

Fund Manager's Report

February 2015



The Month in Review

Economic Review

Headline inflation clocked in at 11 year low of 3.24% YoY during the month under review as compared to 3.88% recorded in January 2015 led by significant downturn in food inflation coupled with high base effect which aided historical lows on the inflationary front. With this, CPI inflation stands at modest average of 5.47% YoY for 8MFY15 as compared to 8.65% in the same period last year. On MoM basis, CPI receded by 0.93% in February 2015 as compared to increase of 0.08% last month. Going forward, the expected ease in the prices of food items along with subdued transport inflation will keep inflationary outlook suppressed in the remaining months of FY15.

Declining oil prices provided a much needed breather to the trade balance in January 2015 as imports declined by 21% MoM and 26% YoY which resulted in reduction of trade deficit to USD 0.9 billion in Jan 2015 as compared to USD 1.7 billion in December 2014. However, 7MFY15 trade deficit widened by 18% to USD 13 billion against USD 11 billion in the same period last year on account of declining value of exports. Consequently, external account witnessed easing pressure as current account balance posted deficit of USD 95 million in January 2015 against USD 226 million in the last month resulting into 7MFY15 average to USD 2.3 billion as compared to USD 2.5 billion in the same period last year.

Moreover, foreign exchange reserves reached to a level of USD 16 billion during the month of February bolstered by inflow of CSF receipt worth USD 0.7 billion. In addition to this, with GoP meeting the conditionality of IMF's Sixth Review, IMF is expected to release next quarterly tranche of USD 518 million in the upcoming month which will further strengthen the foreign exchange reserves of the country.

With positive momentum on macro landscape coupled with expected release of IMF's next tranche and SPO of HBL, external account is anticipated to witness respite which will consequently support PKR/USD parity. Considering benign inflationary outlook and real interest rate widening to 526bps, SBP is expected to continue easing monetary stance in the upcoming Monetary Policy to be announced in Mar 2015.

Money Market review

In the month under review, money market mostly remained short of liquidity due to which SBP conducted 8 OMO – Injections where the total participation stood at PKR 2.915trn and total accepted amount was PKR 2.850trn at weighted average rate of 8.10%, also 2 OMO - Mop-ups were conducted where the total participation witnessed amounted to PKR 122.85bn and the total accepted amount was PKR 122.60 at weighted average rate of 7.78%.

SBP conducted two T bill auctions during the month of Feb'15. Total target was set at PKR 200bn against maturities of PKR

195.72bn, and SBP accepted PKR 271.65bn, the cut-offs for all three tenors were lowered by 5-9bps in the second auction and were recorded at; 3M – 8.3707%, 6M – 8.3780% and 12M – 8.2947%. In the first auction of the month the major concentration was witnessed in 6 month T-bills and in the second auction of the month investors concentrated participation towards 12 months T-bill in anticipation of continued monetary easing by SBP going forward.

In the PIB auction held during the month, total realized amount was PKR 66.34bn which was higher than the targeted amount of PKR 50mn. When compared to the previous month's PIB auction market participants focused participation towards 5yr PIBs. The cut-offs were lowered by 21-61bps from the last auction cut-offs. The cut-offs for the auction held during the month under review were 3Yr – 8.4980%, 5Yr – 9.1418%, 10Yr – 9.8003% and 20Yr – No bids received.

Equity Review

After witnessing a strong run-up of 7.2% in Jan-15 the KSE-100 took a breather as the benchmark index declined by 2.4% to close at 33,632 points in Feb-15. Activity in the market remained dull as average daily turnover stood at 242mn shares down 21% MoM. The negative performance is attributable mainly to foreign outflow of USD 62mn which is the highest since June 2013. Stretched valuations following robust gains in Jan-15 also prompted profit taking in the market.

Macro-economic situation continues to improve with subdued CPI outlook in next six months and further discount rate cut expected in the next monetary policy meeting. Rising forex reserves and dip in current account deficit also bodes well for the macros, however continued foreign selling has dampened investor sentiment.

