

Fund Manager's Report

August 2015



the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion.

As the world's population grows, the demand for food and other resources will increase. This will put pressure on the environment and on the world's food supply.

One of the main reasons for the world's food supply problem is the fact that the world's population is growing so fast. This means that there are more people who need food than there are people who can produce it.

Another reason for the world's food supply problem is the fact that the world's population is becoming more and more dependent on food that is produced in other countries.

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The Month in Review

Economic Review

CPI inflation in Aug 2015 clocked in at 1.72% as against 1.8% in Jul 2015 and 7% in Aug 2014, on the back of lower oil prices, decline in food inflation and lower demand side pressures. On MoM basis, headline inflation increased by 0.2% in Aug 2015 as against an increase of 0.4% in Jul 2015 and 0.3% in Aug 2014. The heaviest category in the CPI basket, Food inflation, witnessed decline by 0.5% YoY in Aug 2015 as compared to the decline of 0.3% in Jul 2015 and an increase of 4.7% in Aug 2014. Decline in food prices is mainly attributable to improved food supply and trickle down impact of lower oil prices.

Prices of major food items including potatoes, cooking oil and vegetable ghee declined by 62%, 13% and 11%, respectively. Transport index with a weight of 7.2% in CPI dropped by 10.7% YoY in Aug 2015 as compared to a decline of 9.9% in Jul 2015 on the back of tumbling international oil prices. The government had set an inflation target of 8% for FY16 while SBP's revised inflation target is 5-6%.

Pressures on external account remained muted largely driven by remittances inflows at USD 1.66 billion in 1MFY16 as compared to USD 1.65 billion (up by meagre 0.86% YoY) coupled with shrinkage in trade account deficit from USD 2.1 billion in 1MFY15 to USD 1.79 billion in 1MFY16. External account improved considerably owing to significant downturn in current account deficit from USD 820 million in 1MFY15 to USD 159 million in 1MFY16 on account of inflows of remittances and CSF proceeds of USD 337 million received in the first month of FY16.

Going forward, macroeconomic indicators are expected to remain positive as foreign exchange reserves are expected to surge owing to approval of next IMF tranche under EFF, manageable inflation levels, comfortable external account due to higher remittances expected on account of religious occasion of Eid. These factors would be the key to view for the upcoming MPS stance expected in the next month.

Money Market Review

During the month under discussion money market remained much short of liquidity and to overcome the liquidity crisis SBP conducted 06 OMO – Injections where the total participation stood at PKR 4.64trn and total accepted amount was PKR 4.55trn at weighted average rate of 6.51%.

SBP conducted two T bill auctions during the month of Aug'15. Total target was set at PKR 525bn against maturities of PKR 403.56bn, and SBP accepted PKR 566.23bn, the cut-offs for all three tenors were remained unchanged from the previous months T bill auctions and the cut-offs for the last auction of the month were recorded at; 3M – 6.9308%, 6M – 6.9513% and 12M – 6.9710%.

In the last auction it has been observed that major participation was focused towards 12 months tenor followed by 06 months and 03 months tenor.

In the PIB auction held during the month, total realized amount was PKR 64.87bn which was above than the targeted amount of PKR

50mn. When compared to the previous month's PIB auction market participants still remained focused to 3Yr tenor PIBs followed by 5Yr PIBs. The cut-offs for 3yr and 5yr were skewed downwards by max around 49bps and 20Yr tenor bids weren't received. The cut-offs for the auction held during the month under review were 3Yr – 7.6004% from 8.0940%, 5Yr – 8.5181% from 8.9990%, 10Yr – 9.4007% and bids in the last auction were rejected and 20Yr – No bids received.

Equity Review

The smooth sailing of the KSE – 100 index was disrupted in August 2015 resulting in bearish sentiments as the Bourse posted a negative return of 2.84% taking the KSE – 100 index down to 34,726.51 points which opened at 35,741.52 in the month under review losing 1,015.01 points, almost wiping out gains posted in FY16TD.. The Average Daily Trade Value (ADTV) declined by 31% to 305mn shares. The decline is attributed to the devaluation of the Chinese currency resulted due to slow growth rate of the Chinese Economy which tempted heavy foreign selling in the regional market which didn't spare the Karachi Stock Exchange.

