBP

Graph: 6M KIBOR trend



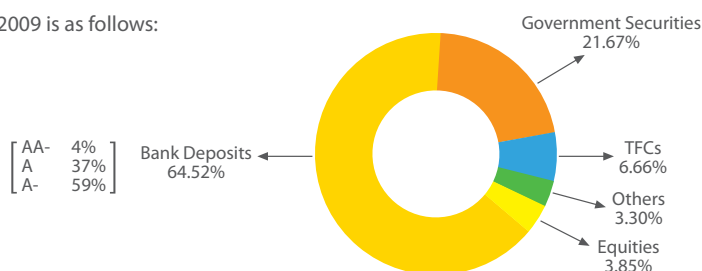
Source: SBP

PERFORMANCE

FIGF performed well during the year with YTD (Year to date) return of 8.90% as compared to average YTD return of its peer group of 4.14%. The fund has a hybrid fixed-income nature and emphasizes on mitigating various risks including interest rate risk, duration risk and portfolio risk. The credit quality emphasis on the individual and collective financial instruments in the portfolio provided investors with better than average returns during the year.

ASSET ALLOCATION

The Asset Allocation of the fund as on June 30, 2009 is as follows:



INCOME DISTRIBUTION

The Board has approved fund distribution at the rate of 8% (Interim 7.20% and final 0.80%) (i.e Rs. 8 per unit).

MUTUAL FUND RATING

JCR-VIS has maintained fund stability rating of "A+(f)" for Faysal Income & Growth Fund (FIGF). The fund stability rating is based on the investment policy and asset allocation mix of the portfolio. A+(f) denotes moderate degree of stability in Net Asset Value. It is one of the highest ratings assigned to fixed income or hybrid fixed income funds in the country by JCR-VIS.

MEETINGS OF THE DIRECTORS

The details relating to the meetings of directors are given as part of this Annual Report.

Report of the Directors of the Management Company

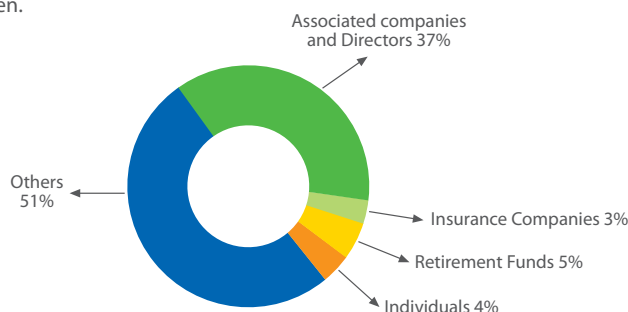


CORPORATE GOVERNANCE

1. A prescribed statement by the management along with the auditors' report thereon for the year ended June 30, 2009 forms part of this annual report.
2. Statements under clause xix of the Code:
 - i. The financial Statements, prepared by the Management presents fairly the state of affairs of the Fund and result of its operations, cash flows and movement in unit holder's fund.
 - ii. Proper books of accounts of the Fund have been maintained.
 - iii. Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
 - iv. International Accounting Standards have been followed in the preparation of financial statements without any material departure.
 - v. The system of internal control is sound in design and has been effectively implemented and monitored.
 - vi. There is no significant doubt upon Fund's ability to continue as going concern.
 - vii. There has been no material departure from the Best Practices of the Code of Corporate Governance, as detailed in the Listing Regulations.
 - viii. Outstanding statutory payments on account of taxes, if any, have fully disclosed in the accounts.
 - ix. The details of Board Meetings held and attended by the Directors forms part of this Annual Report.
 - x. The prescribed pattern of shareholding is given as part of this Annual Report.

The were no sale and repurchase of units of the Fund carried out by the Directors, CEO, CFO, Company Secretary of the Management Company including their spouse and minor children.

PATTERN OF HOLDING



AUDITORS

The present auditors Messers Ford Rhodes Sidat Hyder & Co. Chartered Accountants retire and, being eligible, offer themselves for re-appointment. The Board endorses the recommendation of the Audit Committee for re-appointment of Messers Ford Rhodes Sidat Hyder & Co. Chartered Accountants as the auditors for the financial year 2010.

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

Salman Haider Sheikh
Chief Executive Officer

Date:
September 16, 2009
Karachi.

Fund Manager's Report



Investment Objective

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

Fund Information			
Fund Type	Open Ended-Income Market Fund	Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Fund Launch Date	10th October 2005	Trustees	Central Depository Company of Pakistan
Performance Benchmark	6M KIBOR	Auditors	Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Rating	A+ (f) by JCR-VIS		

Returns	Money Market Returns				Risk Quant				
Month On Month	6.98%	KIBOR		T-Bills		Alpha	0.0002	VaR	0.19%
Year to Date	8.90%	3M	13.15%	3M	12.68%	Beta	-0.0238	R ²	0.0244
Since Inception	10.08%	6M	13.18%	6M	12.57%	Sharpe	-0.0569	Sortino	-0.0007
YTD Avg. market Ret.	4.14%*	12M	13.74%	12M	12.44%	Std.Dev.	0.12%	Kurtosis	7.4814

* YTD Return is taken on 29th June, since the 30th June NAVs of many funds are not available due to book closures.

ECONOMIC OUTLOOK:

Discussion of the economy of Pakistan for the month of June centered around the announcement of the federal budget, which came on June 13, 2009. Much to the chagrin of the equity markets, there was nothing particularly positive in the budget for any sector, though it must be pointed out that there were no significant increases in taxation either, much to the chagrin of the IMF, which saw the government seek to expand its budget deficit projections to 4.9% from the previously agreed 3.2%. However, it is significant to note that the Public Sector Development Program was allocated Rs. 621 Bn, which exceeded even the highest expectations of most analysts. It remains to be seen as to whether the government is able to actually spend as much as it has announced. It has not been able to do so over the last several years. In either case, the PSDP is not likely to have as much of an impact on economic growth as had been hoped, since much of the spending will be on social programs that provide immediate relief to the vulnerable sections of the population, but do not create sustainable growth. GDP growth expectations for the next fiscal year hover around 3.3%, a sharp decline from the 6% average witnessed from 2003 through 2007. The government of Pakistan sought, and was denied, preferential access to the markets of the European Union for Pakistani goods. It is, however, encouraging to note that the government has begun the mantra of "trade, not aid" at international conferences, which suggests that a more sustainable approach to economic growth may be on the cards.

Fund Manager's Report



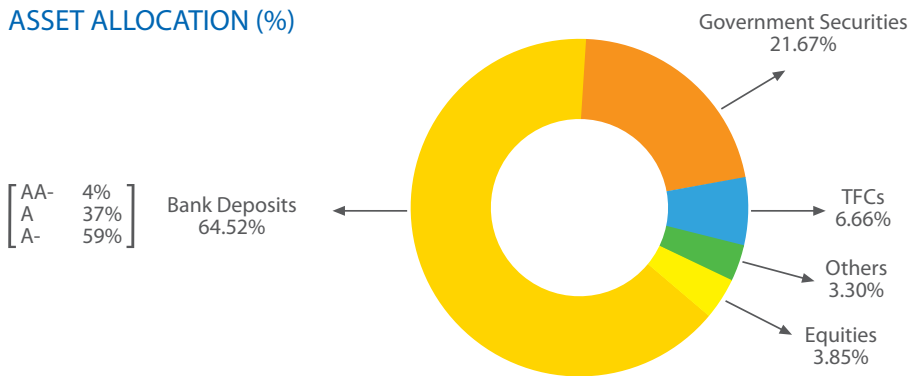
After months of stagnation and high levels, inflation finally took a decisive turn for the better, with the Consumer Price Index (CPI) declining to 14.39% in May, compared to 17.19% in April. In yet another confirmation of the trend, the Wholesale Price Index (WPI) dropped to 4.73% compared to 8.30% in April. The market continues to expect a 300 basis point decline in the discount rate within the next 6 months, with as much as a 100 basis point decline expected by the State Bank this month.

