

## Fund Manager's Report

June 2019



# The Month in Review

## Economic Review

Economy of Pakistan registered a tough year with multiple challenges including higher twin deficits, declining foreign exchange reserves, rounds of currency devaluation, rising inflationary pressure, etc. However, government has taken some necessary measures in order to control inflationary pressure and to assure economic stability which have led to slowdown in economic activity. Resultantly, Pakistan posted provisional economic growth of 3.29% for the period FY19 compared to 5.53% during FY18. Subdued economic growth was mainly on the back of depressed growth of 0.85% for agriculture sector, 1.40% for industrial sector and 4.71% for services sector.

Manifold rounds of currency devaluation along with additional import duties imposed by the government helped to contain ever increasing import bill which stood at USD 48.45bn during the period 11MFY19, depicting a decline of 5.86% on year-on-year (YoY) basis. Despite government's multiple efforts, exports failed to gain momentum and remained stagnant at USD 22.34bn during the period 11MFY19. Government's effort to support remittances through banking channels also helped in increasing remittances which recorded a growth of 10.42% on YoY basis and stood at USD 20.19bn during 11MFY19. Increasing remittances coupled with slowdown in imports resulted in contracting Current Account Deficit (CAD) by 29.28% on YoY basis during 11MFY19. Despite massive inflows from friendly countries, foreign exchange reserves remained depressed on the back of heavy debt servicing and prepayments and stood at USD 14.35bn as at June 21, 2019.

Consumer Price Index (CPI) Inflation clocked-in at 8.89% on YoY basis during the month of June 2019 compared to 9.11% in May 2019. Inflationary pressure continue to persist on the back of upward revision in fuel and gas prices coupled with elevated food prices and higher house rent on yearly basis. Average inflation during the period FY19 was recorded at 7.32% compared to 3.92% during the corresponding period last year.

Large Scale Manufacturing (LSM) deteriorated by 9.40% on month-on-month (MoM) basis during the month of April 2019 whereas LSM recorded a decline of 3.51% on YoY basis during the period 10MFY19. During 10MFY19, decrease in LSM was mainly due to fall in production of Food, Beverages & Tobacco, Automobiles and Pharmaceuticals.

Going forward, IMF program along with other packages (defer oil and LNG payment facilities) from friendly countries are expected to started soon and may provide some breather to the external account. Further, bullish revenue targets set by the government for FY20 seems ambitious however government's effort to increase tax base by imposing further tax burden in order to penalize non-filers and to bring undocumented economy on the paper by means of ongoing asset declaration scheme may help in achieving targets. However, imposition of heavy taxes is anticipated to increase cost of doing business and may further slowdown the economic activity in the short run.

## Money Market Review

After recording 9.1% YoY in May 2019, inflation as measured by CPI clocked in at 8.9% for June 2019. We anticipate inflation to remain on the upward trend due to number of upside risks: a) pass through of new taxes/increase in tax rates; b) upward adjustments in utility tariffs; c) increase in retail fuel prices; and d) second round impact of the PKR devaluation. Further a rake hike of 100bps is highly expected.

Market remained short of liquidity during the month of June'19 and resultantly SBP conducted 05 OMO Injections where total participation stood at PKR 2.230trn and total accepted amount was PKR 1.829trn at a rate of 12.32%. This is 45.41% excess participation and 24.98% additional acceptance relative to last month.

Central bank conducted two T-bill auctions during Jun'19, where yield

curve for 3M T-bill remained stable as next possible might been seen in July. In both auctions, total amount realized was PKR 106.9bn against the target of PKR 1,000Bn and maturity of 1,094Bn.

SBP also conducted PIB auction where all bids were received in 3Yr, 5Yr and 10Yr categories; cutoffs for the same were settled at 13.70%, 13.80% and 13.70% respectively. Total amount realized was PKR 118.44bn against Target of PKR 100bn; however auction observed total participation of PKR 241bn.

## Equity Review

Pakistan equity market continued with its declining trend for the fifth consecutive month in a row as investor remained anxious over concerns related to weak economic growth, another round of currency devaluation and expectation of further hike in discount rate due to elevated inflationary pressure and currency depreciation. Resultantly, benchmark KSE-100 index lost 2,073 points during the month of June 2019, recorded a decline of 5.76% on month-on-month (MoM) basis and closed at 33,902 points. Average Daily Traded Volume (ADTV) increased by 9.69% on MoM basis during the month and stood at 135.17mn shares. Dismal performance in most of the months during the year took the market to post a decline of 19.11% during fiscal year 2019 (FY19). Worsening economic condition along with continued monetary tightening and currency devaluation remained the major concerns of the investors during FY19.

Budget announcement for FY20 was taken positively by the market as the budget favors equity market by imposing higher taxes on profits made on other major asset classes including property market and debt securities whereas CGT regime for the equity market was also kept unchanged. Additionally, investor sentiment was uplifted due to the government increasing the PSDP allocation to PKR 701bn compared to PKR 500bn last year. However, deteriorated economic condition coupled with hike in gas tariffs and continued currency depreciation where PKR touched all-time low of 164.50 per USD overshadowed the budget positives and shake investors' confidence. Additionally, heightened political noise and opposition to various proposals in the FY20 Budget also affected market performance.

On the sector front, Banks dragged down the index due to investors' concerns over higher taxes on profit on debt coupled with expected implementation of a Treasury Single Account (TSA), which could possibly lead to the transfer of Government deposits to the Central Bank. Despite currency devaluation, E&P sector recorded decline due to downward movement in global oil prices. Fertilizers also added to the index decline over increase in gas prices. Cements also remained depressed due to pricing pressure. OMC's were negatively impacted by the currency depreciation.

Foreign investors remained cautious during the month of June 2019 as Foreign Investors Portfolio Investment (FIPI) recorded a net selling of USD 4.94mn during the month of June 2019 as compared to net buying of USD 18.42mn during May 2019. Major foreign selling took place in E&Ps and Fertilizers. During FY19, FIPI recorded a net selling of USD 355.95mn as compared to net selling of USD 288.56mn during the corresponding period last year.

Going forward, market could show positive momentum post approval of another bailout package by the IMF board expected on July 3, 2019. Moreover, financial package from Qatar along with oil and LNG deferred payment facilities will provide short term breather to our declining reserves and may be helpful in reviving investors' sentiments in the near term. However, government's pledge to take action against tax-evaders could result in short-term volatility. Additionally, precarious macro-economic situation is expected to persist in the near term and may continue to hamper market performance.

### MUFAP's recommended format

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the Investment policies and the risks involved.

# Faysal Money Market Fund

| FUND INFORMATION                 |   |
|----------------------------------|---|
| Fund Type                        | Open Ended  |
| Category                         | Money Market Scheme   |
| Stability Rating                 | AA (f) (PACRA)  |
| Risk Profile                     | Low   |
| Launch Date                      | December 13, 2010   |
| Custodian/Trustee                | CDC   |
| Auditor                          | Deloitte Yousuf Adil, Chartered Accountants   |
| Management Fee*                  | 7.50% of gross earnings (min 0.50% p.a., max 0.80% p.a.) of average daily net assets  |
| Front/Back end Load              | Nil   |
| Min Subscription                 | PKR 5,000   |
| Benchmark                        | 70% Three months PKRV rates + 30% three months average deposit rates of three AA rated scheduled Banks                                  |
| Pricing Mechanism                | Backward  |
| Dealing Days                     | Monday-Friday   |
| Cut-Off Timing                   | 9:00 am - 5:00 pm   |
| AMC Rating                       | AM3+ (VIS)  |
| NAV per Unit (PKR)               | 101.7089  |
| Net Assets (PKR mn)              | 2,768.78  |
| Leverage                         | Nil   |
| Weighted Average Maturity        | 10.41 days  |
| Total Expense Ratio (Annualized) | 1.27% <small>TER includes 0.37% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 1.27% <small>TER includes 0.37% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

\*Effective from October 08, 2018

## Investment Objective

Faysal Money Market Fund (FMMF) seeks to provide stable and competitive returns in line with the money markets exhibiting low volatility consistent with capital preservation by constructing a liquid portfolio of low risk short term investments yielding competitive returns.

| TOP PORTFOLIO HOLDINGS (% OF TOTAL ASSETS) |           |       |
|--|-----------|-------|
| Hub Power Company Ltd. - ST Sukuk (6M)     | 02-Apr-19 | 9.99% |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

**Non-Compliance Disclaimer:** Faysal Money Market Fund holds below mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

| NON COMPLIANCE                                    |                      |                |
|---|----------------------|----------------|
| Name of non-compliant investment/Investment Limit | Exposure Limit Range | Actual Holding |
| Hub Power – Short Term CP Sukuk                   | 10.00%               | 10.11%         |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 8,247,857 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.30 (0.30%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Money Market Fund (FMMF) yielded an annualized return of 11.92% on month-on-month basis relative to its benchmark of 11.66%. During the month your fund shifted major exposure from T-bills to mainly daily product accounts which at month end started to offer attractive yields. Going forward, fund management is in negotiations with commercial banks for a better daily product rate.