In the week ending August 21, 2015 the market declined by 699.82 points and on the first trading day of the next week turned out to be a Black Monday, the market nosedived losing 1,419.43 points in single day. Just to take an example of the hefty foreign selling, over the month foreign investors sold USD 61.33mn worth of shares compared to USD 21.28mn in July and 19.43% i.e. USD 11.92mn shares was conducted in the two days mentioned above. The effect of foreign selling was evident in the Mutual Funds, the AMC's for the first time since the start of the Financial Year 2015-16 were net sellers with USD 12.65mn shares. The Banks however, provided the much needed support and ended up as net buyers with USD 45.20mn shares.

From a sectoral point of view the much anticipated gas price hike will bode positively on the Multi Utilities i.e. SSGC and SNGPL whereas, the companies operating in the Fertilizer sector have started increasing Urea prices as they are most affected by the price hike. The volatility in international oil prices will keep the oil companies in check. The new Auto Policy currently being debated in the Economic Co-ordination Committee will define the direction of the Auto Industry especially Light Vehicle Manufacturers.

Moving forward the improved Law and Order situation in the country and especially in Karachi if it persists will eventually translate in to Economic Growth. Nevertheless, the political tension which was supposed to have died after JC report is again taking its roots after the Tribunals ruled two Judgments against the ruling party. One positive out of the Bearish scenario is that the Local factors had a minimum role to play in the current trend which suggest the market to bounce back, still in near future we expect the current situation to continue therefore, we advise caution for the investors and take positions in stock with strong fundamentals, with a medium to long term view.

MUFAP's recommended format

Disclaimer: The 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.

Money Market Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Money Market Scheme
Stability Rating	AA+ (f) (PACRA) AA (f) (JCR-VIS)*
Risk Profile	Low
Launch Date	December 13, 2010
Custodian/Trustee	CDC
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Management Fee	0.80%
Front/Back end Load	Nil
Min Subscription	PKR 5,000
Benchmark	50% 3 month T-Bills and 50% Average 3 months deposit rate of AA rated and above banks
Pricing Mechanism	Backward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM3+ (JCRVIS)
NAV per Unit (PKR)	102.03
Net Assets (PKR mn)	3,017.18
Leverage	Nil
Weighted Average	
Maturity	54.38 Days

* Requested for withdrawal of rating

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.

INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-UI-Hassan	Chief Operating Officer
Mr. Ayub Khuhro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Vacant	Manager Risk

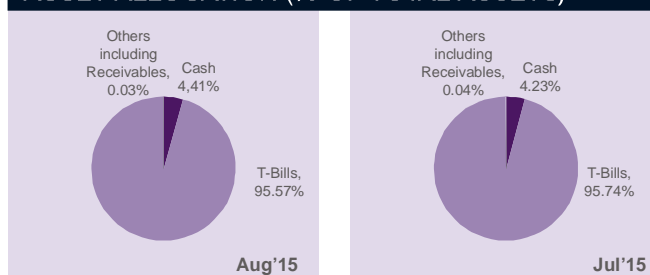
FUND RETURNS

(Annualized % p.a Holding Period)	FMMF	Benchmark
Month on Month	5.57%	5.92%
FY16 to Date	5.65%	5.92%
1 year Trailing	8.13%	7.25%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FMMF	8.64%	8.35%	9.06%	10.98%	11.20%
Benchmark (YTD)	7.72%	8.44%	8.83%	9.98%	10.18%

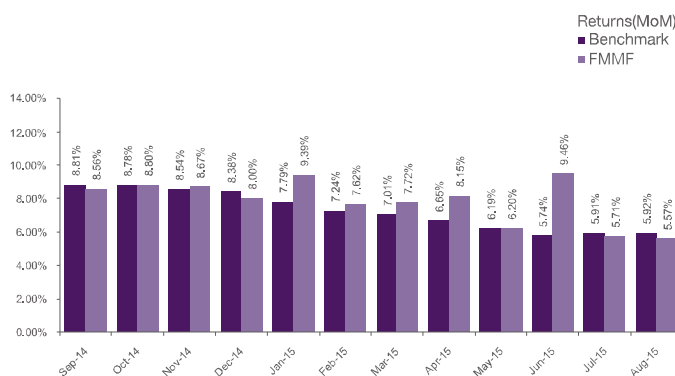
Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



ASSET QUALITY (% OF TOTAL ASSETS)

Government Securities	95.57%
AA	4.40%
NR (include receivables against sale of Government Securities)	0.03%



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 18,100,029 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.612 (0.60%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Money Market Fund yielded an annualized return of 5.57% and YTD return of 5.65%. During the month under review your fund maintained its exposure in T-bills at 95.57% compared to previous month position of 95.74%. Going forward your fund will continue to generate positive returns with keeping in line with the fund strategy.

