

Investment Solutions for Everyone

Traditionally, people used to place their savings either in commercial bank accounts or savings accounts looking for security of principal. Similarly most of the people kept their savings in National Savings Accounts where people felt more secure because of the governmental affiliation of the institution. However, with the recent rise in innovative product offering by the professional asset management industry, the investors have started to look at mutual funds as their choice of investment in both equity and fixed income markets. These mutual funds have offered investors variety of options catering to their long-term savings and investment needs. Today, Mutual fund industry is expanding at a rapid pace with new individual and corporate clients looking to maximize their investment benefits.

Individual Investment objectives can vary but the overall investment return should outperform inflation in the long run. Deposits in banks generally do not outperform inflation due to their low average rates. In a recent interview the governor of state bank also emphasized on the importance of public taking a close look at the alternative investment options including mutual funds. These options can assist them in achieving their long-term investment objectives through professional management. Whether an individual is saving for their first home, retirement or just to maximize their savings, they can realize their goals faster with the right mix of financial products and savings strategy. An investor should seek the guidance of a professional to construct an investment portfolio based on their specific needs.

By purchasing mutual funds, individuals are provided with the immediate benefit of instant diversification and asset allocation without the large amounts of cash needed to create individual portfolios. From there we can offer a range of competitive investment solutions to maximize potential returns on both their surplus and investment funds. For any investor, it is necessary to consider factors like investment prospect and risk bearing ability when making an investment decision. Of the major asset classes (stocks, cash, and real estate), stocks have the greatest return potential. But they are also the riskiest. The best way to minimize fears about risk is with balance. Balanced portfolios aren't necessarily conservative. Faysal Balanced Growth Fund is designed for investors looking to maximize their long-term equity returns while minimizing the risk associated with the purchase of individual stocks. Its investment strategy has made it less riskier having 30% in fixed income with a maximum limit of 70% on the equity side. It has made investment in equities, debt instruments and money market, etc. Since its inception in April 2004 it has been paying dividend at regular intervals. The sale and repurchase price, based on net asset value, is calculated on daily basis. This provides an opportunity for investors to realize their capital gains based on their needs. FBGF has posted a return of

approximately 68% since inception as of June 20th, 2007. This means that an investor who invested an amount of Rs. 100,000 in FBGF in April 2004 achieved an overall portfolio value of Rs. 168,000. Similar investment in a bank deposit at 10% annual rate would have yielded less than half the return in comparison. The analysis of equity returns in the mature markets indicates better returns for long-term diversified investors when compared to the short-term aggressive investors.

Very important end users like marriage, child education and retirement require one to take a lower risk; in such cases, you should end up keeping lesser amounts in equity. For those investors who have an investment horizon of longer term, fixed income mutual funds can provide an attractive level of return. Faysal Income & Growth Fund would be one of the best options for such investors. FIGF has a hybrid fixed income asset allocation model providing diverse long-term returns to its investors. FIGF is established to meet the investment objectives of corporate and institutional investors who are seeking a high level of yield while maintaining security of principal as prime objective. The fund has an annual yield of 12.76% as of June 20th 2007, which is for approximately full fiscal year. FIGF is benchmarked against six month KIBOR.

The main objective of short-term money market funds is to provide investors with capital preservation as their main objective. The second objective is yield generation. Investors can benefit through the benefits of safety and liquidity in the short run while maintaining a higher than average bank deposit return. Investors can also maximize their benefits due to the tax exemption on capital gains till at least June 2008. Faysal Savings Growth Fund would be the right alternative to get benefit of security of cash. Currently, for short time periods, this option is better than placing money in bank deposits. This kind of investment is suitable for those investors who are risk averse and do not have a long-term investment horizon. FSGF is designed to attract long-term investors as well since it has a separate unit class giving clients fixed and flexible income options on their investments. As investor looking for retirement income or an additional income can benefit from monthly, quarterly, semi-annual and annual income plans. The investor also has the flexibility to decide the amount of income on a periodical basis. FSGF is benchmarked against one month KIBOR.

FAML puts forth the investment needs of its customers as its main priority while advising them regarding an investment mix to maximize their long-term investment returns.