In terms of sector performance, Households (up 3.6%), Electricity (up 1.8% on attractive interim payouts) and Autos (up 1.7% on healthy sales numbers) remained the outperformers while Telecoms (down 10.1% on annulment of ICH), Pharmas (down 5.3% no immediate price increase granted in new policy), Banks (down 4.8% on monetary easing), Cements (down 4.6% on renewed concerns over price sustainability) and Textiles (down 3.5% on extended gas supply cuts and unexciting textile policy) were amongst the notable underperformers.

With inflation expected to remain subdued over the course of next few months coupled with improvements on the macroeconomic front, SBP is expected to continue its monetary easing cycle. Resultantly with further decrease in interest rate leveraged sectors and high dividend yielding stocks are expected to stay in the limelight. Furthermore the foreign interest in the local bourse will also remain critical to market direction in the future.

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) (JCRVIS)
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 5000
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)	106.74
Net Assets (PKR mn)	4,410.76
Leverage	Nil
Weighted Average Maturity	62.95 Days

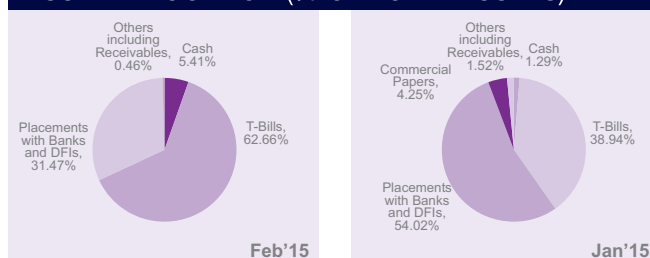
FUND RETURNS

(Holding Period Annualized % p.a)	FMMF	Benchmark
Month on Month	7.62	7.24
FY15 to Date	8.76	8.38
1 year trailing	8.87	8.51

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FMMF	8.35%	9.06%	10.98%	11.20%	-
Benchmark (YTD)	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)

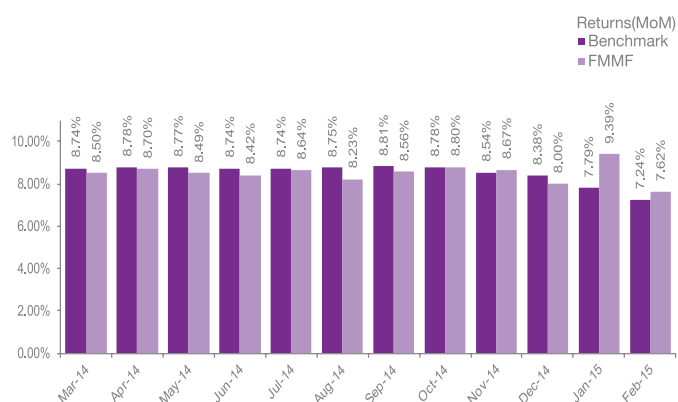
Government Securities	62.66%
AA+	31.48%
AA	5.41%
NR (include receivables against sale of Government Securities)	0.46%

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-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
Mr. Muhammad Faraz Khan	Manager Risk



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 21,496,765 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.520 (0.49%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

Performance Review

Faysal Money Market Fund posted a return of 7.62% for the month of February 2015 against benchmark performance of 7.24%, an outperformance of 38 basis points. This performance enabled YTD return to consolidate at 8.76%. During the month, significant allocation of placements with financial institutions matured which was invested in T-bills to capitalize on expected monetary easing by SBP in the coming months.