MUFAP's recommended format

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Savings Growth Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Income scheme
Stability Rating	AA- (f) (PACRA) A (f) (JCR-VIS)*
Risk Profile	Low
Launch Date	May 12, 2007
Custodian/Trustee	CDC
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Management Fee	1.50%
Front/Back end Load	Nil
Min Subscription	PKR. 5,000
Benchmark	75% 6M KIBOR & 25% 3M PKRV
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM3+ (JCRVIS)
NAV per Unit (PKR)	103.99
Net Assets (PKR mn)	2,781.59
Leverage	Nil
Weighted Average Maturity	2.45 Yrs

* Requested for withdrawal of rating

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	66.58%
AA+	0.11%
AA	1.26%
AA-	9.41%
MTS (Unrated)	20.79%
NR (include receivables against sale of investments)	1.84%

INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-Ul-Hassan	Chief Operating Officer
Mr. Ayub Khuhro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Vacant	Manager Risk

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 52,554,556 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.965 (1.89%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Saving Growth Fund yielded an annualized return of 14.33% and YTD return of 13.91% beating the benchmark by 730bps & 689bps respectively. During the month under review your fund reduced its exposure in TFC to 1.96% from 4.44% and the funds were re-deployed towards T-Bills taking its exposure to 29.42% from 16.30%. Holding in PIBs and Margin Trading System remained stagnant. Going forward your fund will continue to invest in high yielding instruments without compromising on Asset Quality.

MUFAP's recommended format

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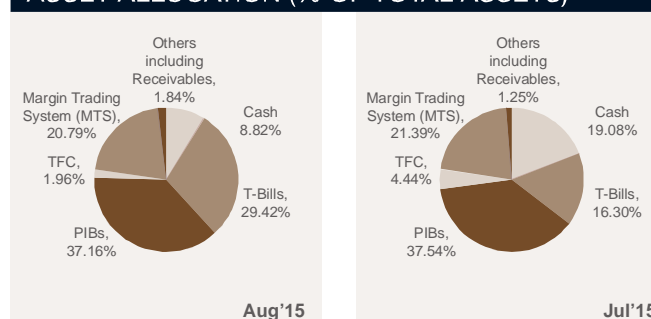
FUND RETURNS

(Annualized % p.a) Holding Period	FSGF	Benchmark
Month on Month	14.33%	7.03%
FY16 to Date	13.91%	7.02%
1 year Trailing	13.33%	8.44%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FSGF	12.81%	8.81%	8.67%	11.14%	11.01%
Benchmark (YTD)	6.61%	9.76%	9.88%	12.33%	13.34%

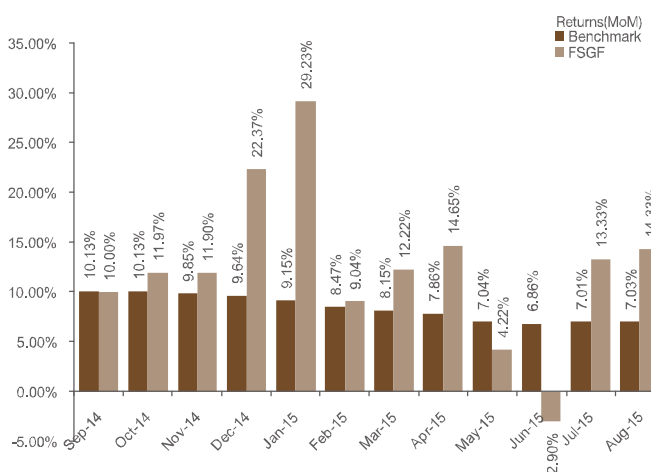
Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



TFCs/SUKUK Holdings (% of Total Assets)