PERFORMANCE:

FIGF performed well during the month by giving a month on month (MoM) return of 6.98%. YTD (Year to date) return was at 8.90% as compared to average YTD return of its peer group of 4.14%, therefore FIGF outperformed the peer group by 4.76%.

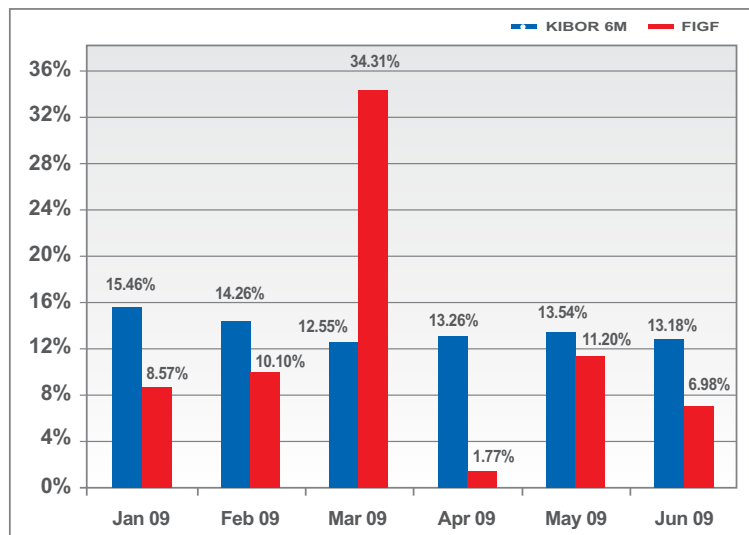
FIGF started June at a NAV/unit of PKR 101.20 and closed the month at a NAV/unit of PKR 101.80. On the asset allocation side, we would like to inform our valued investors that our fund is quite liquid having portfolio of 64.52% in Bank Deposits, 21.67% in Government Securities, 6.66% in TFCs and 3.85% in Equities. The strategy remains to lookout for the opportunities with good return at an acceptable medium risk levels.

ASSET ALLOCATION (%)



AA-	4%
A	37%
A-	59%

KIBOR (6 M) vs FIGF



Monthly Return is calculated by Morning Star Method (CAGR) as per the requirement of M UFAP

Trustee Report to the Unit Holders



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.

The Faysal Income Growth Fund (the Fund), an open-end fund was established under a trust deed dated April 27, 2005, executed between Faysal Asset Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2009 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.

A handwritten signature in black ink, appearing to read "Muhammad Hanif Jakhura", with a horizontal line underneath.

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

Karachi:
October 13, 2009

Statement of Compliance with the Best Practices of the Code of Corporate Governance for the Year Ended June 30, 2009



This statement is being presented by the Board of Directors of Faysal Asset Management Limited (FAML), the Management Company of Faysal Income & Growth Fund (the Fund) to comply with the Code of Corporate Governance (the Code) contained in Regulation No.35 of Listing Regulations of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby listed company is managed in compliance with the Best Practices of the Code of Corporate Governance.

FAML, the Management Company is not listed and hence, the Code is not applicable to it. However, the Fund, being listed on the Karachi Stock Exchange, comes under the ambit of the Code. The Fund being a unit trust scheme does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund.

The Management Company has applied the principles contained in the code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the Board includes three independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Three casual vacancies occurred during the year due to the resignation of Mr. Mohammad Iqbal, Mr. Khalid S. Trimizey and Mr. Masroor Ahmed Qureshi which were filled up within thirty days by the Board of Directors by appointing Mr. Syed Majid Ali, Mr. Mohammad Abdul Aleem and Mr. Zafar Ahmed Siddiqui.
5. The Management Company has prepared a "Statement of Ethics and Business Practices" which is in the process of being signed by all the directors and employees of the Management Company for the current year.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they 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 have been taken by the Board. There is no other executive director of the Company besides the CEO.
8. The meetings of the Board were presided over by the chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the period. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated to all concerned.
9. The Directors of the Faysal Asset Management Limited are professionally qualified persons with rich experience in financial sector and are well aware of their duties and responsibilities under Companies Ordinance 1984, NBFC (Establishment & Regulations) Rules, 2003, NBFCs and Notified Entities Regulations, 2008 and Memorandum and Articles of FAML.
10. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

Statement of Compliance with the Best Practices of the Code of Corporate Governance for the Year Ended June 30, 2009



11. The directors' report for this period 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 CEO and 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 that disclosed in the pattern of the share holdings (units).
14. The Fund has complied with all the 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 including the chairman of the committee. During the year, the chairman of the audit committee resigned w.e.f. March 12, 2009 and one of the members of audit committee was nominated as chairman.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Management Company has outsourced its internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund and they (or their representatives) are involved in the internal audit function on a full time basis.
18. 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, 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 International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. 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.
20. We confirm that all other material principles contained in the Code have been complied with.

Date:
September 16, 2009
Karachi.

A handwritten signature in black ink, appearing to read 'Salman', written over a horizontal line.

Salman Haider Sheikh
Chief Executive Officer

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 (the Statement) 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 Income and Growth Fund** (the 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 is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of 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.

Further, Sub- Regulation (xiii a) of Listing Regulations 35 notified by The Karachi Stock Exchange vide circular KSE/N-269 dated January 19, 2009 requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions 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 requirement 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 procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the year ended 30 June 2009.

Yousaf Khuresh Siddiqi & Co.

Chartered Accountants

Date:
September 16, 2009
Karachi.

Independent Auditors' Report to the Unit Holders



We have audited the accompanying financial statements of Faysal Income & Growth Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2009, and the related statements of income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's 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 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 Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 state of the Fund's affairs as at 30 June 2009 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, the NBFC Rules and the NBFC Regulations.

Faisal Khuresh Siddiqi & Co.

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

Date:
September 16, 2009
Karachi.