MUFAP's recommended format

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Savings Growth Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Income scheme
Stability Rating	AA - (f) (JCRVIS)
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)	111.80
Net Assets (PKR mn)	2,144.35
Leverage	Nil
Weighted Average Maturity	2.41 years

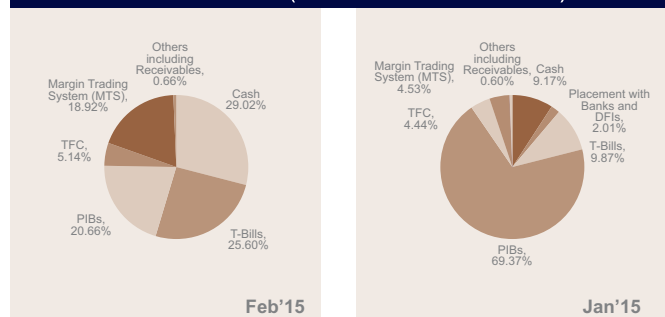
FUND RETURNS

(Holding Period Annualized % p.a)	FSGF	Benchmark
Month on Month	9.04	8.47
FY15 to Date	15.31	9.71
1 year trailing	13.49	9.84

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FSGF	8.81%	8.67%	11.14%	11.01%	10.98%
Benchmark (YTD)	9.76%	9.88%	12.33%	13.34%	12.44%

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

ASSET ALLOCATION (% OF TOTAL ASSETS)



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	46.26%
AA	2.18%
AA-	28.24%
A+	3.74%
MTS (Unrated)	18.92%
NR (include receivables against sale of investments)	0.66%

TFCs/SUKUK Holdings (% of Total Assets)

NIB Bank Limited TFC II	3.74%
Bank Alfalah Limited IV	1.40%

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
Mr. Muhammad Faraz Khan	Manager Risk

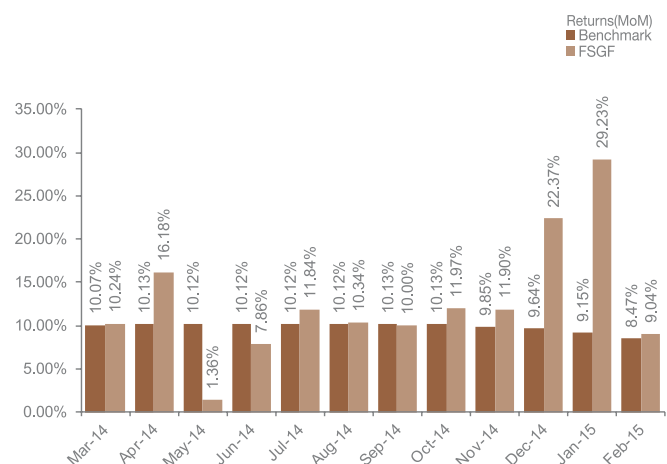
The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 53,611,483 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 2.795 (2.50%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

Performance Review

Faysal Savings Growth Fund yielded an annualized return of 15.31% on year-to-date basis whereas month-to-date return clocked in at 9.04%. Your fund is actively monitoring the rapidly improving macroeconomic landscape and is aligned to benefit from improving macro-economic landscape without compromising the credit quality of the portfolio.

MUFAP's recommended format

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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)	106.41
Net Assets(PKR mn)	249.31
Leverage	Nil
Weighted Average Maturity	3.14 years

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 1,121,843 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.479 (0.45%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

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
Mr. Muhammad Faraz Khan	Manager Risk

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	14.20%
Standard Chartered Bank	9.50%
NIB Bank Limited TFC II	4.93%

NON COMPLIANCE

Name of non-compliant investment company / Sector / Group	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
Askari Bank	AA-	AA	10%	14.37%	4.37%	TFC	35,838,103	-	35,838,103	14.37%	14.20%

Performance Review

Faysal Financial Sector Opportunity Fund yielded an annualized return of 9.28% on year-to-date basis whereas month-to-date return clocked in at 18.01% beating monthly benchmark by 10.31%. During the month, liquid assets of your fund have considerably increased which will be deployed in higher yielding instruments to ensure competitive returns.

