

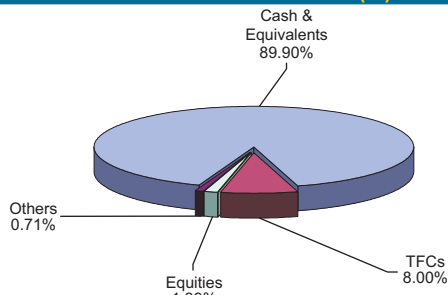
**FUND OBJECTIVE**

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

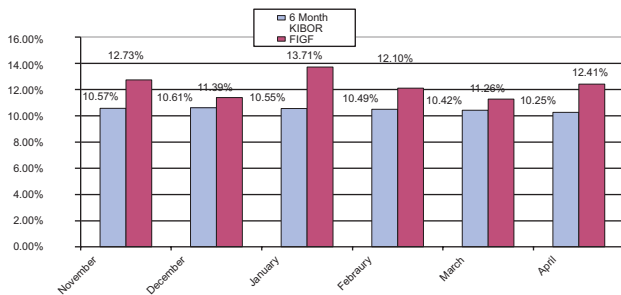
**PERFORMANCE**

Once again FIGF maintained its "Best Performing Fund" position amongst the hybrid income funds category. The fund closed the month with an annualized yield of 12.96%, outperforming its performance benchmark of 6 months KIBOR by 2.71% and 2<sup>nd</sup> best peer by 1.27%. During the month performance of FIGF was also exceptional with fund yielding 12.41% return for the month of April 2007. Assets Under Management also soared to Rs.2.5 Bio from Rs.2.2 Bio during April exhibiting investor confidence and trust in the fund management strategies of FIGF. Asset allocation remained more or less the same when compared with last month and fund remained liquid with major concentration in "cash or equivalent" placements. Other major investments include investment grade Term Finance Certificates, which has been yielding stable and high returns, thus improving overall yield of the fund.

**ASSET ALLOCATION (%)**



**FIGF vs KIBOR ( 6M )**



**MONEY MARKET REVIEW**

The money market remained fairly liquid as the Inter Bank money market rates continued to show a declining trend. Borrowing from the State Bank Discount Window was witnessed throughout the month. The six month Karachi Inter Bank offer rate (KIBOR) decreased by 17 bps (basis points) during this period and remained between the range of 9.75% to 10.25% as compared to the previous month's range of 9.92% to 10.42%.

In the T-bill auction SBP accepted cumulative bids worth Rs 55.8bn against a target of Rs 25bn. In 3 month and 6 month T-bill SBP received bids worth Rs.2 bn and Rs 19.5bn and accepted the entire amount. The cut off yield on 3 month T-bill was held intact at 8.6869% while the cut off yield of 6 month T-bill increased marginally by 4bps to 8.9017%. In 12 month T-bill SBP received bids worth Rs 47.6bn out of which 34.3bn was accepted. The cut off yield of 12 month T-bill increased by almost 2.4bps to 9.0761%.

Heavy participation was witnessed in the 4th Pakistan Investments Bond (PIB) auction. The State Bank of Pakistan accepted amount of Rs 15.45 billion against total offered amount of Rs 49.1 billion. A fall in the cut off yield in all the tenors of the PIB was witnessed mainly due to the shortened life of the papers.

Pakistan has appointed Citigroup, Deutsche Bank and HSBC to jointly manage its sovereign offshore bond this fiscal year ending on June 30. Banking sources said the government was likely to opt for 144A-type paper-a clause that makes the securities eligible for purchase and trade by institutional US investors-while the size was likely to be between \$800 million and \$1 billion.

Inflation as measured by the consumer price index (CPI) increased by 0.49% during the month of March over February 2007 and increased by 7.67% over corresponding month of last year. More importantly, core inflation, which had registered a sluggish decline in FY06, has already witnessed a substantial deceleration during the first nine months of FY07.

The State Bank Governor said that the main cause of high interest rates is high inflation, through the expected inflation premium. Conversely, the best prospect for low interest rates is a stable environment of low inflation. The State Bank of Pakistan, therefore, has a current focus on anti-inflation policy which will ensure steady growth in the long run.

**RETURNS**

Month on Month	12.41%
FY 06 - 07	12.96%
Since Inception	10.91%

**BENCHMARK RATES**

KIBOR		T-BILLS	
3 Months	9.91%	3 Month	8.69%
6 Months	10.25%	6 Month	8.90%
12 Months	10.63%	12 Months	9.07%

**FUND INFORMATION**

<b>Fund Type</b>	Open Ended
<b>Fund Launch Date</b>	10th October 2005
<b>Rating</b>	A + by JCR-VIS
<b>Performance Bench Mark</b>	6 Months KIBOR

<b>Registrar</b>	Gangjees Registrar (Pvt.) Ltd.
<b>Trustees</b>	Central Depository Company (CDC) of Pakistan Ltd.
<b>Auditors</b>	Ford Rhodes Sidat Hyder & Co, Chartered Accountants

Managed by:



**FAYSAL ASSET MANAGEMENT LIMITED**  
**COLLECTIVE WISDOM**  
(021) 111 329 725 (111 FAYSAL)  
Customer Service: (021) 279 5377 – 279 5564  
customerservices@faysalfunds.com  
www.faysalfunds.com

**Islamabad:**  
(051) 227 5096-9

**Peshawar:**  
(091) 527 0176-8

**Lahore:**  
(042) 575 5190-4

**Quetta:**  
(081) 283 6451-3

**Hyderabad:**  
(022) 272 8356

**Gujranwala:**  
(0553) 730 301-4

**Faisalabad:**  
(041) 2644 481-5

**Sialkot:**  
(052) 429 2501-5

**Risk Disclosure:**

All investments in mutual funds and securities are subject to market risks. Therefore, the NAV based prices of units cannot be guaranteed. Prices of units and any dividends and returns thereon may go up or down based on market conditions & past performance of the fund is not necessarily indicative of future results. Please consult your legal/financial advisor & read clause 2.6 and 2.7 of the offering document available at our web site for understanding the investment policies & risks.