Statement of Assets and Liabilities as at June 30, 2009



	Note	June 30, 2009	June 30, 2008
		----- (Rupees) -----	
Assets			
Bank balances and term deposit receipts	7	472,622,928	1,727,489,489
Dividend and other receivables	8	20,755,190	27,481,998
Investments	9	232,632,713	556,280,383
Total assets		726,010,831	2,311,251,870
Liabilities			
Payable to the Management Company	10	905,803	3,100,874
Remuneration payable to the Trustee	11	120,313	282,003
Accrued and other liabilities	12	2,017,695	3,454,595
Total liabilities		3,043,811	6,837,472
Net assets		722,967,020	2,304,414,398
Unit holders' fund		722,967,020	2,304,414,398
		----- Number of units -----	
Number of units in issue		7,101,585	22,280,970
		----- (Rupees) -----	
Net asset value per unit		101.80	103.43

The annexed notes from 1 to 23 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

Income Statement for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
Income	----- (Rupees) -----	
Profit earned on debt securities	22,878,439	52,749,110
Dividend income	598,600	2,894,785
Return on bank balances and term deposit receipts	157,907,714	287,528,278
Net gain / (loss) on investments 'at fair value through profit or loss'		
- Net capital (loss) / gain on sale of investments	(6,762,121)	5,168,820
- Net unrealised loss on revaluation of investments	9.8 (52,460,137)	(9,771,545)
	(59,222,258)	(4,602,725)
Element of loss and capital losses included in prices of units sold less those in units redeemed	(35,769,274)	(5,266,306)
Total Income	86,393,221	333,303,142
Expenses		
Remuneration of the Management Company	10 19,235,774	40,932,285
Remuneration of the Trustee	11 2,154,239	3,998,899
Brokerage charges	573,661	2,497,900
Bank charges and guarantee commission	524,662	461,733
Auditors' remuneration	13 417,421	327,464
SECP annual fee	1,150,658	2,992,709
Legal and professional charges	210,000	225,000
Fees and subscriptions	35,000	35,000
Printing charges and other expenses	480,468	-
Settlement charges and capital value tax	48,530	402,230
Total Expenses	24,830,413	51,873,220
Net income for the year before taxation	61,562,808	281,429,922
Taxation	14 -	-
Net income for the year after taxation carried forward for distribution	61,562,808	281,429,922
Earnings per unit at the close of the year	15 8.67	12.63

The annexed notes from 1 to 23 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

Distribution Statement for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
	-----	-----
	(Rupees)	
Undistributed income brought forward		
[includes unrealised loss on investments of Rs.9,757,812 (2008: unrealised gain of Rs.1,136,034)]	76,317,370	290,889,252
Final bonus distribution for the year ended June 30, 2008 @ Rs.3.34 per unit declared for distribution on July 05, 2008 (2007: Rs.12.75 per unit)	(68,060,350)	(288,498,954)
Final cash dividend for the year ended June 30, 2008 @ Rs.3.34 per unit declared for distribution on July 05, 2008 (2007: Rs.Nil per unit)	(6,358,091)	-
Interim bonus distribution for the year ended June 30, 2009 @ Rs.3.2 per unit declared for distribution on February 23, 2009 (2008: Rs.Nil per unit)	(16,255,934)	-
Interim cash dividend for the year ended June 30, 2009 @ Rs.3.2 per unit declared for distribution on February 23, 2009 (2008: Rs.Nil per unit)	(6,091,584)	-
Interim bonus distribution for the year ended June 30, 2009 @ Rs.4 per unit declared for distribution on April 23, 2009 (2008: Rs.6.66 per unit)	(20,810,200)	(144,432,824)
Interim cash dividend for the year ended June 30, 2009 @ Rs.4 per unit declared for distribution on April 23, 2009 (2008: Rs.6.6 per unit)	(7,495,550)	(63,070,026)
Net income for the year after taxation	61,562,808	281,429,922
 Undistributed income carried forward		
[includes unrealised loss on investments of Rs.62,217,949 (2008: unrealised loss of Rs.9,757,812)]	<u>12,808,469</u>	<u>76,317,370</u>

For Faysal Asset Management Limited
(Management Company)

Salman Haider Sheikh
Chief Executive Officer

Feroz Rizvi
Director

Syed Majid Ali
Director

Cash Flow Statement for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
	----- (Rupees) -----	
Cash Flows From Operating Activities		
Net income for the year before taxation	61,562,808	281,429,922
Adjustments for non-cash and other items:		
Net capital loss / (gain) on sale of investments 'at fair value through profit or loss'	6,762,121	(5,168,820)
Dividend income	(598,600)	(2,894,785)
Profit earned on debt securities	(22,878,439)	(52,749,110)
Return on bank balances and term deposit receipts	(157,907,714)	(287,528,278)
Element of loss and capital losses included in prices of units sold less those in units redeemed	35,769,274	5,266,306
Unrealised loss on investment 'at fair value through profit or loss' - net	52,460,137	9,771,545
	(24,830,413)	(51,873,220)
Increase in Assets		
Dividend and other receivables	(161,462)	(3,510,653)
Decrease in Liabilities		
Payable to the Management Company	(2,195,071)	(1,401,328)
Remuneration payable to the Trustee	(161,690)	4,031
Accrued and other liabilities	(1,436,900)	(1,670,743)
	(3,793,661)	(3,068,040)
	(28,785,536)	(58,451,913)
Proceeds from sale / redemption of investments	931,086,280	1,831,147,799
Payment against purchase of investments	(667,122,893)	(1,946,968,398)
Dividend received	1,218,175	1,975,210
Encashment / purchase of term deposit receipts	750,000,000	1,250,000,000
Profit received on debt securities	7,466,359	50,289,660
Return received on bank balances and term deposit receipts	180,050,514	304,559,621
Net cash flows from operating activities	1,173,912,899	1,432,551,979
Cash Flows from Financing Activities		
Amounts received against issue of units	80,661,220	6,542,365,643
Payments made against redemption of units	(1,739,495,455)	(7,015,203,588)
Dividend paid	(19,945,225)	(63,070,026)
Net cash (used in) / generated from financing activities	(1,678,779,460)	(535,907,971)
Net (decrease) / increase in cash and cash equivalents during the year	(504,866,561)	896,644,008
Cash and cash equivalents at the beginning of the year	977,489,489	80,845,481
Cash and cash equivalents at the end of the year	472,622,928	977,489,489

The annexed notes from 1 to 23 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

Statement of Movement in Unit Holders' Funds for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
	----- (Rupees) -----	
Net asset value per unit at the beginning of the year	<u>103.43</u>	<u>112.86</u>
Net asset value per unit at the end of the year	<u>101.80</u>	<u>103.43</u>
Net Assets at the beginning of the year	2,304,414,398	2,553,626,141
Amount received on issue of units *	80,661,220	6,542,365,643
Amount paid on redemption of units **	(1,739,495,455)	(7,015,203,588)
	(1,658,834,235)	(472,837,945)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed	35,769,274	5,266,306
Final dividend at 3.34% (declared for distribution on July 05, 2008)	(6,358,091)	-
Interim dividend at 3.2% (declared for distribution on February 23, 2009)	(6,091,584)	-
Interim dividend @ Rs.4 per unit (declared for distribution on April 23, 2009 (2008: Rs.6.6 per unit))	(7,495,550)	(63,070,026)
Net income for the year after taxation	61,562,808	281,429,922
Net Assets at the end of the year	<u>722,967,020</u>	<u>2,304,414,398</u>
	----- Number of units -----	
* Number of units issued (including 1,046,863 bonus units issued during the year ended June 30, 2009 and 4,304,943 bonus units issued during the year ended June 30, 2008)	1,849,669	67,469,797
** Number of units redeemed	17,029,054	67,816,196

The annexed notes from 1 to 23 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

Notes to the Financial Statements for the Year Ended June 30, 2009



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 an 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, 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 is an open ended income 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 October 10, 2005.