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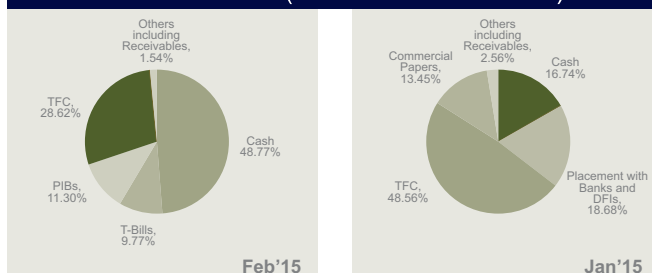
FUND RETURNS

(Holding Period Annualized % p.a)	FFSOF	Benchmark
Month on Month	18.01	7.70
FY15 to Date	9.28	8.90
1 year trailing	9.28	9.03

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FFSOF	9.12%	-	-	-	-
Benchmark (YTD)	8.96%	-	-	-	-

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

ASSET ALLOCATION (% OF TOTAL ASSETS)

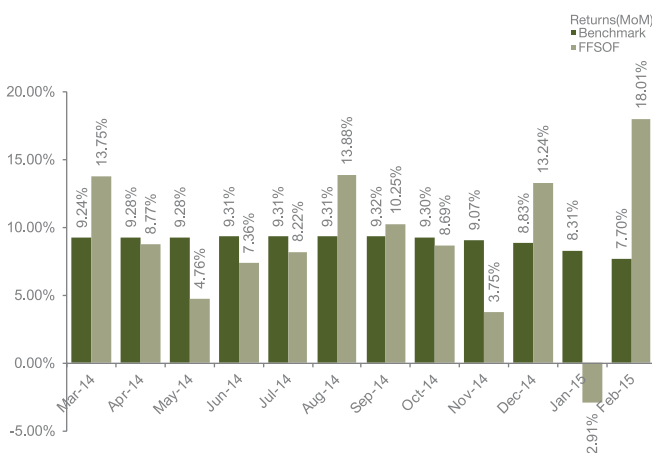


Investment Objective

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 Securities	21.07%
AAA	9.52%
AA+	0.02%
AA	0.76%
AA-	62.17%
A+	4.93%
NR (include receivables against sale of investments)	1.54%



Islamic Savings Growth Fund

FUND INFORMATION

Fund Type	Open Ended
Category	Islamic Income Scheme
Stability Rating	AA - (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 5000
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)	107.39
Net Assets (PKR mn)	781.26
Leverage	Nil
Weighted Average Maturity	1.11 years

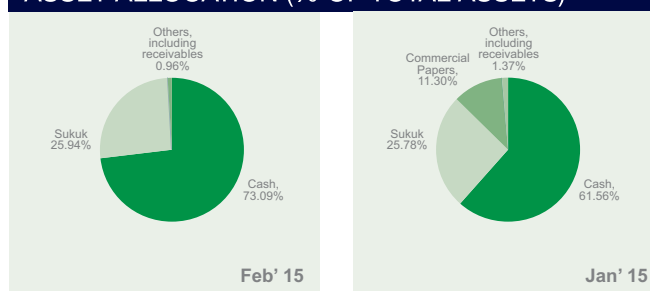
FUND RETURNS

(Holding Period Annualized % p.a)	FISGF	Benchmark
Month on Month	6.71	6.54
FY15 to Date	8.73	6.91
1 year trailing	8.67	6.95

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FISGF	7.65%	8.28%	11.24%	10.33%	9.04%
Benchmark (YTD)	6.92%	7.30%	8.70%	8.85%	7.70%

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

ASSET ALLOCATION (% OF TOTAL ASSETS)



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)