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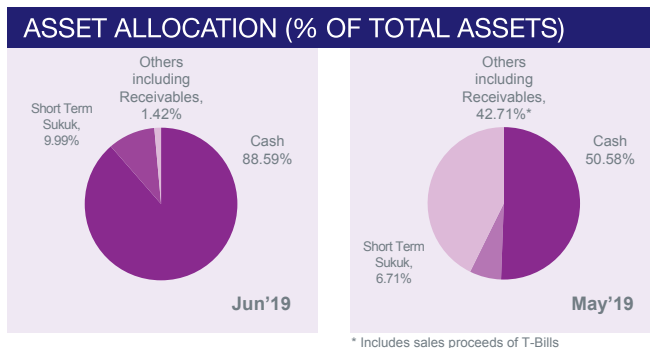
| FUND RETURNS                      |        |           |  |  |
|-----------------------------------|--------|-----------|--|--|
| (Annualized % p.a Holding Period) | FMMF   | Benchmark |  |  |
| FY19 to Date                      | 8.87%  | 8.72%     |  |  |
| Month on Month                    | 11.92% | 11.66%    |  |  |
| 1 year Trailing                   | 8.87%  | 8.72%     |  |  |

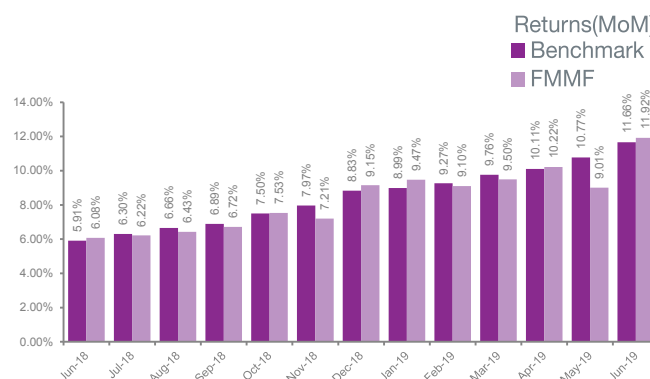
| Returns (%)     | FY19  | FY18  | FY17  | FY16  | FY15  |
|-----------------|-------|-------|-------|-------|-------|
| FMMF            | 8.87% | 5.23% | 7.14% | 5.67% | 8.64% |
| Benchmark (YTD) | 8.72% | 5.35% | 5.25% | 5.34% | 7.72% |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



| ASSET QUALITY (% OF TOTAL ASSETS)                              |        |
|--|--------|
| Government Securities  | 0.00%  |
| AAA  | 80.32% |
| AA+  | 17.89% |
| AA   | 0.37%  |
| NR (include receivables against sale of Government Securities) | 1.42%  |



# Faysal Savings Growth Fund

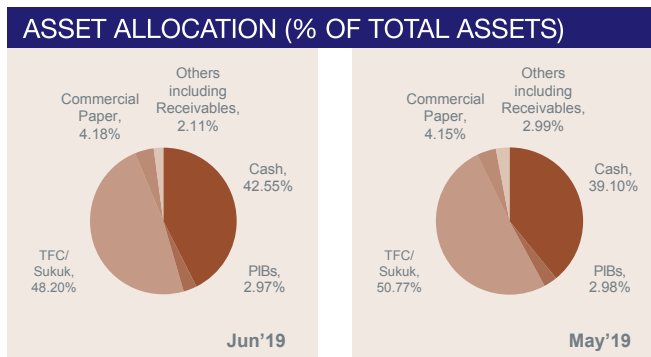
| FUND INFORMATION                 |  |
|----------------------------------|--|
| Fund Type                        | Open Ended   |
| Category                         | Income scheme  |
| Stability Rating                 | AA- (f) (PACRA)  |
| Risk Profile                     | Low  |
| Launch Date                      | May 12, 2007   |
| Custodian/Trustee                | CDC  |
| Auditor                          | Deloitte Yousuf Adil,<br>Chartered Accountants   |
| Management Fee                   | 1.50%  |
| Front/Back end Load              | FEL up to 2% of NAV & BEL 0%   |
| Min Subscription                 | PKR. 5,000   |
| Benchmark                        | Six months KIBOR rates   |
| Pricing Mechanism                | Forward  |
| Dealing Days                     | Monday-Friday  |
| Cut-Off Timing                   | 9:00 am - 5:00 pm  |
| AMC Rating                       | AM3+ (VIS)   |
| NAV per Unit (PKR)               | 102.39   |
| Net Assets (PKR mn)              | 1,569.98   |
| Leverage                         | Nil  |
| Weighted Average Maturity        | 2.06 Yr  |
| Total Expense Ratio (Annualized) | 2.40% <small>TER includes 0.45% representing government levy SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 2.40% <small>TER includes 0.45% representing government levy SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

| FUND RETURNS                      |        |           |
|-----------------------------------|--------|-----------|
| (Annualized % p.a) Holding Period | FSGF   | Benchmark |
| FY19 to Date                      | 7.59%  | 10.21%    |
| Month on Month                    | 12.28% | 13.05%    |
| 1 year Trailing                   | 7.59%  | 10.21%    |

| Returns (%)     | FY19   | FY18  | FY17  | FY16  | FY15   |
|-----------------|--------|-------|-------|-------|--------|
| FSGF            | 7.59%  | 4.90% | 5.99% | 7.75% | 12.81% |
| Benchmark (YTD) | 10.21% | 6.35% | 6.10% | 6.50% | 6.61%  |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



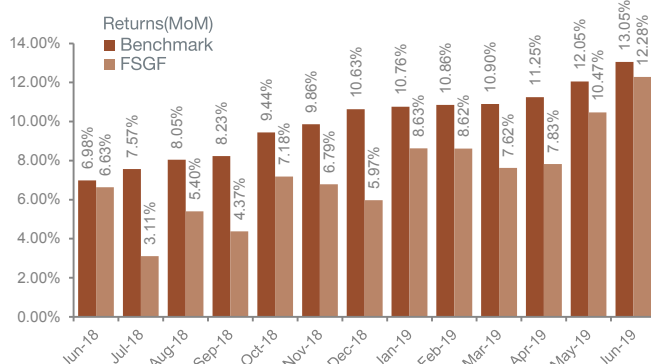
## Investment Objective

To generate competitive returns by investing primarily in debt and fixed income instruments having investment grade credit rating.

| ASSET QUALITY (% OF TOTAL ASSETS)                    |        |
|--|--------|
| Government Securities                                | 2.97%  |
| AAA  | 35.46% |
| AA+  | 15.71% |
| AA   | 17.82% |
| AA-  | 16.28% |
| A+   | 9.64%  |
| A  | 0.02%  |
| NR (include receivables against sale of investments) | 2.11%  |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

| TFCs/SUKUK Holdings (% of Total Assets)   |           |        |  |
|---|-----------|--------|--|
| International Brands Ltd. (IBLHL) - Sukuk | 15-Nov-17 | 10.30% |  |
| JS Bank Ltd. - TFC                        | 14-Dec-16 | 9.64%  |  |
| Bank Of Punjab - TFC                      | 23-Dec-16 | 7.72%  |  |
| Jahangir Siddiqui & Company Ltd. - TFC    | 06-Mar-18 | 5.97%  |  |
| Jahangir Siddiqui & Company Ltd. - TFC    | 18-Jul-17 | 5.24%  |  |
| Hub Power Company Limited - CP (3M)       | 23-Apr-19 | 4.18%  |  |
| Dawood Hercules Corporation Ltd. - Sukuk  | 01-Mar-18 | 3.66%  |  |
| Askari Bank Ltd. - TFC                    | 30-Sep-14 | 2.52%  |  |
| TPL Corporation Ltd. - TFC                | 19-Dec-17 | 2.40%  |  |
| Dawood Hercules Corporation Ltd. - Sukuk  | 16-Nov-17 | 0.75%  |  |