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

- 1.2 During the year, a 'Floor' was placed on the prices of equity securities listed at the KSE by the Board of Directors of KSE in their meeting held on August 27, 2008. Subsequent to the introduction of the 'Floor' on the equity prices at the KSE, the SECP vide its Circular No. 23 of 2008 dated October 07, 2008 directed all collective investment schemes, having direct equity exposure, to suspend pricing, issuance and redemption of their units till the third day of removal of the 'Floor'. The said 'Floor' was removed by the KSE on December 15, 2008. However, the Fund did not resume dealing in units until December 18, 2008.

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of 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 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 During the year, the Fund has adopted IFRS 7 "Financial Instruments – Disclosures", which resulted in certain additional disclosures relating to financial instruments in these financial statements. Further, interpretations of accounting standards, namely IFRIC 12 "Service Concession Arrangements", IFRIC 13 "Customer Loyalty Programs" and IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" also became effective during the year. However, these interpretations do not affect the Fund's financial statements.

3. BASIS OF MEASUREMENT

- 3.1 **These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 4.1 and 4.2 below.**
- 3.2 **The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss or available-for-sale investment, as appropriate.

Notes to the Financial Statements for the Year Ended June 30, 2009



All investments, are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments that require delivery within the time frame established by the regulation of market convention are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within the period generally established by the regulation or market convention such as "T+2".

At fair value through profit or loss

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Held-to-maturity investments

Investment securities with fixed maturities and fixed or determinable payments are classified as 'held-to-maturity' investments when management has both the intention and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less any provision for impairment except in case of debt securities (listed but not regularly traded on a stock exchange) and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations.

Loans and receivables

Loans and receivables are non-derivative investments with fixed or determinable payments that are not quoted on the active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loan and receivable are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Investments which are not classified in any of the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the unit holders' fund until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in unit holders' fund is taken to the income statement. However, unquoted equity investments are carried at lower of investment price or break up value in accordance with the requirements of the NBFC Regulations.

Fair value of investments is determined as follows:

Listed shares

These are valued on the basis of closing market prices quoted on the respective stock exchange.

Debt securities

These are valued at the rates notified by the Mutual Funds Association of Pakistan (MUFAP). However, in case the rates of the securities are not notified by the MUFAP, those securities are valued at discounted cash flow method as allowed by IAS-39.

Government securities

These are valued by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

4.2 Derivatives

Derivative instruments held by the Fund generally comprise of futures contracts and options in the capital market. These are recognised at their fair value. The fair value of futures contracts is calculated as being the net difference between the

Notes to the Financial Statements for the Year Ended June 30, 2009



contract price and the closing price reported on the primary exchange of the futures contract. Derivatives financial instruments are included in investments in the statements of assets and liabilities and the resultant gain or loss on the remeasurement of derivative financial instruments are included in the income statement currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by International Accounting Standard - 39, Recognition and Measurement of Financial Instruments (IAS - 39), consequently hedge accounting is not used by the Fund.

4.3 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 recognized 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.

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 recognized 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.

4.4 Impairment of financial assets

An assessment is made at each statement of assets and liabilities date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement.

Impairment is determined as follows:

- (a) for assets carried at amortised cost, impairment is based on estimated cash flows discounted at the original effective interest rate.
- (b) for assets carried at fair value, impairment is the difference between cost and fair value.
- (c) for assets carried at cost, impairment is present value of future cash flows discounted at the current market rate of return for a similar financial asset.

For available for sale equity investments, reversal of impairment losses are recorded as increases in cumulative changes in fair value through unit holders' fund.

In addition, a provision is made to cover impairment for specific groups of assets where there is a measurable decrease in estimated future cash flows.

4.5 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.6 Issue and redemption of units

Units issued are recorded at the offer price prevalent on the day the investment form, complete in all respects, is received. The offer price represents the net asset value of units at the end of the day plus the allowable sales load. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application from investor.

Units redeemed are recorded at the redemption price, prevalent on the day the redemption form, complete in all respects, is accepted. The redemption price represents the net asset value at the end of the day. Redemption of units is recorded on acceptance of application for redemption.

Notes to the Financial Statements for the Year Ended June 30, 2009



4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.8 Revenue recognition

Gain or loss on sale of marketable and government securities is accounted for in the year in which it arises.

Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.

Gains or losses on sale of securities and unrealised gains or losses arising on revaluation of investments classified as 'at fair value through profit or loss' are included in the income statement in the period in which they arise.

Mark-up on government securities, debt securities, return on certificates of investment, profit on clean placements, return on bank balances and term deposit receipts and income from reverse repurchase agreements are recognised on a time proportion basis using effective interest rate method.

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

To prevent the dilution of per unit income and distribution of income already paid out on redemption, as dividend, an equalisation account called "element of income / loss and capital gains / losses included in prices of units sold less those in units redeemed" is created.

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

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

4.10 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any. The Fund is exempt from taxation under Clause 99 of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

4.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amount and the Fund intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.12 Net Asset Value (NAV) 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.

4.13 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, made subsequent to the statement of assets and liabilities date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

4.14 Financial assets and financial liabilities

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Notes to the Financial Statements for the Year Ended June 30, 2009



Financial assets carried on the statement of assets and liabilities include bank balances, dividend and other receivables and investments.

Financial liabilities carried on the statement of assets and liabilities include payable to Management Company, remuneration payable to the Trustee and accrued and other liabilities.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in the relevant accounting policies / notes to the financial statements.

6. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS- 1 Presentation of Financial Statements (Revised)	January 01, 2009
IAS- 23 Borrowing Costs (Revised)	January 01, 2009
IAS- 27 Consolidated and Separate Financial Statements (Revised)	January 01, 2009
IAS- 32 Financial Instruments: Presentation - Amendments regarding Puttable Financial Instruments	January 01, 2009
IAS- 39 Financial Instruments: Recognition and measurement- Amendments regarding Eligible Hedge items	July 01, 2009
IFRS- 2 Share based payment- Amendments regarding Vesting Conditions and Cancellations	January 01, 2009
IFRS- 3 Business Combinations	July 01, 2009
IFRS- 8 Operating Segments	January 01, 2009
IFRIC- 15 Agreements for the Construction of Real Estate	January 01, 2009
FRIC- 16 Hedges of a Net Investment in Foreign Operation	October 01, 2008
IFRIC- 17 Distribution of Non-cash Assets to Owners	July 01, 2009
IFRIC- 18 Transfers of Assets from Customers	July 01, 2009

The Fund expects that the adoption of the above standards and interpretations will have no material impact on the Fund's financial statements in the period of initial application other than to the extent of certain changes on enhancement in the presentation and disclosure in the financial statements.

In addition to the above, amendments to various accounting standards have also been issued by IASB as a result of its annual improvement project. Such amendments are generally effective for accounting periods beginning on or after January 01, 2009. The management considers that such amendments and improvements will not have any significant effect on the Fund's financial statements for the ensuing periods.

Notes to the Financial Statements for the Year Ended June 30, 2009



		June 30, 2009	June 30, 2008
	Note	----- (Rupees) -----	
7. BANK BALANCES AND TERM DEPOSIT RECEIPTS			
Cash at bank - PLS saving accounts	7.1	472,622,928	677,489,489
Term deposit receipts		-	1,050,000,000
		472,622,928	1,727,489,489

7.1 These carry mark-up ranging from 5% to 17.25% (2008: 0.0085% to 13.5%) per annum and include balance of Rs.0.838 million (2008: Rs.0.860 million) held with Faysal Bank Limited (a related party).