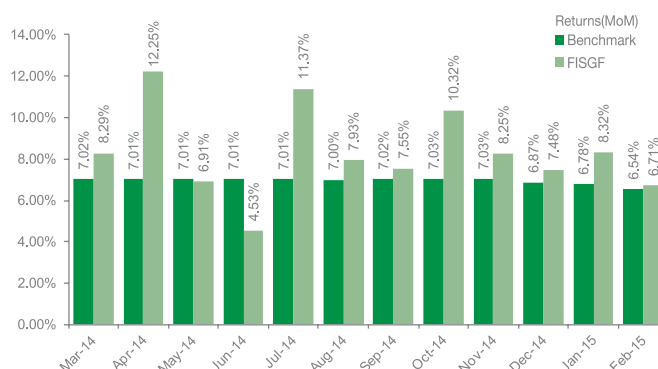
K-Electric AZM Sukuk III	13.15%
Engro Fertilizer Sukuk	12.79%

ASSET QUALITY (% OF TOTAL ASSETS)

AA	0.05%
A+	25.94%
A	73.04%
NR (include receivables against sale of investments)	0.96%

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
Mr. Muhammad Faraz Khan	Manager Risk



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 4,671,096 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.642 (0.60%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

Performance Review

Faysal Islamic Savings Growth Fund yielded an annualized return of 8.73% on FYTD basis, outperforming the benchmark by 182bps. During the month under review, your fund strategized the fund's investment objective towards maximizing return by diversifying asset allocation towards Sukuks and Cash while divesting its exposure in commercial papers. Going forward, the fund is expected to capitalize on higher yielding instruments to keep returns competitive.

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) (JCRVIS)
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)	115.17
Net Assets (PKR mn)	512.43
Leverage	Nil
Weighted Average Maturity	3.77 years

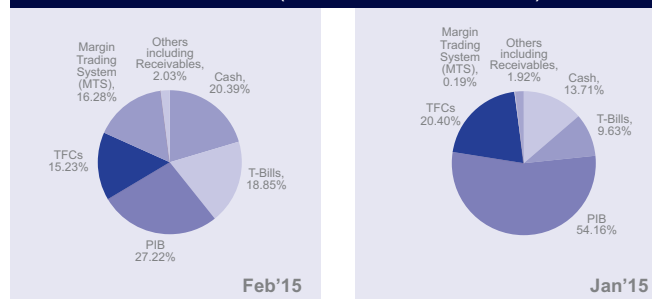
FUND RETURNS

(Holding Period Annualized % p.a)	FIGF	Benchmark
Month on Month	12.34	8.51
FY15 to Date	14.67	9.77
1 year trailing	13.52	9.90

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FIGF	8.82%	9.50%	13.55%	9.71%	11.04%
Benchmark (YTD)	9.87%	9.92%	12.24%	13.30%	12.39%

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	46.07%
AAA	0.01%
AA+	0.02%
AA	3.87%
AA-	24.69%
A+	7.02%
MTS (Unrated)	16.28%
NR (include receivables against sale of investments)	2.03%

Investment Objective

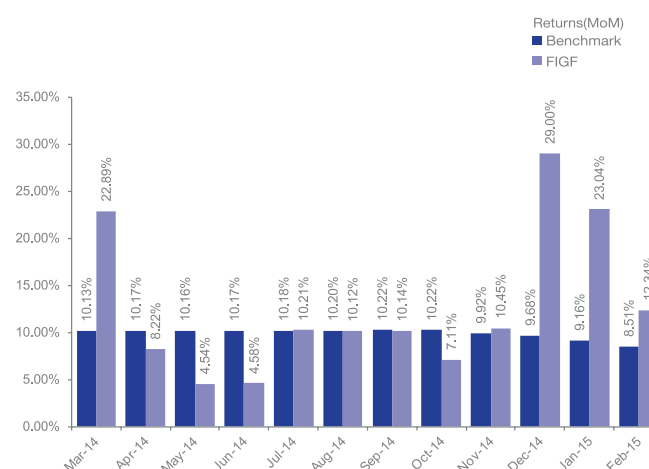
Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	8.21%
NIB Bank Limited TFC II	7.02%

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
Mr. Muhammad Faraz Khan	Manager Risk



The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 8,195,721 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.1.842 (1.60%). For details investors are advised to read the Note 9.1 of the latest financial statements for the the half year ended December 31, 2014.