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| NON COMPLIANCE                                       |                 |                 |                                 |                                 |        |                    |   |                    |  |                 |                   |
|--|-----------------|-----------------|---------------------------------|---------------------------------|--------|--------------------|---|--------------------|--|-----------------|-------------------|
| Name of Non-Complaint Investment                     | Rating required | Existing Rating | Required Exposure as a % of NAV | Existing Exposure as a % of NAV | Breach | Type of Instrument | Value of Investment before provisioning | Provision (If any) | Value of Investment after provisioning | % of Net Assets | % of Total Assets |
| Jahangir Siddiqui & Company Ltd. - TFC (18 Jul 2017) | BBB             | AA+             | 10.00%                          | 11.52%                          | 1.52%  | TFC                | 87,237,500                              | -                  | 87,237,500                             | 5.56%           | 11.21%            |
| Jahangir Siddiqui & Company Ltd. - TFC (06 Mar 2018) | BBB             | AA+             | 10.00%                          |                                 |        | TFC                | 99,350,000                              |                    | 99,350,000                             | 6.33%           |                   |
| JS Bank Limited (14 Dec 2016)                        | BBB             | A+              | 10.00%                          | 10.23%                          | 0.23%  | TFC                | 160,532,267                             | -                  | 160,532,267                            | 10.23%          | 9.64%             |
| International brands Limited - Sukuk (15 Nov 2017)   | BBB             | AA              | 10.00%                          | 10.92%                          | 0.92%  | Sukuk              | 171,412,500                             |                    | 171,412,500                            | 10.92%          | 10.30%            |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 11,027,087 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.72 (0.70%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Savings Growth Fund (FSGF) yielded an annualized return of 12.28% on monthly basis. As a measure of our consolidation strategy funds were placed in higher yielding daily product bank accounts, while TFC exposure maintained at 48.20%. Going forward, the fund will continue to build exposure in lucrative investment avenues and enhance yields with a proactive investment strategy.

MUFAP's recommended format

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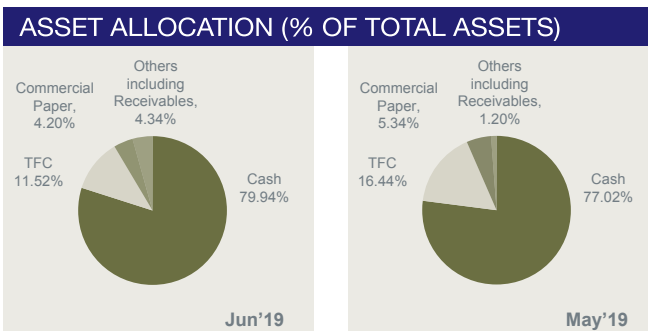
# Faysal Financial Sector Opportunity Fund

| FUND INFORMATION                 |  |
|----------------------------------|--|
| Fund Type                        | Open Ended   |
| Category                         | Income scheme  |
| Stability Rating                 | AA-(f) (PACRA)   |
| Risk Profile                     | Moderate   |
| Launch Date                      | July 5, 2013   |
| Custodian/Trustee                | CDC  |
| Auditor                          | EY Ford Rhodes,<br>Chartered Accountants   |
| Management Fee                   | 0.50%  |
| Front end Load                   | Up to 2% of NAV  |
| Back end Load                    | Nil  |
| Min Subscription                 | PKR. 5,000   |
| Benchmark                        | Six months KIBOR rates   |
| Pricing Mechanism                | Forward  |
| Dealing Days                     | Monday-Friday  |
| Cut-Off Timing                   | 9:00 am - 5:00 pm  |
| AMC Rating                       | AM3+ (VIS)   |
| NAV per Unit (PKR)               | 101.79   |
| Net Assets(PKR mn)               | 702.44   |
| Leverage                         | Nil  |
| Weighted Average Maturity        | 0.22 Yr  |
| Total Expense Ratio (Annualized) | 1.28% <small>TER includes 0.33% representing government levy SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 1.28% <small>TER includes 0.33% representing government levy SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

| FUND RETURNS                      |        |       |        |           |       |
|-----------------------------------|--------|-------|--------|-----------|-------|
| (Annualized % p.a) Holding Period |        |       | FFSOF  | Benchmark |       |
| FY19 to Date                      |        |       | 8.81%  | 10.21%    |       |
| Month on Month                    |        |       | 11.56% | 13.05%    |       |
| 1 year Trailing                   |        |       | 8.81%  | 10.21%    |       |
| Returns (%)                       | FY19   | FY18  | FY17   | FY16      | FY15  |
| FFSOF                             | 8.81%  | 4.85% | 5.27%  | 7.08%     | 7.41% |
| Benchmark (YTD)                   | 10.21% | 6.35% | 6.10%  | 5.88%     | 8.22% |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



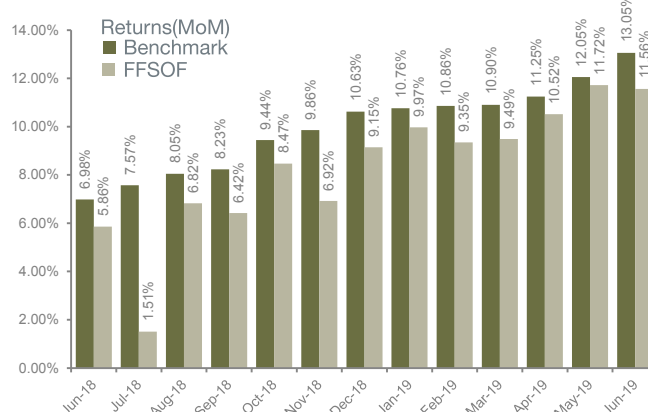
## Investment Objective

Faysal Financial Sector Opportunity Fund (FFSOF) seeks to provide a competitive rate of returns to its investors by investing in money market and debt instruments with major exposure in financial sector instruments.

| ASSET QUALITY (% OF TOTAL ASSETS)                    |        |
|--|--------|
| AAA  | 58.01% |
| AA+  | 13.13% |
| AA   | 1.91%  |
| AA-  | 22.04% |
| A+   | 0.57%  |
| NR (include receivables against sale of investments) | 4.34%  |

| TFCs/SUKUK Holdings (% of Total Assets) |           |       |
|---|-----------|-------|
| Hub Power Company Limited - CP (3M)     | 23-Apr-19 | 4.20% |
| Hub Power Company Limited - Sukuk (9M)  | 27-Feb-19 | 3.52% |
| Hub Power Company Limited - Sukuk (6M)  | 2-Apr-19  | 3.52% |
| Jahangir Siddiqui & Company Ltd - TFC   | 6-Mar-18  | 1.40% |
| Bank Alfalah Ltd. - TFC                 | 20-Feb-13 | 1.26% |
| Bank Of Punjab - TFC                    | 23-Dec-16 | 1.25% |
| JS Bank Ltd. - TFC                      | 14-Dec-16 | 0.57% |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |



The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 1,324,937 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.19 (0.19%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Financial Sector Opportunity Fund (FFSOF) yielded an annualized return of 11.56% on monthly basis. Cash allocations with banks were maintained at 79.94% at the end of the month whereas exposure in financial TFC's stood at 11.52%. Given current allocation susceptibility of the portfolio is significantly reduced, making it more suitable for long term investors with requiring a sustainable income.

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# Faysal Islamic Savings Growth Fund

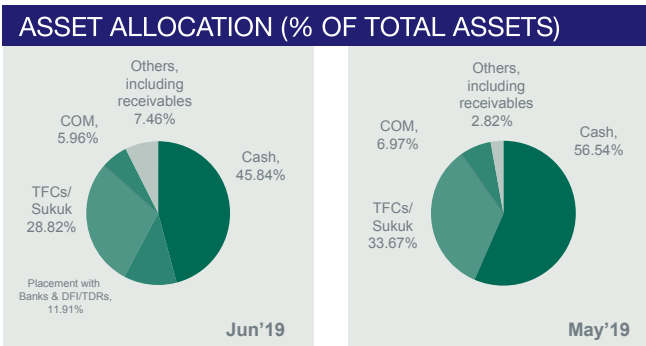
| FUND INFORMATION                 |   |
|----------------------------------|---|
| Fund Type                        | Open Ended  |
| Category                         | Islamic Income Scheme   |
| Stability Rating                 | A+(f) (VIS)   |
| Risk Profile                     | Low   |
| Launch Date                      | June 14, 2010   |
| Custodian/Trustee                | CDC   |
| Auditor                          | Deloitte Yousuf Adil, Chartered Accountants   |
| Management Fee*                  | 10% of gross earnings (min 0.90% p.a. , max 1.50% p.a.) of average daily net assets   |
| Front/Back end Load              | FEL up to 2% of NAV & BEL 0%  |
| Min Subscription                 | PKR. 5,000  |
| Benchmark                        | Six months average deposit rates of three A rated scheduled Islamic Banks or Islamic windows of conventional Banks                      |
| Pricing Mechanism                | Forward   |
| Dealing Days                     | Monday-Friday   |
| Cut-Off Timing                   | 9:00 am - 5:00 pm   |
| AMC Rating                       | AM3+ (VIS)  |
| NAV per Unit (PKR)               | 102.97  |
| Net Assets (PKR mn)              | 1,643.37  |
| Leverage                         | Nil   |
| Weighted Average Maturity        | 0.67 Yr   |
| Total Expense Ratio (Annualized) | 1.71% <small>TER includes 0.40% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 1.71% <small>TER includes 0.40% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