Engro Fertilizer Limited PPTFC - 1	1.96%
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Financial Sector Opportunity Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Income scheme
Stability Rating	AA-(f) (JCRVIS)
Risk Profile	Moderate
Launch Date	July 5, 2013
Custodian/Trustee	CDC
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Management Fee	0.50%
Front end Load	1.75% for investments under PKR 10 mn
Back end Load	Nil
Min Subscription	PKR. 5,000
Benchmark	70% 6M rolling average of 6M KIBOR and 30% of average deposit rate of 3 Banks rated AA-and above.
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM3+ (JCRVIS)
NAV per Unit (PKR)	102.00
Net Assets(PKR mn)	250.85
Leverage	Nil
Weighted Average Maturity	2.54 Yrs

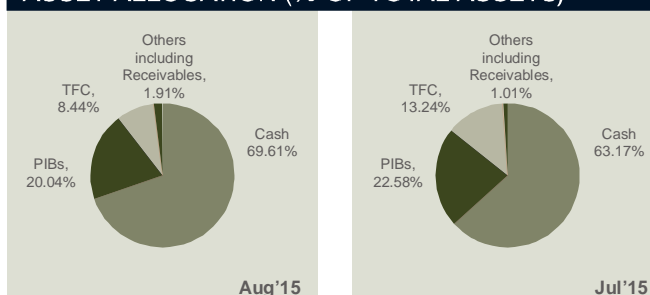
FUND RETURNS

(Annualized % p.a) Holding Period	FFSOF	Benchmark
Month on Month	11.19%	6.45%
FY16 to Date	10.40%	6.45%
1 year Trailing	7.28%	7.73%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FFSOF	7.41%	9.12%	-	-	-
Benchmark (YTD)	8.22%	8.96%	-	-	-

Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



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.

ASSET QUALITY (% OF TOTAL ASSETS)

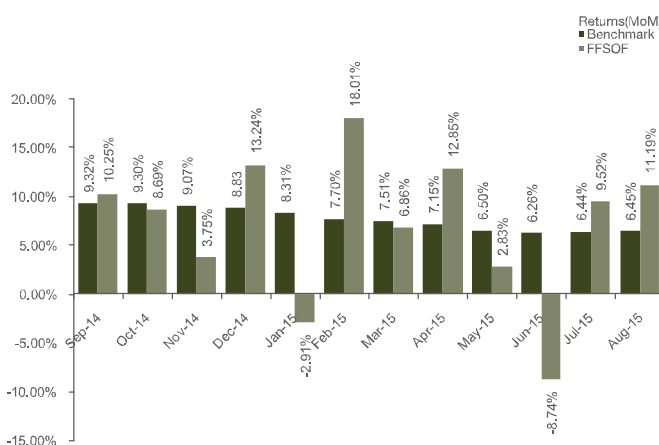
Government Security	20.04%
AAA	8.46%
AA+	0.02%
AA	0.71%
AA-	68.86%
NR (include receivables against sale of investments)	1.91%

TFCs/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Standard Chartered Bank	8.44%
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INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-UI-Hassan	Chief Operating Officer
Mr. Ayub Khuhro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Vacant	Manager Risk



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 1,095,739 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.446 (0.44%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Financial Sector Opportunity Fund yielded an annualized return of 11.19% and YTD return of 10.40% beating the benchmark by 474bps & 395bps respectively. During the month under review your fund decreased its exposure in PIBs to 20.04% from 22.58% and TFC's to 8.44% from 13.24%. Going forward your fund is expected to continue to seek high yielding investment avenues without compromising the asset quality of the fund.

MUFAP's recommended format

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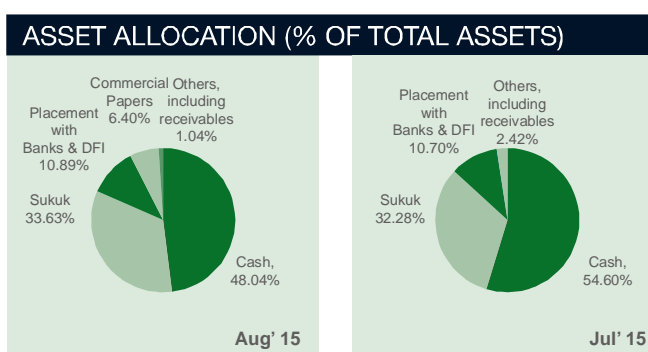
Islamic Savings Growth Fund