Performance Review

Faysal Income and Growth Fund yielded an annualized return of 12.34% during the month under review consolidating into FY15TD return of 14.67%, beating the benchmark by 490bps. Your fund increased exposure in T-bills and MTS from 9.63% and 0.19% in Jan 2015 to 18.85% and 16.28% in Feb 2015 respectively. Going forward, the fund is expected to maximize return in-line with the fund's strategy to diversify investments into higher yielding instruments.

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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)	78.60
Net Assets (mn)	237.14
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)

	Feb'15	Jan'15
Chemicals	16.62%	0.85%
Oil & Gas	13.46%	21.59%
Construction and Material	8.95%	8.95%
Industrial Transportation	8.51%	0.00%
Multiutilities (Gas and water)	8.26%	9.95%
Others	23.32%	24.83%

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
Dr. Gohar Rasool	Fund Manager-Equity
Mr. Muhammad Faraz Khan	Manager Risk

NON COMPLIANCE

Name of Investment Company	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	-	-	-

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 3,234,603 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.072 (1.36%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

Performance Review

Faysal Asset Allocation Fund posted a monthly return of -1.31% during the month of January as the broader KSE-100 Index consolidated and fell by -2.36%. However this fall has opened up valuations and thus exposure to equities was increased from 66% to 79% to capitalize on the attractive valuations. The expected monetary easing will improve investor's sentiment and lead to a bullish rally in the upcoming months. Going forward, the fund will continue to exercise its proactive investment philosophy and adjust exposure to equities and fixed income accordingly.

MUFAP's recommended format

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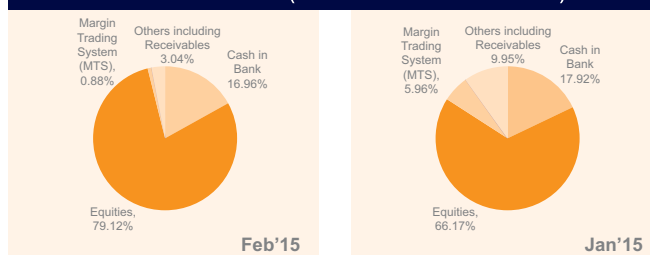
FUND RETURNS

	FAAF	Benchmark
Month on Month	(1.31)	(1.84)
FY15 to Date	14.01	10.80
1 year trailing	29.44	24.08

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FAAF	17.01%	20.26%	(0.02)%	20.58%	30.70%
Benchmark (YTD)	30.21%	34.43%	11.62%	20.20%	24.07%

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+	0.02%
AA	9.97%
AA-	6.96%
MTS (Unrated)	0.88%
NR	82.16%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Lafarge Cement Pakistan Ltd	8.95%
Pakistan International Bulk Terminal Ltd	8.51%
Fauji Fertilizer Company Ltd	8.37%
Sui Sothern Gas Company Ltd	8.26%
Mari Petroleum Company Ltd	8.13%
National Bank of Pakistan Limited	8.03%
Sapphire Fibers Ltd	4.75%
Hascol Petroleum Ltd	4.74%
Ferozsons Laboratories Ltd	3.66%
Hub Power Company Limited	3.52%

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)	71.44
Net Assets (mn)	135.75
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)

	Feb'15	Jan'15
Household Goods	24.75%	25.57%
Chemicals	15.32%	0.29%
Construction and Materials	8.92%	9.17%
Mutiutilities (Gas and water)	8.08%	11.21%
Oil & Gas	7.52%	8.27%
Others	12.42%	23.93%

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
Dr. Gohar Rasool	Fund Manager-Equity
Mr. Muhammad Faraz Khan	Manager Risk

NON COMPLIANCE

Name of Investment Company	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%	27.62%	17.62%	Preference Shares	37,490,000	-	37,490,000	27.62%	24.75%
Pak Elektron Limited (Sector)	N/A	N/A	25%	27.62%	2.62%	Preference Shares	37,490,000	-	37,490,000	27.62%	24.75%

* Applied for Extension to SECP.