\*Effective from January 01, 2018

| FUND RETURNS                      |       |        |       |           |       |
|-----------------------------------|-------|--------|-------|-----------|-------|
| (Annualized % p.a) Holding Period |       | FISGF  |       | Benchmark |       |
| FY19 to Date                      |       | 7.85%  |       | 3.69%     |       |
| Month on Month                    |       | 11.28% |       | 5.19%     |       |
| 1 year Trailing                   |       | 7.85%  |       | 3.69%     |       |
| Returns (%)                       | FY19  | FY18   | FY17  | FY16      | FY15  |
| FISGF                             | 7.85% | 4.42%  | 5.30% | 5.50%     | 8.22% |
| Benchmark (YTD)                   | 3.69% | 2.44%  | 3.11% | 4.68%     | 6.61% |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



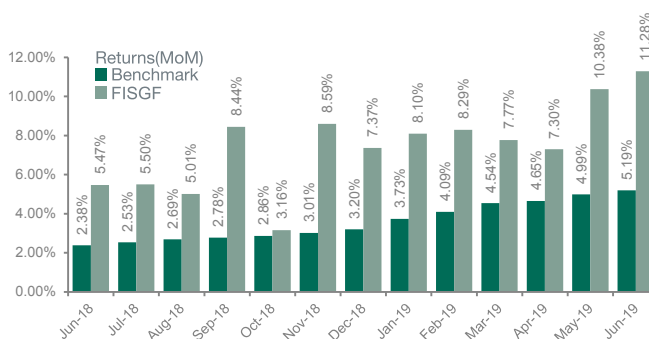
## Investment Objective

Faysal Islamic Savings Growth Fund (FISGF) seeks to provide maximum possible preservation of capital and a reasonable rate of return via investing in Shariah Compliant money market and debt securities having good credit quality rating and liquidity.

| SUKUK HOLDINGS (% OF TOTAL ASSETS)        |           |       |  |
|---|-----------|-------|--|
| International Brands Ltd. (IBLHL) - Sukuk | 15-Nov-17 | 7.00% |  |
| Hub Power Company Limited - Sukuk (9M)    | 27-Feb-19 | 4.17% |  |
| Dawood Hercules Corporation Ltd. - Sukuk  | 01-Mar-18 | 3.57% |  |
| Dawood Hercules Corporation Ltd. - Sukuk  | 16-Nov-17 | 3.53% |  |
| TPL Corporation Ltd. - Sukuk              | 13-Apr-16 | 3.16% |  |
| BYCO Petroleum Pakistan Ltd. - Sukuk      | 18-Jan-17 | 2.70% |  |
| Ghani Gases Ltd. - Sukuk                  | 02-Feb-17 | 2.16% |  |
| Hub Power Company Limited - Sukuk (6M)    | 02-Apr-19 | 1.19% |  |
| Engro Corporation Ltd. - Sukuk            | 11-Jul-14 | 0.72% |  |
| Engro Fertilizer Ltd. - Sukuk             | 09-Jul-14 | 0.63% |  |

| ASSET QUALITY (% OF TOTAL ASSETS)                    |        |
|--|--------|
| AAA  | 2.70%  |
| AA+  | 6.32%  |
| AA   | 35.69% |
| AA-  | 0.00%  |
| A+   | 26.12% |
| A  | 21.70% |
| A-   | 0.00%  |
| NR (include receivables against sale of investments) | 7.46%  |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |



The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 4,534,814 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.28 (0.28%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Islamic Savings and Growth Fund (FISGF) yielded an annualized return of 11.28% on monthly basis relative to its benchmark of 5.19%, whereas the return over financial year clocked in at 7.85%. During the month, your fund's exposure towards Islamic Corporate Securities (Sukuk) maintained at 28.82%, whereas exposure in cash stood at 45.84%. Going forward, your fund will continue to explore Islamic investment avenues in order to provide competitive returns.GF

### MUFAP's recommended format

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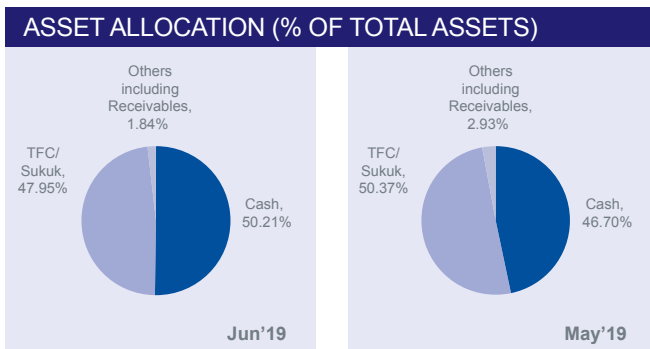
# Faysal Income & Growth Fund

| FUND INFORMATION                 |   |
|----------------------------------|---|
| Fund Type                        | Open Ended  |
| Category                         | Aggressive Fixed Income Scheme  |
| Stability Rating                 | A(f) (PACRA)  |
| Risk Profile                     | Medium  |
| Launch Date                      | October 10, 2005  |
| Custodian/Trustee                | CDC   |
| Auditor                          | Deloitte Yousuf Adil,<br>Chartered Accountants  |
| Management Fee                   | 1.50%   |
| Front/Back end Load              | FEL up to 2% of NAV & BEL 0%  |
| Min Subscription                 | PKR. 5,000  |
| Benchmark                        | One year KIBOR rates  |
| Pricing Mechanism                | Forward   |
| Dealing Days                     | Monday-Friday   |
| Cut-Off Timing                   | 9:00 am - 5:00 pm   |
| AMC Rating                       | AM3+ (VIS)  |
| NAV per Unit (PKR)               | 106.36  |
| Net Assets (PKR mn)              | 544.83  |
| Leverage                         | Nil   |
| Weighted Average Maturity        | 2.62 Yr   |
| Total Expense Ratio (Annualized) | 2.39% <small>TER includes 0.43% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 2.39% <small>TER includes 0.43% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

| FUND RETURNS                      |        |       |        |       |           |
|-----------------------------------|--------|-------|--------|-------|-----------|
| (Annualized % p.a) Holding Period |        |       | FIGF   |       | Benchmark |
| FY19 to Date                      |        |       | 7.81%  |       | 10.73%    |
| Month on Month                    |        |       | 11.94% |       | 13.55%    |
| 1 year trailing                   |        |       | 7.81%  |       | 10.73%    |
| Returns (%)                       | FY19   | FY18  | FY17   | FY16  | FY15      |
| FIGF                              | 7.81%  | 5.15% | 4.56%  | 9.41% | 12.14%    |
| Benchmark (YTD)                   | 10.73% | 6.69% | 6.40%  | 6.59% | 9.03%     |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



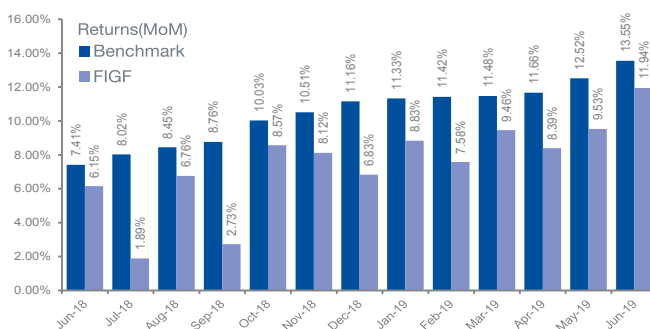
## Investment Objective

Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

| TFCs/SUKUK HOLDINGS (% OF TOTAL ASSETS)  |           |        |  |
|--|-----------|--------|--|
| Bank Of Punjab - TFC                     | 23-Dec-16 | 11.31% |  |
| JS Bank Ltd. - TFC                       | 14-Dec-16 | 10.43% |  |
| Khushali Microfinance Bank - TFC         | 19-Mar-18 | 8.66%  |  |
| Dawood Hercules Corporation Ltd. - Sukuk | 01-Mar-18 | 8.65%  |  |
| TPL Corporation Ltd. - TFC               | 19-Dec-17 | 4.61%  |  |
| JS Bank Ltd. - TFC                       | 29-Dec-17 | 4.29%  |  |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

| ASSET QUALITY (% OF TOTAL ASSETS)                    |        |
|--|--------|
| AAA  | 0.05%  |
| AA+  | 47.88% |
| AA   | 9.68%  |
| AA-  | 16.75% |
| A+   | 14.73% |
| A  | 9.08%  |
| NR (include receivables against sale of investments) | 1.84%  |