FUND INFORMATION	
Fund Type	Open Ended
Category	Islamic Income Scheme
Stability Rating	A (f) (JCRVIS)
Risk Profile	Low
Launch Date	June 14, 2010
Custodian/Trustee	CDC
Auditor	M. Yousuf Adil Saleem & Co.
Management Fee	1.50%
Front/Back end Load	Nil
Min Subscription	PKR. 5,000
Benchmark	Average 6M deposit rate of 3 Islamic Banks
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM3+ (JCRVIS)
NAV per Unit (PKR)	102.80
Net Assets (PKR mn)	769.27
Leverage	Nil
Weighted Average Maturity	1.16 Yr

FUND RETURNS		
(Annualized % p.a) Holding Period	FISGF	Benchmark
Month on Month	4.83%	5.08%
FY16 to Date	5.72%	5.17%
1 year Trailing	7.51%	6.30%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FISGF	8.22%	7.65%	8.28%	11.24%	10.33%
Benchmark (YTD)	6.61%	6.92%	7.30%	8.70%	8.85%

Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)



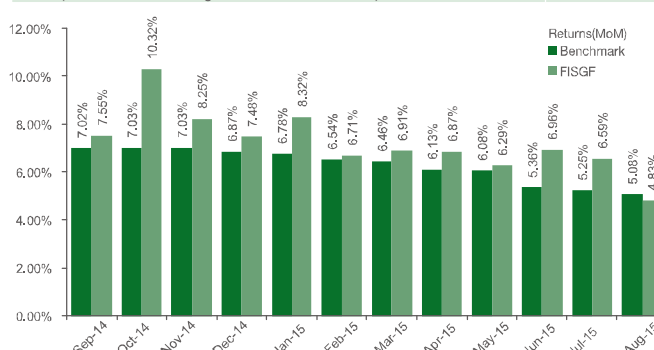
Investment Objective

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)	
K-Electric AZM Sukuk III	13.31%
Engro Fertilizer Sukuk	12.76%
Engro Rupaya Sukuk - 1	7.56%

ASSET QUALITY (% OF TOTAL ASSETS)	
AA+	10.89%
AA	14.04%
A+	26.45%
A-	47.58%
NR (include receivables against sale of investments)	1.04%

INVESTMENT COMMITTEE	
Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-UI-Hassan	Chief Operating Officer
Mr. Ayub Khuuro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Vacant	Manager Risk



NON COMPLIANCE											
Name of Non-Complaint Investment	Rating required	Existing Rating	Maximum Exposure as a % of NAV	Existing Exposure as a % of NAV	Excess Exposure %	Type of Instrument	Value of Investment before provisioning	Provision (If any)	Value of Investment after provisioning	% of Net Assets	% of Total Assets
Standard Chartered Modaraba	AA	AA+	10%	11.05%	1.05%	COM	85,000,000	-	85,000,000	11.05%	10.89%

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 5,044,472 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.674 (0.66%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Islamic Saving Growth Fund yielded an YTD return of 5.72%. During the month under review your fund increased its exposure in Commercial Paper to 6.40% in corporate Sukuk's to 33.63% from 32.28%. Going forward your fund will invest in higher yielding instruments without compromising on Asset Quality and Funds Objective.

MUFAP's recommended format

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Income & Growth Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Aggressive Income Fund
Stability Rating	A(f) (PACRA)
Risk Profile	Medium
Launch Date	October 10, 2005
Custodian/Trustee	CDC
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Management Fee	1.50%
Front/Back end Load	Nil
Min Subscription	PKR. 5,000
Benchmark	90% 1 Yr KIBOR and 10% average of most recent published 3month deposit rates of top 3 scheduled Commercial Bank by deposit size
Pricing Mechanism	Forward
Dealing Days	Monday-Friday
Cut-Off Timing	9:00 am - 5:00 pm
AMC Rating	AM3+ (JCRVIS)
NAV per Unit (PKR)	107.65
Net Assets (PKR mn)	525.42
Leverage	Nil
Weighted Average Maturity	4.40 Yrs