8. DIVIDEND AND OTHER RECEIVABLES - considered good

Receivable against sale of investments 'at fair value through profit or loss'		15,627,460	-
Receivable against TFC's principal redemption	8.1	1,093,830	-
Dividend income receivable		300,000	919,575
Mark-up receivable on debt securities		994,781	748,138
Security deposits		2,600,000	3,600,000
Return receivable on bank balances and term deposit receipts		60,834	22,203,632
Prepaid bank guarantee commission		78,285	10,653
		20,755,190	27,481,998

8.1 This represents principal amount due against TFC redemption of Telecard Limited. At the year end the bank account of Telecard Limited was blocked by the taxation authorities. The trustee of the TFCs had confirmed to the Fund that as of June 30, 2009, the account balance was sufficient for Telecard Limited to make payment of TFC's redemption to the Fund. Subsequent to the year end, entire amount of coupon (including principal and mark-up) has been received by the Fund.

9. INVESTMENTS

At fair value through profit or loss

Listed equity securities	9.1	27,826,015	83,428,445
Listed debt securities	9.2	11,902,102	24,009,162
Unlisted debt securities	9.3	36,225,000	48,411,090
Government securities	9.5	156,679,596	-
		232,632,713	155,848,697
Held-to-maturity			
Commercial papers	9.6	-	96,182,371
Certificate of investment	9.7	-	304,249,315
		232,632,713	556,280,383

Notes to the Financial Statements for the Year Ended June 30, 2009



9.1 Listed equity securities* ----- Number of shares / units ----- Investments as % of -----

Name of the investee company	As at July 01, 2008	Purchased during the year	Bonus shares received	Disposed off during the year	As at June 30, 2009	Market value as at June 30, 2009 (Rupees)	Net Assets	Total Investments	Investee company paid-up capital
Investment Banks / Cos. / Securities									
First Credit & Investment Bank	-	200,000	-	(200,000)	-	-	-	-	-
JS Investments Limited	-	100,000	-	(100,000)	-	-	-	-	-
Technology and Communication									
Pakistan Telecommunication Company Limited	-	950,000	-	(600,000)	350,000	6,034,000	0.83%	2.59%	0.01%
Oil & Gas Exploration Companies									
Oil & Gas Development Company Limited	-	526,500	-	(476,500)	50,000	3,932,000	0.54%	1.69%	0.01%
Commercial Banks									
National Bank of Pakistan	-	50,000	-	(50,000)	-	-	-	-	-
The Bank of Khyber	3,090,000	-	772,500	(250,000)	3,612,500	10,151,125	1.40%	4.36%	0.72%
Bank Alfalah Limited	-	1,154,800	25,000	(854,800)	325,000	3,428,750	0.47%	1.47%	0.02%
BankIslami Pakistan Limited	100,000	-	-	(100,000)	-	-	-	-	-
JS Bank limited	300,000	-	-	(300,000)	-	-	-	-	-
NIB Bank Limited	188,500	-	-	(188,500)	-	-	-	-	-
United Bank Limited	-	150,000	-	(50,000)	100,000	3,829,000	0.53%	1.65%	0.09%
Fertilizers									
Fauji Fertilizer Bin Qasim Limited	100,000	750,000	-	(850,000)	-	-	-	-	-
Chemicals									
Nimir Industrial Chemical Limited	1,200,000	-	-	(1,200,000)	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	100,000	-	(100,000)	-	-	-	-	-
Cements									
D.G. Khan Cement Company Limited	-	200,000	-	(200,000)	-	-	-	-	-
Textile Composites									
Nishat Mills Limited	-	100,000	-	(100,000)	-	-	-	-	-
Textile Spinning									
D. S. Industries Limited	240,000	-	-	(94,000)	146,000	451,140	0.06%	0.19%	0.24%
Tobacco									
Pakistan Tobacco Company Limited	102,400	5,500	-	(107,900)	-	-	-	-	-
	5,320,900	4,286,800	797,500	(5,821,700)	4,583,500	27,826,015	3.83%	11.95%	

9.2 Listed debt securities* ----- Number of shares / units ----- Investments as % of -----

Name of the investee company	As at July 01, 2008	Purchased during the year	Fully redeemed during the year	Disposed off during the year	As at June 30, 2009	Market value as at June 30, 2009 (Rupees)	Net Assets	Total Investments
Oil & Gas Exploration Companies								
Naimat Basal Oil & Gas Securitisation Co. Ltd.	4,000	-	(4,000)	-	-	-	-	-
Textile Composite								
Azgard Nine Limited	2,000	-	-	-	2,000	7,363,951	1.02%	3.17%
Technology and Communication								
Telecard Limited	2,020	-	-	-	2,020	4,538,151	0.63%	1.95%
	8,020	-	(4,000)	-	4,020	11,902,102	1.65%	5.12%

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

9.3 Unlisted debt securities*

* Sukuk Certificates

Cements									
Kohat Cement Limited	9.3.1	100,000	-	-	-	100,000	36,225,000	5.01%	15.57%
		100,000	-	-	-	100,000	36,225,000	5.01%	15.57%

9.3.1 This represents unlisted debt securities (Sukuk) issued by Kohat Cement Limited (KCL). During the year, a revised repayment schedule was agreed between KCL and investors (including the Fund). Under the said schedule a one year grace period for redemption of Sukuk units falling due on December 20, 2008 and June 20, 2009 is allowed. From the period December 2009 until June 2013 the issuer shall redeem the units and make rental payments in quarterly installments instead of semi annual installments.

The Fund has already suspended the accrual of mark-up in accordance with requirements of Circular 1 of 2009 issued by SECP (valuation of debt securities). However, a sum of Rs.1.403 million has been recorded as income as the same was received before the year end. Subsequent to the year end, the remaining mark-up of Rs.2.806 million has been received.

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

Name of the investee company	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	May 2011	Secured	BBB
Azgard Nine Limited	2,000	5,000	2.4% + 6 months KIBOR	Sept. 2012	Unsecured	AA-
Unlisted Debt Securities						
Kohat Cement Limited	100,000	500	1.8% + 6 months KIBOR	June 2013	Secured	-

9.5 These have face value of Rs.175 million. The Fund's yield on these Market Treasury Bills ranges from 12.13% to 12.14% per annum with maturities upto June 2010.