**Non-Compliance Disclaimer:** Faysal Income & Growth Fund holds below mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

| NON COMPLIANCE                    |                 |                 |                                 |                                 |        |                    |   |                    |  |                 |                   |
|-----------------------------------|-----------------|-----------------|---------------------------------|---------------------------------|--------|--------------------|---|--------------------|--|-----------------|-------------------|
| Name of Non-Complaint Investment  | Rating Required | Existing Rating | Required Exposure as a % of NAV | Existing Exposure as a % of NAV | Breach | Type of Instrument | Value of Investment before provisioning | Provision (If any) | Value of Investment after provisioning | % of Net Assets | % of Total Assets |
| JS Bank Limited (14 Dec 2016)     | BBB             | A+              | 10.00%                          | 15.60%                          | 5.60%  | TFC                | 60,199,600                              | -                  | 60,199,600                             | 11.05%          | 14.72%            |
| JS Bank Limited (29 Dec 2017)     | BBB             | A+              | 10.00%                          |                                 |        | TFC                | 24,752,595                              | -                  | 24,752,595                             | 4.54%           |                   |
| The Bank of Punjab-TFC (23-12-16) | BBB             | AA-             | 10.00%                          | 11.99%                          | 1.99%  | TFC                | 65,291,144                              | -                  | 65,291,144                             | 11.06%          | 11.31%            |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 4,157,282 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.0.81 (0.76%). For details investors are advised to read the Note 7.2 of the latest financial statements for the the quarter ended March 31, 2019.

## Performance Review

Faysal Income and Growth Fund (FIGF) yielded an annualized return of 11.94% on monthly basis whereas the return over FYTD basis clocked in at 7.81%. During the month, cash allocations stood at 50.21% and exposure in TFCs was at 47.95%. Going forward, your fund will strive to maximize returns in a competitive macroeconomic landscape.

## MUFAP's recommended format

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# Faysal Asset Allocation Fund

## FUND INFORMATION

|                                  |  |
|----------------------------------|--|
| Fund Type                        | Open Ended   |
| Category                         | Asset Allocation Scheme  |
| Risk Profile                     | Moderate to High Risk  |
| Launch Date                      | July 24, 2006  |
| Custodian/Trustee                | CDC  |
| Auditor                          | Deloitte Yousuf Adil,<br>Chartered Accountants   |
| Management Fee                   | 2%   |
| Front/Back end Load              | FEL up to 3% of NAV & BEL 0%   |
| Min Subscription                 | PKR. 5,000   |
| Benchmark*                       | KSE100 Index / 6M KIBOR  |
| Pricing Mechanism                | Forward  |
| Dealing Days                     | Monday-Friday  |
| Cut-Off Timing                   | 9:00 am - 5:00 pm  |
| AMC Rating                       | AM3+ (VIS)   |
| NAV per Unit (PKR)               | 42.57  |
| Net Assets (PKR mn)              | 95.05  |
| Leverage                         | Nil  |
| Total Expense Ratio (Annualized) | 4.27%<br><small>TER includes 0.49% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 4.27%<br><small>TER includes 0.49% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

\* Weighted average of 6M KIBOR & percentage invested in Equities

## FUND RETURNS

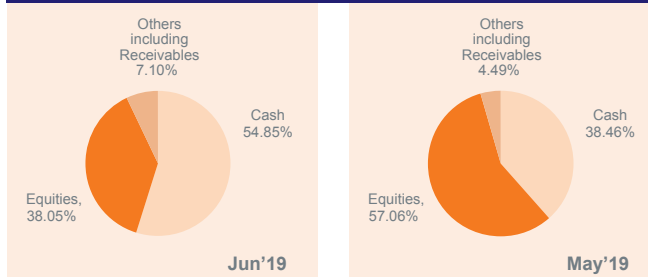
| (Absolute % p.a) Holding Period | FAAF    | Benchmark |
|---------------------------------|---------|-----------|
| FY19 to Date                    | -20.96% | -7.32%    |
| Month on Month                  | -3.47%  | -2.79%    |
| 1 year trailing                 | -20.96% | -7.32%    |

| Returns (%)     | FY 19   | FY 18   | FY 17  | FY 16  | FY 15  |
|-----------------|---------|---------|--------|--------|--------|
| FAAF            | -20.96% | -21.64% | 4.67%  | -2.46% | 16.16% |
| Benchmark (YTD) | -7.32%  | -5.79%  | 20.73% | 9.14%  | 13.44% |

Note : Funds returns computed on absolute basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.

## ASSET ALLOCATION (% OF TOTAL ASSETS)



## Investment Objective

Faysal Asset Allocation Fund (FAAF) endeavors to provide investors with an opportunity to earn long-term capital appreciation optimizing through broad mix of asset classes encompassing equity, fixed income & money market instruments.

## SECTOR ALLOCATIONS (% OF TOTAL ASSETS)

|                                 | Jun'19 | May'19 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 15.83% | 18.18% |
| Commercial Banks                | 9.46%  | 12.06% |
| Chemical                        | 7.87%  | 6.81%  |
| Oil & Gas Marketing Companies   | 2.28%  | 6.78%  |
| Fertilizer                      | 2.13%  | 2.39%  |
| Others                          | 0.48%  | 10.84% |

## ASSET QUALITY (% OF TOTAL ASSETS)

|                                 |        |
|---------------------------------|--------|
| AAA                             | 0.18%  |
| AA+                             | 36.11% |
| AA                              | 3.81%  |
| AA-                             | 14.75% |
| A+                              | 0.01%  |
| NR (Include Equity Investments) | 45.15% |

## INVESTMENT COMMITTEE

|                        |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

**Non-Compliance Disclaimer:** Faysal Asset Allocation Fund holds below mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

## TOP TEN HOLDINGS

|                                       | ASSET CLASS | % OF TOTAL ASSETS |
|---------------------------------------|-------------|-------------------|
| Oil & Gas Development Company Limited | Equity      | 5.68%             |
| Engro Polymer & Chemicals Limited     | Equity      | 5.23%             |
| Bank Alfalah Limited                  | Equity      | 5.06%             |
| Pakistan Petroleum Limited            | Equity      | 3.94%             |
| Pakistan Oilfields Limited            | Equity      | 3.58%             |
| Mari Petroleum Company Limited        | Equity      | 2.62%             |
| Sui Northern Gas Pipelines Limited    | Equity      | 2.28%             |
| Engro Corporation Limited             | Equity      | 2.13%             |
| Lotte Chemical Pakistan Limited       | Equity      | 2.12%             |
| Allied Bank Limited                   | Equity      | 2.08%             |

## NON COMPLIANCE

| Name of Non-Compliant Investment | Rating required | Existing Rating | Required Exposure as a % of NAV | Existing Exposure as a % of NAV | Breach | Type of Instrument | Value of Investment before provisioning | Provision (If any) | Value of Investment after provisioning | % of Net Assets | % of Total Assets |
|----------------------------------|-----------------|-----------------|---------------------------------|---------------------------------|--------|--------------------|---|--------------------|--|-----------------|-------------------|
| Trust Investment Bank Limited*   | BBB             | Withdrawn       | 10%                             | -                               | -      | TFC                | 13,137,042                              | 13,137,042         | -                                      | -               | -                 |

\* Fully provided.

| Name of non-compliant investment/Investment Limit | Minimum Net Assets (Rs. In Million) | Net Assets (Rs. In Million) |
|---|-------------------------------------|-----------------------------|
| Faysal Asset Allocation Fund                      | 100                                 | 94.03                       |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 636,886 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.28 (0.67%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Asset Allocation Fund posted a negative return of 3.47% on monthly basis relative to negative return of its benchmark of 2.79%. During the month, your fund's equity exposure was reduced to 38.05% from 57.06% last month in expectation of further downside in the market post budget announcement and continued currency devaluation. Going forward, your fund will devise its portfolio strategy whilst keeping in view the dynamics of different asset classes available.