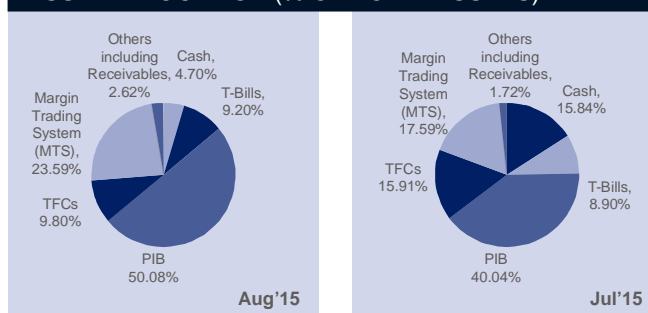
FUND RETURNS

(Annualized % p.a) Holding Period	FIGF	Benchmark
Month on Month	15.29%	7.12%
FY16 to Date	14.00%	7.12%
1 year trailing	12.85%	8.51%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FIGF	12.14%	8.82%	9.50%	13.55%	9.71%
Benchmark (YTD)	9.03%	9.87%	9.92%	12.24%	13.30%

Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



ASSET QUALITY (% OF TOTAL ASSETS)

Government Securities	59.28%
AAA	0.01%
AA+	0.02%
AA	0.81%
AA-	13.66%
MTS (Unrated)	23.59%
NR (include receivables against sale of investments)	2.62%

Investment Objective

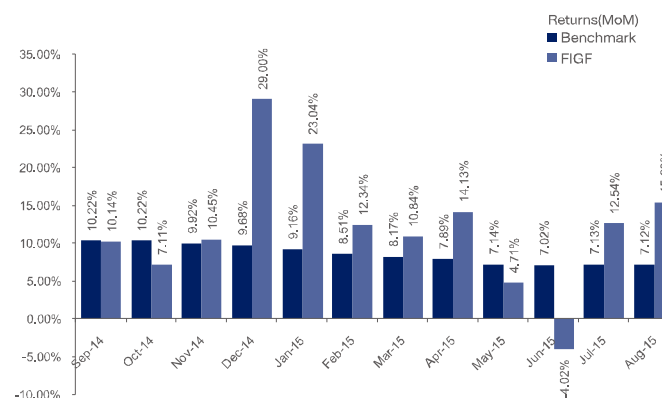
Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	6.94%
Engro Fertilizer Limited-PPTC I	2.86%

INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-Ul-Hassan	Chief Operating Officer
Mr. Ayub Khuhro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Vacant	Manager Risk



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 8,379,631 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.1.717 (1.59%). For details investors are advised to read the Note 9.1 of the latest financial statements for the the quarter ended March 31, 2015.

Performance Review

Faysal Income Growth Fund yielded an annualized return of 15.29% and YTD 14.00% beating the benchmark by 817bps and 688bps respectively. During the month under review your fund increased its exposure in PIBs to 50.08% from 40.04% & Margin Trading System to 23.59% from 17.59% & T-Bills to 9.20% from 8.90%. Position in TFC is reduced to 9.80% from 15.91%. Going forward your fund will continue its proactive investment strategy and adjust exposure accordingly.

MUFAP's recommended format

Disclaimer: The 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.

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	M. Yousuf Adil Saleem & Co.
Management Fee	2%
Front/Back end Load	Nil
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+ (JCRVIS)
NAV per Unit (PKR)	74.06
Net Assets (mn)	640.60
Leverage	Nil

* weighted average of 6M KIBOR & percentage invested in equities

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)

	Aug'15	Jul'15
Oil & Gas	17.90%	6.62%
Multiutilities (Gas and water)	16.62%	18.79%
Construction and Material	12.40%	9.18%
Industrial Metal & Mining	8.59%	0.00%
Chemicals	5.20%	17.68%
Others	24.71%	17.64%

INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-Ul-Hassan	Chief Operating Officer
Mr. Ayub Khuuro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Mr. Saif Hasan	Fund Manager - Equity
Vacant	Manager Risk

NON COMPLIANCE

Name of Non-Complaint Investment	Rating required	Existing Rating	Maximum Exposure as a % of NAV	Existing Exposure as a % of NAV	Excess Exposure %	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	BBB	Withdrawn	10%	0.00%	-	TFC	13,137,042	13,137,042	-	-	-
Cash and Cash Equivalent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.98%	9.61%

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 3,819,675 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.442 (0.60%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Asset Allocation Fund yielded a return of -0.60% compared to benchmark of -2.20%. Despite the fact that the Stock Market witnessed heavy foreign selling which resulted in the market losing 1,000 points over the month your fund managed to beat the benchmark. During the month under review your fund increased its exposure in Equities to 85.00% from 69.51% while reducing its position in Margin Trading System to 1.45% from 7.11%. Going forward your fund will exercise caution, invest in securities with strong fundamentals and maintain diversification between investments.