9.6 Commercial papers of Azgard Nine Limited matured during the year.

9.7 The certificate of investment of Pak Libya Holding Company matured during the year.

Notes to the Financial Statements for the Year Ended June 30, 2009



		June 30, 2009	June 30, 2008
9.8	Net unrealised gain / (loss) during the year in the value of investments classified as 'financial assets at fair value through profit or loss'		
		----- (Rupees) -----	
	Fair value of investments classified as 'financial assets at fair value through profit or loss'	232,632,713	155,848,697
	cost of investments classified as 'financial assets at fair value through profit or loss'	(282,122,745) (49,490,032)	(165,606,509) (9,757,812)
	Net unrealised loss / (gain) in market value of investments classified as 'financial assets at fair value through profit or loss' at the beginning of the year	9,757,812	(1,136,034)
	Realised on disposal during the year	(12,727,917) (2,970,105) (52,460,137)	1,122,301 (13,733) (9,771,545)
10.	PAYABLE TO THE MANAGEMENT COMPANY		
	Management fee payable	902,346	2,997,174
	Sales load payable	3,457	103,700
		905,803	3,100,874
10.1	The Management Company is entitled to a remuneration for services rendered to the Fund under the provisions of the NBFC Regulations during the first five years of a Fund's existence of an amount not exceeding three per cent of the average annual net assets of the Fund and thereafter of an amount equal to two per cent of such assets. During the current period, the Management Company has claimed its remuneration at the rate of 1.5% (June 30, 2008: 1.5%) of the average daily net assets of the Fund.		
11.	REMUNERATION PAYABLE TO THE TRUSTEE		
	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.		
12.	ACCRUED AND OTHER LIABILITIES		
	SECP annual fee payable	1,150,658	2,992,709
	Accrued liabilities	867,037	461,886
		2,017,695	3,454,595
12.1	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 with effect from November 21, 2008. Previously it was charged under the NBFC and Notified Entities Regulations, 2007 at the rate of one tenth of 1% of the average annual net assets of the Fund.		
13.	AUDITORS' REMUNERATION		
	Audit fee	211,600	184,000
	Half yearly review fee	66,125	57,500
	Review of statement of compliance with Code of Corporate Governance	33,063	28,750
	Other certification	57,500	50,000
	Out of pocket expenses	49,133	7,214
		417,421	327,464

Notes to the Financial Statements for the Year Ended June 30, 2009



14. 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.

15. EARNINGS PER UNIT

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

EPU based on cumulative weighted average units for the whole year has not been disclosed as in the opinion of the management determination of such for calculating EPU is not practicable.

	June 30, 2009	June 30, 2008
	----- (Rupees) -----	
16. CASH AND CASH EQUIVALENTS		
Cash at banks - PLS saving accounts	472,622,928	677,489,489
Term deposit receipts	-	300,000,000
	<u>472,622,928</u>	<u>977,489,489</u>

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Transactions during the year

Faysal Asset Management Limited (Management Company)		
Remuneration of Management Company	19,235,774	40,932,285
Sales load	298,741	3,838,703
Faysal Asset Management Limited - Employees Provident Fund		
Issue of units 281 bonus units (2008: 434 units)	28,285	43,717
Faysal Asset Management Limited - Staff Gratuity Fund		
Issue of units 151 bonus units (2008: 233 units)	15,194	23,484
Faysal Bank Limited (group company)		
Issue of bonus units: Nil (2008: 335,986 units)	-	233,626,549
Redemption of units: Nil (2008: 2,973,272 units)	-	306,861,812
Cash dividend paid	19,750,773	12,480,090
Profit received on PLS saving accounts	-	128,939
Faysal Bank Limited - Staff Provident Fund		
Issue of 49,515 bonus units (2008: 76,625 units)	4,988,243	7,709,730
Faysal Bank Limited - Staff Gratuity Fund		
Issue of 25,829 bonus units (2008: 39,970 units)	2,602,070	4,021,708
Mybank Limited		
Issue of units: Nil (2008: 19,667,845 units)	-	2,033,903,563
Redemption of units: Nil (2008: 22,326,948 units)	-	2,301,165,394
Cash dividend paid	-	31,489,362
AKD Securities (Private) Limited (common directorship)		
Brokerage fee	-	144,000

Notes to the Financial Statements for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
Directors of the Management Company	----- (Rupees) -----	
Khalid S. Tirmizey - Ex-Director Issue of units: Nil (2008: 137,363 units)	-	14,000,000
Farook Bengali - Ex-Director (including close relative) Issue of units: Nil (2008: 449,563 units) Redemption of units: Nil (2008: 469,233 units)	- -	45,815,245 48,534,003
Mohammad Iqbal - Ex-Director Issue of units: Nil (2008: 365 units)	-	36,730
Salman Haider Sheikh - Chief Executive Officer (including close relative) Issue of units: Nil (2008: 14,319 units) Redemption of units: Nil (2008: 14,139 units)	- -	1,500,000 1,521,052
Tahir Sohail - Chief Operating Officer Issue of units: Nil (2008: 993 units) Redemption of units: Nil (2008: 993 units)	- -	106,205 101,280
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of the Trustee	2,154,239	3,998,899
Settlement charges	27,547	99,464
Issue of units: Nil (2008: 198,714 units)	-	21,441,327
Redemption of units: Nil (2008: 198,714 units)	-	20,342,345
17.2 Outstanding balances as at year end		
Faysal Asset Management Limited (Management Company)		
Remuneration of the Management Company	902,346	2,997,174
Sales load payable	3,457	103,700
Faysal Asset Management Limited - Employees Provident Fund Units in issue 2,873 units (2008: 2,592 units)	292,494	268,716
Faysal Asset Management Limited - Staff Gratuity Fund Units in issue 1,543 units (2008: 1,393 units)	157,122	143,483
Faysal Bank Limited (group company)		
Units in issue 1,873,887 units (2008: 1,873,887 units)	190,761,735	193,807,227
Balance in PLS saving account	838,284	860,429
Faysal Bank Limited - Staff Provident Fund Units in issue 506,713 units (2008: 457,197 units)	51,583,366	48,259,730
Faysal Bank Limited - Staff Gratuity Fund Units in issue 264,322 units (2008: 238,493 units)	26,907,977	24,571,708
Directors of the Management Company		
Khalid S. Tirmizey - Ex-Director Units in issue : Nil (2008: 137,363 units)	-	14,138,721

Notes to the Financial Statements for the Year Ended June 30, 2009



	June 30, 2009	June 30, 2008
	----- (Rupees) -----	
Mohammad Iqbal - Ex-Director		
Units in issue: Nil (2008: 2,178 units)	-	225,272
Salman Haider Sheikh - Chief Executive Officer (including close relative)		
Units in issue : Nil (2008: 1,075 units)	-	111,169
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee payable	120,313	282,003
Settlement charges payable	-	24,282

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.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund (also refer Annexure I to these financial statements which describes the risk management structure of the Fund). The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2009, the Fund is exposed to such risk in respect of bank balances and investment in debt / Government securities. The bank balances are subject to interest rates as declared by the respective bank on periodic basis. The debt / Government securities are subject to floating / fixed interest rates but valued at MUFAP / PKRV rates. Management of the Fund estimates that an increase of 100 basis points in the market interest rate, with all other factors remaining constant, would increase the Fund's income by Rs.0.614 million and a decrease of 100 basis points would result in a decrease in the Fund's income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

2009	Exposed to yield / interest rate risk				Not exposed to yield / interest rate risk	Total
	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year		
----- (Rupees) -----						
Financial Assets						
Bank balances and term deposit receipts	472,622,928	-	-	-	-	472,622,928
Dividend and other receivables	-	-	-	-	20,676,905	20,676,905
Investments	-	204,806,698	-	-	27,826,015	232,632,713
	472,622,928	204,806,698	-	-	48,502,920	725,932,546
Financial Liabilities						
Payable to the Management Company	-	-	-	-	905,803	905,803
Remuneration payable to the Trustee	-	-	-	-	120,313	120,313
Accrued and other liabilities	-	-	-	-	867,037	867,037
	-	-	-	-	1,893,153	1,893,153
On statement of assets and liabilities gap	<u>472,622,928</u>	<u>204,806,698</u>	<u>-</u>	<u>-</u>	<u>46,609,767</u>	<u>724,039,393</u>