## MUFAP's recommended format

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# Faysal Stock Fund

## FUND INFORMATION

|                                  |  |
|----------------------------------|--|
| Fund Type                        | Open Ended   |
| Category                         | Equity Scheme  |
| Risk Profile                     | High   |
| Launch Date                      | April 19, 2004   |
| Custodian/Trustee                | CDC  |
| Auditor                          | EY Ford Rhodes Chartered Accountants   |
| Management Fee                   | 2%   |
| Front/Back end Load              | FEL up to 3% of NAV & BEL 0%   |
| Min Subscription                 | PKR. 5,000   |
| Benchmark*                       | KSE 100 index  |
| Pricing Mechanism                | Forward  |
| Dealing Days                     | Monday-Friday  |
| Cut-Off Timing                   | 9:00 am - 5:00 pm  |
| AMC Rating                       | AM3+ (VIS)   |
| NAV per Unit (PKR)               | 43.07  |
| Net Assets (PKR mn)              | 116.48   |
| Leverage                         | Nil  |
| Total Expense Ratio (Annualized) | 4.33% <small>TER includes 0.50% representing government levy/SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 4.33% <small>TER includes 0.50% representing government levy/SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

## FUND RETURNS

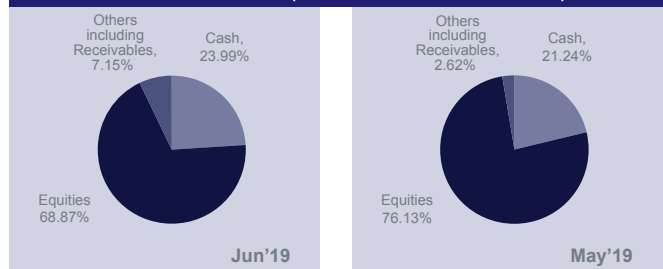
| (Absolute % p.a) Holding Period | FSF     | Benchmark |
|---------------------------------|---------|-----------|
| FY19 to Date                    | -28.24% | -19.11%   |
| Month on Month                  | -6.55%  | -5.76%    |
| 1 year trailing                 | -28.24% | -19.11%   |

| Returns (%)     | FY19    | FY18    | FY17   | FY16  | FY15   |
|-----------------|---------|---------|--------|-------|--------|
| FSF             | -28.24% | -18.31% | 14.30% | 7.39% | 19.83% |
| Benchmark (YTD) | -19.11% | -10.00% | 17.32% | 8.60% | 12.42% |

Note : Funds returns computed on absolute basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.

## ASSET ALLOCATION (% OF TOTAL ASSETS)



## Investment Objective

The objective of Faysal Stock Fund (FSF) is to provide capital growth by investing primarily in a diversified pool of equities and equity related investments. So as to diversify fund risk and to optimize potential returns.

## SECTOR ALLOCATIONS (% OF TOTAL ASSETS)

|                                 | Jun'19 | May'19 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 26.18% | 20.79% |
| Chemical                        | 17.80% | 11.84% |
| Commercial Banks                | 12.71% | 17.25% |
| Fertilizer                      | 4.59%  | 4.66%  |
| Oil & Gas Marketing Companies   | 3.64%  | 10.19% |
| Others                          | 3.95%  | 11.39% |

## ASSET QUALITY (% OF TOTAL ASSETS)

|                                 |        |
|---------------------------------|--------|
| AAA                             | 0.11%  |
| AA+                             | 16.93% |
| AA                              | 0.96%  |
| AA-                             | 5.99%  |
| A+                              | 0.01%  |
| NR (Include Equity Investments) | 76.01% |

## INVESTMENT COMMITTEE

|                        |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

## TOP TEN HOLDINGS (% OF TOTAL ASSETS)

|                                       |       |
|---------------------------------------|-------|
| Engro Polymer & Chemicals Limited     | 8.84% |
| Oil & Gas Development Company Limited | 7.10% |
| Lotte Chemical Pakistan Limited       | 7.09% |
| Pakistan Oilfields Limited            | 6.67% |
| Pakistan Petroleum Limited            | 6.67% |
| Mari Petroleum Company Limited        | 5.73% |
| Engro Corporation Limited             | 4.59% |
| Bank Alfalah Limited                  | 4.34% |
| Sui Northern Gas Pipelines Limited    | 3.64% |
| United Bank Limited                   | 3.18% |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 1,082,489 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.40 (0.93%). For details investors are advised to read the Note 7.2 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Stock Fund (Formerly: Faysal Balanced Growth Fund) recorded a negative return of 6.55% on monthly basis relative to negative return of its benchmark of 5.76%. During the month, your fund's equity exposure was reduced to 68.87% to stay safe from the expected downside of the market on account of persisted currency depreciation coupled with tax heavy budget announcement. Going forward, your fund will devise its portfolio strategy to keep a clear view of the political, economic and corporate stance.

## MUFAP's recommended format

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# Faysal Islamic Asset Allocation Fund

## FUND INFORMATION

|                                  |   |
|----------------------------------|---|
| Fund Type                        | Open Ended  |
| Category                         | Shariah Compliant Asset Allocation Scheme   |
| Risk Profile                     | Moderate to High Risk   |
| Launch Date                      | September 9, 2015   |
| Custodian/Trustee                | CDC   |
| Auditor                          | EY Ford Rhodes,<br>Chartered Accountants  |
| Management Fee                   | 2%  |
| Front end Load                   | Up to 3% of NAV   |
| Back end Load                    | Back end - 0 %  |
| Min Subscription                 | PKR. 5,000  |
| Benchmark*                       | KMI- 30 Index/6M Deposit rate for A & above<br>rated Islamic Banks  |
| Pricing Mechanism                | Forward   |
| Dealing Days                     | Monday-Friday   |
| Cut-Off Timing                   | 9:00 am - 5:00 pm   |
| AMC Rating                       | AM3+ (VIS)  |
| NAV per Unit (PKR)               | 64.57   |
| Net Assets (PKR mn)              | 180.03  |
| Leverage                         | Nil   |
| Total Expense Ratio (Annualized) | 3.39% <small>TER includes 0.42% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 3.39% <small>TER includes 0.42% representing government levy, SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

\* Weighted Average Daily Return of KMI-30 Index & 6M Deposit Rate of A & above rated Islamic Banks or Islamic windows of Scheduled Commercial Banks.

## FUND RETURNS

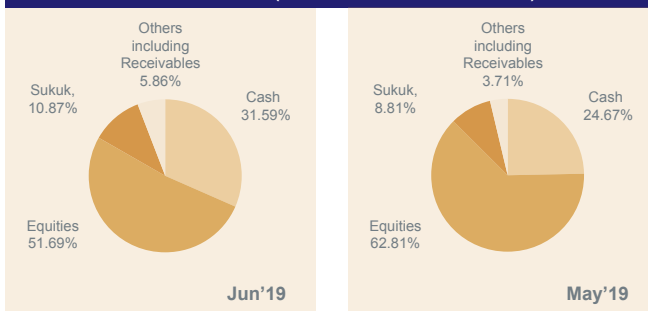
| (Absolute % p.a) Holding Period | FIAAF   | Benchmark |
|---------------------------------|---------|-----------|
| FY19 to Date                    | -19.46% | -13.17%   |
| Month on Month                  | -4.28%  | -5.03%    |
| 1 year trailing                 | -19.46% | -13.17%   |

| Returns (%)     | FY19    | FY18    | FY17   | FY16   | FY15 |
|-----------------|---------|---------|--------|--------|------|
| FIAAF           | -19.46% | -19.77% | 23.04% | -4.02% | -    |
| Benchmark (YTD) | -13.17% | -5.24%  | 15.40% | 14.45% | -    |

Note : Funds returns computed on absolute basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.

## ASSET ALLOCATION (% OF TOTAL ASSETS)



## Investment Objective

The objective of Faysal Islamic Asset Allocation Fund (FIAAF) is to earn competitive riba free return by investing in various Shariah compliant asset classes/instruments based on the market outlook and may easily change allocation to take advantage of directional macro and micro economic trends and undervalued stocks.