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 5,359,929 as at February 28, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.121 (1.57%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended December 31, 2014.

Performance Review

Faysal Balanced Growth Fund posted a flat monthly return of -0.01% during the month of January as the broader KSE-100 Index consolidated and fell by -2.36%. Exposure to equities was maintained at 51% to capitalize on the expected rebound of the market due to monetary easing conducted by the central bank. Going forward, exposures will be determined on the back of anticipated triggers and macroeconomic environment.

MUFAP's recommended format

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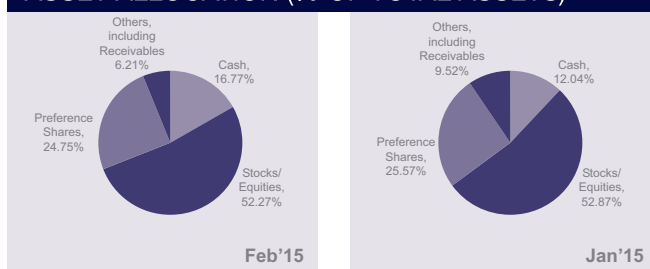
FUND RETURNS

	FBGF	Benchmark
Month on Month	(0.01)	(1.02)
FY15 to Date	15.62	9.74
1 year trailing	28.99	19.96

Returns (%)	FY 14	FY 13	FY 12	FY 11	FY 10
FBGF	14.69%	19.15%	(4.69)%	9.98%	21.99%
Benchmark (YTD)	23.53%	30.70%	11.59%	20.84%	24.38%

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	9.06%
AA-	7.68%
NR (Include Equity Investments)	83.23%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Pak Elektron Ltd Pref Shares	24.75%
Lafarge Pakistan Cement Ltd	8.92%
Sui Southern Gas Company Ltd	8.08%
Fauji Fertilizer Company Ltd	6.05%
Sapphire Fiber Ltd	5.94%
Engro Fertilizers Ltd	5.67%
Hascol Petroleum Ltd	4.61%
National Bank of Pakistan Ltd	4.46%
Mari Petroleum Company Ltd	1.93%
Dawood Hercules Corporation Ltd	1.82%

SINCE INCEPTION RETURNS (ANNUALIZED %)									
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
FIGF	7.73%	1.34%	10.12%	9.81%	10.06%	10.00%	10.50%	10.37%	10.20%
Benchmark	9.34%	9.86%	10.08%	11.07%	11.34%	11.66%	11.74%	11.51%	11.33%
FISGF					9.04%	9.68%	10.20%	9.72%	9.30%
Benchmark					7.70%	8.27%	8.42%	8.14%	7.89%
FSGF		10.42%	10.19%	11.04%	11.02%	11.02%	11.04%	10.70%	10.46%
Benchmark		9.39%	9.76%	10.95%	11.32%	11.72%	11.82%	11.54%	11.32%
FMMF						11.20%	11.09%	10.41%	9.89%
Benchmark						10.18%	10.08%	9.49%	9.23%
FFSOF									9.12%
Benchmark									8.96%

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

SINCE INCEPTION RETURNS (ABSOLUTE %)									
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
FBGF	25.86%	52.49%	52.35%	15.79%	41.25%	55.35%	48.06%	76.42%	102.33%
Benchmark	34.08%	84.86%	80.25%	50.64%	87.36%	126.41%	152.65%	230.21%	307.91%
FAAF					30.70%	57.60%	57.57%	89.49%	121.72%
Benchmark					24.07%	49.13%	66.46%	123.77%	191.38%

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

Faysal Asset Management Limited

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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.



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