Notes to the Financial Statements for the Year Ended June 30, 2009



2008	Exposed to yield / interest rate risk				Not exposed to yield / interest rate risk	Total
	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year		
----- (Rupees) -----						
Financial Assets						
Bank balances and term deposit receipts	877,489,489	100,000,000	750,000,000	-	-	1,727,489,489
Dividend and other receivables	-	-	-	-	27,481,998	27,481,998
Investments	-	72,420,252	400,431,686	-	83,428,445	556,280,383
	877,489,489	172,420,252	1,150,431,686	-	110,910,443	2,311,251,870
Financial Liabilities						
Payable to the Management Company	-	-	-	-	3,100,874	3,100,874
Remuneration payable to the Trustee	-	-	-	-	282,003	282,003
Accrued and other liabilities	-	-	-	-	461,886	461,886
	-	-	-	-	3,844,763	3,844,763
On statement of assets and liabilities gap	<u>877,489,489</u>	<u>172,420,252</u>	<u>1,150,431,686</u>	<u>-</u>	<u>107,065,680</u>	<u>2,307,407,107</u>

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, its business sector, industry and / or the economy in general. Management of the Fund estimates that a 5% increase or decrease in the overall equity prices in the market with all other factors remaining constant would result in increase or decrease of Fund's net assets by Rs.1.391 million. However, in practice, the actual results may differ from the sensitivity analysis.

The management company manages the above market risks through diversification of investment portfolio and placing limits on individual and aggregate exposures in accordance with the internal risk management policies and regulations laid down by the SECP.

18.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemption of its redeemable units on a regular basis. Units are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, for financial assets 'at fair value through profit or loss', the period in which those assets are assumed to mature is taken as the expected date on which these assets will be realised.

Notes to the Financial Statements for the Year Ended June 30, 2009



2009	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year	Total
----- (Rupees) -----					
Assets					
Bank balances and term deposit receipts	472,622,928	-	-	-	472,622,928
Dividend and other receivables	15,988,294	1,444,236	644,375	2,600,000	20,676,905
Investments	-	232,632,713	-	-	232,632,713
	488,611,222	234,076,949	644,375	2,600,000	725,932,546
Liabilities					
Payable to the Management Company	905,803	-	-	-	905,803
Remuneration payable to the Trustee	120,313	-	-	-	120,313
Accrued and other liabilities	589,797	1,427,898	-	-	2,017,695
	1,615,913	1,427,898	-	-	3,043,811
Net assets	486,995,309	232,649,051	644,375	2,600,000	722,888,735

2008	Upto one month	More than one month and upto three month	More than three months and upto one year	More than one year	Total
----- (Rupees) -----					
Assets					
Bank balances and term deposit receipts	977,489,489	-	750,000,000	-	1,727,489,489
Dividend and other receivables	12,668,473	1,866,834	9,336,038	3,600,000	27,471,345
Investments	-	460,098,012	96,182,371	-	556,280,383
	990,157,962	461,964,846	855,518,409	3,600,000	2,311,241,217
Liabilities					
Payable to the Management Company	3,100,874	-	-	-	3,100,874
Remuneration payable to the Trustee	282,003	-	-	-	282,003
Accrued and other liabilities	229,136	3,225,459	-	-	3,454,595
	3,612,013	3,225,459	-	-	6,837,472
Net assets	986,545,949	458,739,387	855,518,409	3,600,000	2,304,403,745

18.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. 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:

	June 30, 2009	June 30, 2008
	----- (Rupees) -----	
Bank balances and term deposit receipts	472,622,928	1,727,489,489
Receivable against sale of securities	15,627,460	-
Investments in debt securities	48,127,102	72,420,252
Investment in COIs and commercial papers	-	400,431,686
Dividend receivable	300,000	919,575
Mark-up receivable on debt securities	994,781	748,138
Receivable against TFC's principal redemption	1,093,830	-
Return receivable on bank balances and term deposit receipts	60,834	22,203,632
	<u>538,826,935</u>	<u>2,224,212,772</u>

Investment of the Fund in debt securities is collateralised by creation of first charge in favour of the trustee of the issue over the fixed assets (including / excluding land and building as specified) of the issuer.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the credit quality of Fund's exposure:

Notes to the Financial Statements for the Year Ended June 30, 2009



Rating category (also see note 9.3.1)	2009	2008
	----- (Rupees) -----	
AA	8.36	58.20
A	83.32	41.38
BBB	1.16	0.26
Unrated	7.16	0.16
	<u>100.00</u>	<u>100.00</u>

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

	2009	2008
	% of assets exposed to credit risk	
Investment banks / companies and leasing companies	-	13.68
Commercial banks	87.73	78.70
Textile composite	1.43	4.80
Technology and communication	1.16	0.26
Oil & Gas	0.06	0.36
Cement	6.72	2.19
Others	2.90	0.01
	<u>100.00</u>	<u>100.00</u>

18.4 Capital management

The capital of the Fund is represented by the net assets attributable to holders of redeemable Units. The capital structure depends on the issuance 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 holder's fund and an optimum rate of return by investing 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.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a 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 tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

20. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 06, 2009 have declared bonus issue at the rate of 0.8% (i.e. Rs.0.8 per unit). The financial statements of the Fund for the year ended June 30, 2009 do not include the effect of the bonus issue which will be accounted for in the financial statements of the Fund subsequent to the year end.

21. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, fund manager, meetings of the Board of Directors of the Management Company and rating of the Fund and the Management Company has been disclosed in Annexure I to the financial statements.

22. GENERAL

Figures are rounded off to the nearest rupee.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 16 September, 2009 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

Supplementary Non Financial Information as Required
Under Rules 6(D), (F), (G), (H), (I) & (J) of the 5th Schedule to the Non
Banking Finance Companies and Notified Entities Regulations, 2008



(i) PATTERN OF UNIT HOLDING

ANNEXURE-1

Category	No. of investors	Units held	%
Associated companies and Directors	5	2,649,339	37.31
Insurance Companies	1	188,199	2.65
Retirement Funds	26	3,643,094	51.30
Individuals	110	261,353	3.68
Others	10	359,600	5.06
	<u>152</u>	<u>7,101,585</u>	<u>100.00</u>

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name	%
BMA Capital Management Limited	24.80
Ismail Iqbal Securities (Private) Limited	24.13
IGI Finex Securities Limited	12.23
Invisor Securities (Private) Limited	9.05
Cassim Investments (Private) Limited	5.45
KASB Securities Limited	5.19
Moonaco Securities (Private) Limited	4.36
Global Securities Pakistan Limited	3.92
Akhai Capital Management Limited	2.82
Taurus Securities Limited	2.40

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Mr. Salman Haider Sheikh
Mr. Tahir Sohail
Mr. Shahid Usman Ojha
Mr. Omar Ehtisham Anwar
Mr. Ayaz Mustafa Zuberi
Mr. Qamar Abbas

Mr. Salman Haider Sheikh

Mr. Haider has over 12 years of international experience of asset management and investment banking. He has held various securities licenses including Series-7 (General Securities Representative) and Series-63 (Uniform Securities Agent Law) issued by the National Association of Securities Dealers (NASD) New York. He has also passed course examinations for Series-3 (Futures & Commodities) and Series-24 (General Securities Principal) and Life & Health Insurance licenses. He has participated in a six-month course on financial systems, risk management, analysis of financial products, marketing strategy and compliance at Wachovia Bank, USA.

