

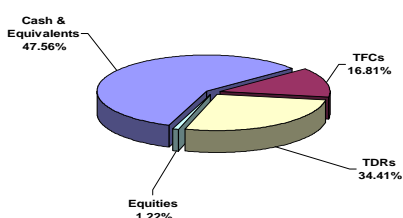
**FUND OBJECTIVE**

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.

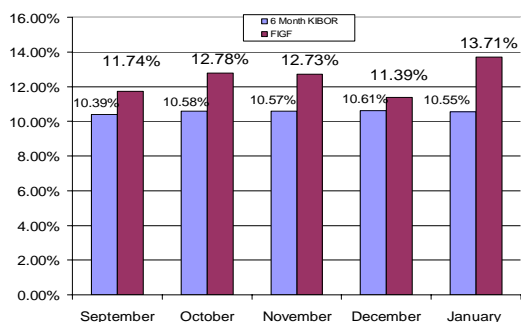
**PERFORMANCE**

Al Hamd-O-Lillah, FIGF has maintained its position as the best performing income fund in Pakistan during January 2007. The fund's annualized yield has continued its upward trend and reached an all time high of 12.97% as of January 31st vs. its performance benchmark of 10.55% - 6 months KIBOR. This exceptional performance was achieved due to a proactive fund management strategy which was in line with the market sentiments and expectations. During January '07 over 72% of fund's assets remained invested in short term cash or near cash instruments. TFC portion of investment remained unchanged from last month and equities investment was at 1.22% primarily in blue chip investment grade stocks.

**ASSET ALLOCATION (%)**



**FIGF vs KIBOR (6M)**



**MONEY MARKET REVIEW**

During the month, interbank money market remained liquid, showing a declining interest rate trend both for the short and long terms. As a result 6 months KIBOR decreased and hovered between 10.05% to 10.55% when compared with last month's range of 10.11% to 10.61%.

In T-Bills auction SBP raised Rs.70.36 Bio vs. Rs.30 Bio target in 3, 6 & 12 months tenors at 8.64%, 8.81 & and 9.00% respectively – while maintaining last month's cut-off yields. Out of Rs.70 Bio raised, almost Rs.66 Bio were accepted in 12 months tenor, thus indicating Central Bank's intentions to bringing stability in the long term interbank money market.

Central Bank in a policy statement for the period January to June 2007, envisaged continuing a tight monetary policy in order to control inflation. GDP growth target of 7% seems achievable; however, low output in Large Scale Manufacturing coupled with behind target production of major cash crops (cotton & rice) may become a hindrance. CPI during first 6 months of 07 recorded a decline to 8.39% from 8.43% YOY for same period last year. Rising inflationary trends are being projected for the next six months since food inflation sore to 12.71% YOY in December 07. This inflationary trend can be some what mitigated with decline in oil prices, which is going to drag the inflation figure down.

GOP is planning to go for another dollar bond offering before the end of current fiscal year. In this connection the Government has started consultations with leading investment banks for the bond offering size and timing.

The international rating agency Moody's has appreciated Central bank's performance in strengthening regulatory formwork; bringing transparency and successfully managing a continuous decline in non-performing loans.

Baring few positive readjustments in the derivatives, we maintained our portfolio similar to that of last month with preservation of capital & risk adjusted capital appreciation in focus. The Fund's portfolio highlights, low interest rate risk as well as low duration risk, which has resulted in reaffirmation of our A+ fund stability rating by JCR-VIS.

**RETURNS**

Month on Month	13.71%
FY 06 - 07	12.96%
Since Inception	10.08%

**BENCHMARK RATES**

KIBOR		T-BILLS	
3 Months	10.33%	3 Month	8.64%
6 Months	10.55%	6 Month	8.81%
12 Months	10.95%	12 Months	9.00%

**FUND INFORMATION**

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

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

**MANAGED BY**



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**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.