## ASSET QUALITY (% OF TOTAL ASSETS)

|  |        |
|--|--------|
| AA+  | 18.57% |
| AA   | 23.78% |
| AA-  | 0.00%  |
| A  | 0.10%  |
| NR (include receivables against sale of investments) | 57.54% |

## INVESTMENT COMMITTEE

|                        |   |
|------------------------|---|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                             |
| Mr. Ayub Khuhro        | Chief Investment Officer                            |
| Mr. Mohammad Qasim     | Manager Risk  |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit<br>(Non-voting) |

## SECTOR ALLOCATIONS (% OF TOTAL ASSETS)

|                                 | Jun'19 | May'19 |
|---------------------------------|--------|--------|
| Oil & Gas Exploration Companies | 24.19% | 24.44% |
| Chemical                        | 11.53% | 11.25% |
| Fertilizer                      | 6.62%  | 6.86%  |
| Commercial Banks                | 3.91%  | 3.74%  |
| Oil & Gas Marketing Companies   | 3.48%  | 7.02%  |
| Others                          | 1.96%  | 9.50%  |

## TOP TEN HOLDINGS

|  | ASSET CLASS | % OF TOTAL ASSETS |
|--|-------------|-------------------|
| Hub Power Company Limited - Sukuk (9M) | Sukuk       | 10.87%            |
| Oil & Gas Development Company Limited  | Equity      | 9.10%             |
| Engro Polymer & Chemicals Limited      | Equity      | 8.42%             |
| Pakistan Oilfields Limited             | Equity      | 6.86%             |
| Engro Corporation Limited              | Equity      | 6.62%             |
| Mari Petroleum Company Limited         | Equity      | 5.13%             |
| Meezan Bank Limited                    | Equity      | 3.91%             |
| Sui Northern Gas Pipelines Limited     | Equity      | 3.44%             |
| Pakistan Petroleum Limited             | Equity      | 3.10%             |
| Lotte Chemical Pakistan Limited        | Equity      | 2.90%             |

The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 1,493,305 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.54 (0.83%). For details investors are advised to read the Note 6.1 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal Islamic Asset Allocation Fund posted a negative return of 4.28% on month-on-month basis relative to its benchmark negative return of 5.03%. During the month, your fund reduced its equity exposure to 51.69% given continued uncertainty in the market on account of worsening economic position of the country. Going forward, your fund will explore lucrative securities in different Islamic asset classes in order to generate alpha.

## MUFAP's recommended format

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the Investment policies and the risks involved.

# Faysal MTS Fund

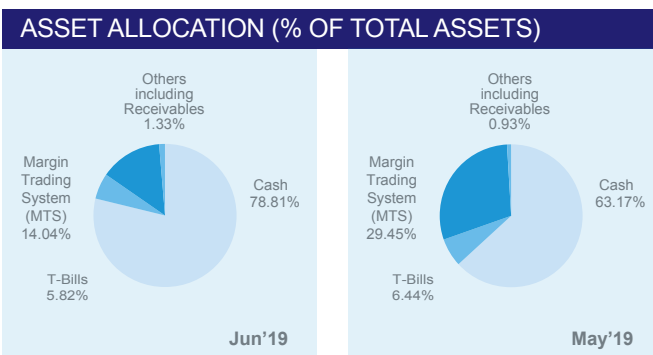
| FUND INFORMATION                 |  |
|----------------------------------|--|
| Fund Type                        | Open Ended   |
| Category                         | Income Scheme  |
| Rating                           | "A+" f (PACRA)   |
| Risk Profile                     | Moderate   |
| Launch Date                      | April 8, 2016  |
| Custodian/Trustee                | CDC  |
| Auditor                          | EY Ford Rhodes,<br>Chartered Accountants   |
| Management Fee                   | 1.00%  |
| Front/Back end Load              | FEL up to 2% of NAV & BEL 0%   |
| Min Subscription                 | PKR. 5,000   |
| Benchmark                        | Six months KIBOR rates   |
| Pricing Mechanism                | Forward  |
| Dealing Days                     | Monday-Friday  |
| Cut-Off Timing                   | 9:00 am - 5:00 pm  |
| AMC Rating                       | AM3+ (VIS)   |
| NAV per Unit (PKR)               | 100.80   |
| Net Assets (PKR mn)              | 838.28   |
| Leverage                         | Nil  |
| Weighted Average Maturity        | 0.03 Yr  |
| Total Expense Ratio (Annualized) | 2.50% <small>TER includes 0.41% representing government levy/SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |
| Total Expense Ratio (Absolute)   | 2.50% <small>TER includes 0.41% representing government levy/SECP fee and Sindh worker welfare Fund excluding reversal of WWF.</small> |

| FUND RETURNS                      |        |           |
|-----------------------------------|--------|-----------|
| (Annualized % p.a) Holding Period | FMTSF  | Benchmark |
| FY19 to Date                      | 9.04%  | 10.21%    |
| Month on Month                    | 11.02% | 13.05%    |
| 1 year trailing                   | 9.04%  | 10.21%    |

| Returns (%)     | FY19   | FY18  | FY17  | FY16  | FY15 |
|-----------------|--------|-------|-------|-------|------|
| FMTSF           | 9.04%  | 5.63% | 6.14% | 5.96% | -    |
| Benchmark (YTD) | 10.21% | 6.35% | 6.10% | 5.51% | -    |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.



## Investment Objective

The objective of Faysal MTS Fund (FMTSF) is to provide competitive returns primarily through investment to MTS market.

| ASSET QUALITY (% OF TOTAL ASSETS) |        |
|-----------------------------------|--------|
| Government Securities             | 5.82%  |
| AAA                               | 42.53% |
| AA+                               | 0.01%  |
| AA                                | 0.70%  |
| AA-                               | 35.58% |
| MTS (Unrated)                     | 14.04% |
| NR                                | 1.33%  |

| INVESTMENT COMMITTEE   |  |
|------------------------|--|
| Mr. Khaldoon Bin Latif | Chief Executive Officer                          |
| Mr. Ayub Khuhro        | Chief Investment Officer                         |
| Mr. Syed Shahid Iqbal  | Sr. Fund Specialist - Fixed Income               |
| Mr. Mohammad Qasim     | Manager Risk                                     |
| Mr. Furqan Miriwala    | Head of Compliance & Internal Audit (Non-voting) |

**Non-Compliance Disclaimer:** Faysal MTS Fund holds below mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

| NON COMPLIANCE  |                      |                |
|---|----------------------|----------------|
| Name of non-compliant investment/Investment Limit   | Exposure Limit Range | Actual Holding |
| Margin Trading System*<br>* Minimum 70% has to be maintained based on quarterly average investment calculated on daily basis. | 70%-90%              | 34.32%         |

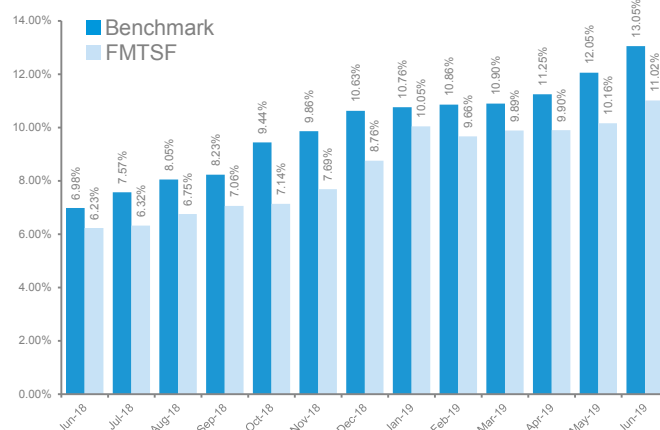
The Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 1,642,871 as at June 30, 2019. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.19 (0.20%). For details investors are advised to read the Note 7.1 of the latest financial statements for the quarter ended March 31, 2019.

## Performance Review

Faysal MTS Fund (FMTSF) yielded an annualized return of 11.02% on month-on-month basis, whereas the return on FYTD basis clocked in at 9.04%. At month end MTS exposure declined to 14.04% due to lower volumes in MTS market. In near future, investors' confidence will primarily derive the yield of your fund.