Supplementary Non Financial Information as Required Under Rules 6(D), (F), (G), (H), (I) & (J) of the 5th Schedule to the Non Banking Finance Companies and Notified Entities Regulations, 2008



Mr. Haider has managed large investment portfolios for both retail and institutional clients on the equity and fixed income side. Mr. Haider participated as a team member in venture capital / Private equity and investment banking transactions of over \$1 billion. His work experience includes positions in the USA at Merrill Lynch, Janney Montgomery & Scott and Wachovia Bank. Mr. Haider holds a post-graduate certificate in "Executive Leadership" from Cornell University. He holds an MBA from Rutgers University with concentration in Finance. He holds Bachelors in Finance from the same institution.

Mr. Tahir Sohail

Mr. Tahir Sohail is a senior banker with over 22 years of broad base banking experience with leading multinational banks like Citibank and Deutsche Bank. He has worked in increasingly responsible positions within corporate, consumer and private banking businesses both within and outside Pakistan and was instrumental in implementing a credit scoring model for credit cards acquisition in Pakistan during his Citibank tenor. In Deutsche Bank, Tahir was actively involved in developing wealth management products at Asia Pacific regional level.

Mr. Shahid Usman Ojha

Mr. Shahid Usman Ojha has over 14 years of experience in Mutual Fund industry and Financial Institutions including organizations like Dawood Capital Management Limited, Pak Asian Fund Limited and Standard Chartered Bank Limited. Mr. Ojha is an associate member of Institute of Cost & Management Accountant of Pakistan and Pakistan Institute of Public Finance Accountants. He has also completed his Masters in Economics from University of Karachi. Mr. Ojha possesses 5 years experience of working in the asset management industry in various capacities. In his last served job, Mr. Ojha worked in a similar position in Dawood Capital Management Limited where his core responsibilities included Financial Management and Reporting, Taxation, Finalization of Accounts and Budgeting.

Mr. Omar Ehtisham Anwar

Mr. Omar Ehtisham Anwar has almost three years of experience in equity markets. He is a graduate of Lahore University of Management Sciences (LUMS) and holds a BSC (Honors) degree in Computer Science. Previously, Mr. Anwar was working for Alfalah Securities a subsidiary of Bank Alfalah in the Institutional Sales Group. His responsibilities included dealing with individual, institutional and foreign clients, guiding clients on their investment options by keeping abreast with market conditions, meeting market deadlines and risk assessment. He was also responsible for providing business and technical support and initiating new product ideas.

Mr. Ayaz Mustafa Zuberi

Mr. Ayaz Mustafa Zuberi has over twelve years of experience in financial sector. He was on the Board of Directors of three Securitization Companies in Pakistan. Mr. Zuberi was also the Chief Dealer in Treasury at ORIX Investment Bank Pakistan Limited and prior to joining FAML he was serving as Manager Islamic Funds at UBL Fund Managers Limited. Mr. Zuberi holds Masters in Business Administration from American University of Hawaii and also a Certified Fraud Examiner from ACFE, Austin, USA. He has also done one year Post Graduate Diploma in Islamic Banking and Finance from Centre for Islamic Economics (Darul-Uloom) Karachi.

Mr. Qamar Abbas

Mr. Abbas is currently Head of Research and Product Development at FAML. Mr. Abbas earned his MSc. in Finance from Cass Business School London and MSc. in Physics from University of Karachi. He has over eight years experience in fields of Capital Market Research, Investment Advisory and Product Development with over three years association with UBL Fund Managers as a Manager Research and Product Development. He played an instrumental role in launching of Fixed Income, Equity and Islamic Funds at UBL Fund Managers. Mr. Abbas started his career in 1997 with Eastern Capital Limited and has worked with other top tier brokerage houses since then before joining UBL Fund Managers. He also taught in a renowned business school of Karachi in both graduate and undergraduate programs.

(iv) PARTICULARS OF FUND MANAGERS

Mr. Omar Ehtisham Anwar

Mr. Omar Ehtisham Anwar has almost three years of experience in equity markets. He is a graduate of Lahore University of Management Sciences (LUMS) and holds a BSC (Honours) degree in Computer Science. Previously, Mr. Anwar was working for Alfalah Securities a subsidiary of Bank Alfalah in the Institutional Sales Group. His responsibilities included dealing with individual, institutional and foreign clients, guiding clients on their investment options by keeping abreast with market conditions, meeting market deadlines and risk assessment. He was also responsible for providing business and technical support and initiating new product ideas.

Presently Mr. Omar is also looking after Equity area of Faysal Balanced Growth Fund and Faysal Savings Growth Fund.

Mr. Ayaz Mustafa Zuberi

Mr. Ayaz Mustafa Zuberi has over twelve years of experience in financial sector. He was on the Board of Directors of three Securitization Companies in Pakistan. Mr. Zuberi was also the Chief Dealer in Treasury at ORIX Investment Bank Pakistan Limited and prior to joining FAML he was serving as Manager Islamic Funds at UBL Fund Managers Limited. Mr. Zuberi holds Masters in Business Administration from American University of Hawaii and also a Certified Fraud Examiner from ACFE, Austin, USA. He has also done one year Post Graduate Diploma in Islamic Banking and Finance from Centre for Islamic Economics (Darul-Uloom) Karachi.

Presently Mr. Zuberi is looking after Fixed Income Investment area of all funds managed by Faysal Asset Management Limited.

Supplementary Non Financial Information as Required
Under Rules 6(D), (F), (G), (H), (I) & (J) of the 5th Schedule to the Non
Banking Finance Companies and Notified Entities Regulations, 2008



(v) 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	Meeting held on						
		05 July, 2008	24 Sept., 2008	17 October, 2008	12 Nov., 2008	23 February, 2009	23 April, 2009	19 June, 2009
Mr. Khalid Tirmizey (Resigned w.e.f. December 02, 2008)	4	1	1	1	1	-	-	-
Salman Haider Sheikh	7	1	1	1	1	1	1	1
Mr. Feroz Rizvi	6	1	1	1	1	1	-	1
Mr. Mohammad Iqbal (Resigned w.e.f. August 02, 2008).	1	1	-	-	-	-	-	-
Mr. Sanaullah Qureishi (Resigned w.e.f. March 12, 2009)	5	1	1	1	1	1	-	-
Syed Majid Ali (Appointed w.e.f. September 26, 2008)	4	-	-	1	1	-	1	1
Mr. Mohammad Abdul Aleem (Appointed w.e.f. January 21, 2009)	3	-	-	-	-	1	1	1
Mr. Masroor Ahmed Qureshi (Appointed w.e.f. February 11, 2009 & resigned on June 02, 2009)	2	-	-	-	-	1	1	-

(vi) 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 Income Growth Fund.

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