MUFAP's recommended format

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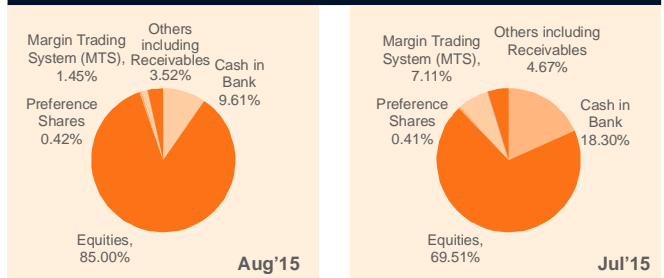
FUND RETURNS

(Annualized % p.a) Holding Period	FAAF	Benchmark
Month on Month	-0.60%	-2.20%
FY16 to Date	4.92%	1.00%
1 year trailing	33.72%	16.75%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FAAF	16.16%	17.01%	20.26%	(0.02)%	20.58%
Benchmark (YTD)	13.44%	30.21%	34.43%	11.62%	20.20%

Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.01%
AA	1.05%
AA-	8.54%
MTS (Unrated)	1.45%
NR (Include Equity Investments)	88.94%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Crecent Steel & Allied Products	8.59%
Sui Southern Gas Company Ltd	8.31%
Sui Northern Gas Pipelines Co.	8.30%
Hascol Petroleum Company Ltd	7.60%
Mari Petroleum Company Ltd	5.86%
Pakistan International Airlines	5.01%
Pioneer Cement Company Ltd	4.03%
Dewan Cement Limited	4.01%
Engro Corporation Ltd	3.62%
Cherat Cement Company Limited	3.44%

Balanced Growth Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Balanced Scheme
Risk Profile	Moderate
Launch Date	April 19, 2004
Custodian/Trustee	CDC
Auditor	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Management Fee	2%
Front/Back end Load	Nil
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+ (JCRVIS)
NAV per Unit (PKR)	66.00
Net Assets (mn)	134.67
Leverage	Nil

* weighted average of 6M KIBOR & percentage invested in Equities

Investment Objective

Faysal Balanced Growth Fund (FBGF) endeavors to provide investors with an opportunity to earn income and long-term capital appreciation by investing in a large pool of funds representing equity / non equity investments in a broad range of sectors and financial instruments

SECTOR ALLOCATIONS (% OF TOTAL ASSETS)

	Aug'15	Jul'15
Household Services	26.22%	25.05%
Multiutilities (Gas and water)	15.26%	16.03%
Oil & Gas	13.41%	8.06%
Personal Goods	8.00%	6.51%
Electricity	5.46%	5.56%
Others	14.58%	15.36%

INVESTMENT COMMITTEE

Mr. Enamullah Khan	Chief Executive Officer
Mr. Najm-Ul-Hassan	Chief Operating Officer
Mr. Ayub Khuhro	Head of Research
Mr. Vasseh Ahmed	Chief Investment Officer
Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Mr. Saif Hasan	Fund Manager - Equity
Vacant	Manager Risk

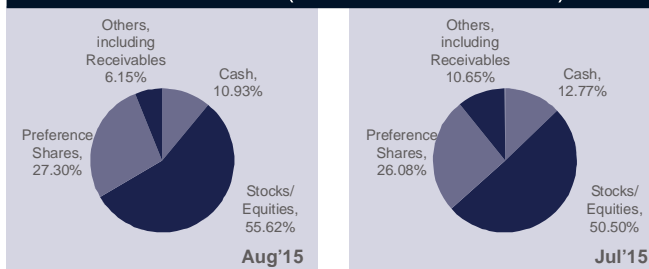
FUND RETURNS

(Annualized % p.a) Holding Period	FBGF	Benchmark
Month on Month	-2.15%	-1.39%
FY16 to Date	3.13%	1.04%
1 year trailing	29.93%	15.00%

Returns (%)	FY 15	FY 14	FY 13	FY 12	FY 11
FBGF	19.83%	14.69%	19.15%	(4.69)%	9.98%
Benchmark (YTD)	12.42%	23.53%	30.70%	11.59%	20.84%