## MUFAP's recommended format

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| SINCE INCEPTION HISTORICAL RETURNS (ANNUALIZED %) |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | FY06  | FY07   | FY08   | FY09   | FY10   | FY11   | FY12   | FY13   | FY14   | FY15   | FY16   | FY17   | FY18   | FY19   |
| FIGF  | 7.73% | 6.18%  | 10.12% | 9.81%  | 10.06% | 10.00% | 10.50% | 10.37% | 10.20% | 10.39% | 10.30% | 9.81%  | 9.45%  | 9.33%  |
| Benchmark   | 9.34% | 9.86%  | 10.08% | 11.07% | 11.34% | 11.66% | 11.74% | 11.51% | 11.33% | 11.10% | 10.68% | 10.32% | 10.03% | 10.08% |
| FISGF   |       |        |        |        | 9.04%  | 9.68%  | 10.20% | 9.72%  | 9.30%  | 9.12%  | 8.59%  | 8.18%  | 7.75%  | 7.76%  |
| Benchmark   |       |        |        |        | 7.70%  | 8.27%  | 8.42%  | 8.14%  | 7.89%  | 7.68%  | 7.24%  | 6.72%  | 6.23%  | 5.98%  |
| FSGF  |       | 10.42% | 10.19% | 11.04% | 11.02% | 11.02% | 11.04% | 10.70% | 10.46% | 10.72% | 10.42% | 10.01% | 9.57%  | 9.42%  |
| Benchmark   |       | 9.39%  | 9.76%  | 10.95% | 11.32% | 11.72% | 11.82% | 11.54% | 11.32% | 10.79% | 10.35% | 9.96%  | 9.65%  | 9.69%  |
| FMMF  |       |        |        |        |        | 11.20% | 11.09% | 10.41% | 9.89%  | 9.64%  | 8.97%  | 8.70%  | 8.26%  | 8.33%  |
| Benchmark   |       |        |        |        |        | 10.18% | 10.08% | 9.49%  | 9.23%  | 8.93%  | 8.32%  | 7.88%  | 7.56%  | 7.69%  |
| FFSOF   |       |        |        |        |        |        |        |        | 9.12%  | 8.26%  | 7.87%  | 7.21%  | 6.74%  | 7.08%  |
| Benchmark   |       |        |        |        |        |        |        |        | 8.96%  | 8.59%  | 7.68%  | 7.28%  | 7.09%  | 7.61%  |
| FMTSF   |       |        |        |        |        |        |        |        |        |        | 5.96%  | 6.05%  | 5.91%  | 6.68%  |
| Benchmark   |       |        |        |        |        |        |        |        |        |        | 5.51%  | 5.80%  | 5.99%  | 7.03%  |

Note : Funds returns computed on Simple annualized basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.

| SINCE INCEPTION HISTORICAL RETURNS (ABSOLUTE %) |        |        |        |        |        |         |         |         |         |         |         |         |         |         |
|---|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | FY06   | FY07   | FY08   | FY09   | FY10   | FY11    | FY12    | FY13    | FY14    | FY15    | FY16    | FY17    | FY18    | FY19    |
| FSF   | 25.86% | 52.49% | 52.35% | 15.79% | 41.25% | 55.35%  | 48.06%  | 76.42%  | 102.33% | 142.46% | 160.37% | 197.60% | 143.12% | 74.46%  |
| Benchmark                                       | 34.08% | 84.86% | 80.25% | 50.64% | 87.36% | 126.41% | 152.65% | 230.21% | 307.91% | 358.58% | 398.01% | 484.27% | 425.87% | 325.37% |
| FAAF  |        |        |        |        | 30.70% | 57.60%  | 57.57%  | 89.49%  | 121.72% | 157.55% | 151.22% | 162.95% | 106.06% | 62.86%  |
| Benchmark                                       |        |        |        |        | 24.07% | 49.13%  | 66.46%  | 123.77% | 191.38% | 230.54% | 260.75% | 335.53% | 310.31% | 280.26% |
| FIAAF   |        |        |        |        |        |         |         |         |         |         | -4.02%  | 18.10%  | -5.26%  | -23.69% |
| Benchmark                                       |        |        |        |        |        |         |         |         |         |         | 14.45%  | 32.10%  | 25.15%  | 8.67%   |

Note : Funds returns computed on absolute basis / NAV to NAV Returns with dividend re-invested.

• Performance data does not include cost incurred by investor in the form of sales load.

## Faysal Asset Management Ltd.

West Wing, 7th floor, Faysal House, ST- 02,  
Shahrah-e-Faisal, Karachi-Pakistan.

## Karachi

U 92 21 111329725  
T 92 21 38657800

## Lahore

T 92 42 35787836

## Islamabad

T 92 51 5562167/74

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twitter.com/faysalasset

## Risk Disclosure:

All investments in mutual funds are subject to market risks. The NAV of units may go up or down based on the market conditions. Past performance is not necessarily indicative of future results. Please read the offering documents of respective schemes for understanding the investment policies, the risks and the taxation involved.

Rating by VIS



(Good Quality Management)

## Also Available at Branches of Faysal Bank Limited

Faysal Bank Limited  
310-Upper Mall, Shahrah-e-  
Quaid-e-Azam, Lahore. (331)  
042-111-11-22-33

Faysal Bank Limited  
15, F-7 Markaz, Opposite Fg College  
For Women, F-7/2, Islamabad. (332)  
051-111-11-22-33

Faysal Bank Limited  
16-Abdullah Haroon Road, Karachi.  
(330) 021 -111-11-22-33

Faysal Bank Limited  
Garrison Officers Mess 12, Tufail Road,  
Lahore Cantt, Lahore. (282)  
042-36604909-14

Faysal Bank Limited  
Bilal Road ,Civil Lines, Faisalabad.  
(111) 041-2644481-85

Faysal Bank Limited  
129/1,Old Bahawalpur Road, Multan.  
(133) 061-4783391

Faysal Bank Limited  
15-West, Jinnah Avenue Blue Area,  
Islamabad. (113) 051-2275096-9

Faysal Bank Limited  
5Th Road, City Shopping Centre,  
Commercial Market, Satellite Town  
Rawalpindi.  
(135) 051-4424969-72

Faysal Bank Limited  
32-A, Ground Floor, Quality Heights,  
K.D.A Scheme No. 5, Clifton Block-8,  
Karachi. (118) 021-35863772-74-75

Faysal Bank Limited  
Plot No. 339, Main Bohra Bazar  
Saddar, Hyderabad. (138)  
022-2728356-59

Faysal Bank Limited  
State Life Building No. 11, Abdullah  
Haroon Road, Karachi. (422)  
021-35652099

Faysal Bank Limited  
Business Avenue Centre, Block No. 6,  
P.E.C.H.S, Karachi. (131)  
021-34315634-37

Faysal Bank Limited  
326 Z- Block, Phase III, DHA,  
Lahore.(462) 042-35725903-904

Faysal Bank Limited  
4 /5 Haroon Plaza, Cavalry Ground,  
Lahore. (334) 042-36655590

Faysal Bank Limited  
D-4, Block D North Nazimabad,  
Karachi. (342). 021-36721600-4

Faysal Bank Limited  
SB-25, Block 13/C, Main University  
Road, Gulshan e Iqbal, Karachi. (335)  
021 -34830110

Faysal Bank Limited  
72-A/Z, Block 7/8, Al- Riaz, Karachi.  
(333) 021-111-321-321

Faysal Bank Limited  
Shop No. 1-4, Ground Floor, Sana  
Arcade, Plot No., ZC-6, Block No. 7,  
K.D.A Scheme 24, Karachi. (153)  
021-3481 5319

Faysal Bank Limited  
Iqbal Arcade, Plot No. 6,3/7, D.M.C  
Society, Karachi. (127)  
021-34388104-105-106

Faysal Bank Limited  
B -35, Block 13-A, Main University  
Road, Gulshan-e-Iqbal, Karachi. (119)  
021-3499 4262-3

Faysal Bank Limited  
Faysal House,St- 02 Main  
Shahra-e-Faisal, Karachi. (110)  
021-111-747-747

Faysal Bank Limited  
IBB Plot No . 5/A sector C Bahria  
Town, Lahore.(3051) 042-35452054-58

Faysal Bank Limited  
13-C,Square Model Town, Lahore.  
(150) 042-35884705-07

Faysal Bank Limited  
Nadir House, I. I. Chundrigar Road,  
Karachi. (424) 021-32418300-1

Faysal Bank Limited  
Speedy Towers, 129/I & II, Main  
Korangi Road, Phase I DHA  
Karachi. (3400) 021-35311444

Faysal Bank Limited  
43-C KHY-E-Shabaz Phase VI DHA  
Karachi. (3031) 021-35342366

Faysal Bank Limited  
Shop No. 08,09, Al Haram Tower 1,  
Jamal uddin Afghani Road, BMCHS,  
Sharfabad, Karachi. (3001)  
021-34860997-8

Faysal Bank Limited  
43,Shahrah-e-Quaid-e-Azam, Lahore.  
(112) 042-37236014-8

### Faysal Asset Management Ltd.

West Wing, 7th floor, Faysal House, ST- 02,  
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U 92 21 111329725  
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T 92 42 35787836

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T 92 51 5562167/74

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