Note: Funds returns computed on NAV to NAV with the dividend reinvestment (excluding Sales Load)

ASSET ALLOCATION (% OF TOTAL ASSETS)



ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.03%
AA	1.11%
AA-	9.79%
NR (Include Equity Investments)	89.07%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Pak Elektron Ltd-Pref Shares	26.22%
Sui Southern Gas Company Ltd	8.34%
Sapphire Fiber Ltd	8.00%
Sui Nothern Gas Pipelines Company Ltd	6.92%
Mari Petroleum Company Ltd	6.74%
Saif Power Ltd	5.46%
Pakistan International Airlines	3.88%
Hascol Petroleum Ltd	3.54%
Crescent Steel & Allied Products Limited	2.72%
Lotte Chemical Pakistan Ltd	1.71%

NON COMPLIANCE

Name of Non-Complaint Investment	Rating required	Existing Rating	Maximum Exposure as a % of NAV	Existing Exposure as a % of NAV	Excess Exposure %	Type of Instrument	Value of Investment before provisioning	Provision (If any)	Value of Investment after provisioning	% of Net Assets	% of Total Assets
Pak Elektron Limited	A-	A-	10%	27.84%	17.84%	Preference Shares	37,490,000	-	37,490,000	27.84%	26.22%
Pak Elektron Limited (Sector)	N/A	N/A	25%	27.84%	2.84%	Preference Shares	37,490,000	-	37,490,000	27.84%	26.22%

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 5,443,878 as at August 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.085 (1.64%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended March 31, 2015.

Performance Review

Faysal Balanced Growth Fund yielded a return of -2.15% and YTD return of 3.13%. During the month the Stock Market volatile movement negatively affected the fund. Exposure in Equities is increased to 55.62% from 50.50%; Preference Share is increased to 27.30% from 26.08%. Going forward your fund will keep a close eye on stock triggers and new developments.

MUFAP's recommended format

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SINCE INCEPTION RETURNS (ANNUALIZED %)									
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
FIGF	10.21%	10.12%	9.81%	10.06%	10.00%	10.50%	10.37%	10.20%	10.39%
Benchmark	9.86%	10.08%	11.07%	11.34%	11.66%	11.74%	11.51%	11.33%	11.10%
FISGF				9.04%	9.68%	10.20%	9.72%	9.30%	9.12%
Benchmark				7.70%	8.27%	8.42%	8.14%	7.89%	7.68%
FSGF	10.42%	10.19%	11.04%	11.02%	11.02%	11.04%	10.70%	10.46%	10.72%
Benchmark	9.39%	9.76%	10.95%	11.32%	11.72%	11.82%	11.54%	11.32%	10.79%
FMMF					11.20%	11.09%	10.41%	9.89%	9.64%
Benchmark					10.18%	10.08%	9.49%	9.23%	8.93%
FFSOF								9.12%	8.26%
Benchmark								8.96%	8.59%

Note: Funds returns computed on NAV to NAV with dividend reinvestment (excluding Sales Load)

SINCE INCEPTION RETURNS (ABSOLUTE %)									
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
FBGF	52.49%	52.35%	15.79%	41.25%	55.35%	48.06%	76.42%	102.33%	142.46%
Benchmark	84.86%	80.25%	50.64%	87.36%	126.41%	152.65%	230.21%	307.91%	358.58%
FAAF				30.70%	57.60%	57.57%	89.49%	121.72%	157.55%
Benchmark				24.07%	49.13%	66.46%	123.77%	191.38%	230.54%

Note: Funds returns computed on NAV to NAV with dividend reinvestment (excluding Sales Load)

Faysal Asset Management Limited

Head Office

8th Floor, Tower A, Saima Trade Tower
I.I. Chundrigar Road, Karachi-Pakistan

Karachi

U 92 21 111329725
F 92 21 32277301

Lahore

T 92 42 35785558
F 92 42 35755196

Islamabad

T 92 51 2605721/23
F 92 51 2275254

faysalfunds.com

facebook.com/faysalasset

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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 JCR-VIS



Head Office

8th Floor, Tower A, Saima Trade Tower
I.I. Chundrigar Road, Karachi-Pakistan

Karachi




U 92 21 111329725
F 92 21 32277301

Lahore

T 92 42 35785558
F 92 42 35755196

Islamabad

T 92 51 2605721/23
F 92 51 2275254

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