

Fund Manager's Report

January 2015



The Month in Review

Economic Review

Underpinned by significant downturn in food inflation coupled with continuous decelerating transport index numbers, headline inflation clocked in at historic lows of 3.88% YoY in Jan 2015 as compared to 4.3% YoY in Dec 2014. On MoM basis, CPI increased by paltry 0.08% during the month under review versus a decline of 1% in Dec 2014 despite accounting for quarterly House Rent Index adjustment. Going forward, the inflationary outlook is anticipated to remain subdued owing to expectation of further reduction in domestic petroleum prices and easing global commodity prices.

During the month under review, SBP announced 100bps cut in the discount rate in its bi monthly Monetary Policy Statement on account of key improving macroeconomic indicators including inflationary dynamics, comfortable foreign exchange reserves with robust inflows of remittances, muted M2 growth rate, and favorable external account outlook. Considering inflationary pressures to continue easing out in the remaining months of FY15, SBP revised downwards its average inflation target for FY15 to clock in at 4.5%-5.5% from the previous 7.5%-8.5% against average FY14 inflation of 8.6%.

Tumbling international oil prices provided respite to deteriorating external account as current account balance posted surplus of USD 76 million in Dec 2014 resulting from the materialization of lower oil prices and healthy remittances inflow of USD 1.58 billion in Dec 2014 against USD 1.38 billion in the corresponding period. However, current account deficit remained at USD 2.36 billion in 1HFY15 as compared to USD 2.3 billion in the same period last year on account of higher trade deficit of USD 12.3 billion in 1HFY15 against USD 9 billion in the corresponding period last year. Moreover, comfortable levels of foreign exchange reserves coupled with PKR stability further bolstered the key theme for Pakistan's macro recovery.

Going forward, the macroeconomic picture of the country will continue to remain strengthen pursuant to planned privatization targets set by IMF, healthy foreign inflows from IMF's upcoming tranche, low paced inflation, and easing external pressures. Considering smooth functioning of economic matters and reduction in external pressures coupled with widening real interest rate bode well for rounds of monetary easing in the next half of current FY15.

Money Market review

In the latest Monetary Policy Statement issued in Jan'15, SBP reduced the policy rate by 100bps from 9.5% to 8.5% citing significant improvement in key economic indicators especially declining CPI monthly figures and easing commodity prices led by lower global oil prices.

In the month of Jan'15, money market continued to remain illiquid and to accommodate this SBP conducted 6 OMO

injections, where total participation was PKR 2.916bn and accepted PKR 2.864bn at weighted average rate of 9.06% and no OMO mop-ups were conducted.

SBP conducted two T bill auctions during the month of Jan'15. Total target was set at PKR 400bn against maturities of 209.24bn, and SBP accepted PKR 356.37bn, the cut-offs for all three tenors came down by 20-30bps in the second auction owing to the anticipation of monetary easing as cut-off were recorded at; 3M – 8.9583%, 6M – 8.9892% and 12M – 8.8619%. In the first auction of the month the major concentration was witnessed in 12 months tenor followed by 6 months and 3 months and the same pursuit was followed in the second auction of the month under discussion as well.

In PIB auction held during the month the total realized amount in the auction was; PKR 78bn which was 56% higher than the targeted amount of PKR 50mn and the cut-offs were lowered by 150-170bps. The cut-offs were 3Yr – 8.8895%, 5Yr – 9.7469%, 10Yr – 10.0093% and 20Yr – 10.9995%

Equity Review

The market started the first month of CY15 on a strong note posting a return of 7.2%, to close at 34,443 points. This result was driven by much awaited 100bps cut in DR coupled with stability on the political front. Broad based macro improvements driven by falling oil prices and consequent lower CPI and monetary easing improved investor sentiment. As a result average daily volume of all shareindex scaled up by 23%MoM in Jan-15 to 304mn shares from 248mn shares in Dec-14.

The bullish rally was driven by local buying as net foreign inflows remained marginal in Jan-15, with a mere USD 2.8mn net inflow. Mutual Funds remained the main net buyers in Jan-15 with USD 59mn inflow. While Companies and Banks/DFI's were the main net sellers in the month.

In terms of sector performance, Chemicals (up 16% on strong gains in ENGRO), Telecoms (up 12% on rumors of reinstatement of ICH), Food Producers (up 11% on expectations of better results of EFOODS) and Cements (up 8% on improved dispatches and reduced fuel/power cost) remained the outperformers while Banks (up 2% on DR cut), Oil and Gas (up 2% on expectations on weak 2Q results) and Pharma (up 1% on uncertainty surrounding drug pricing formula) 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.

MUFAP's recommended format

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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)	106.12
Net Assets (PKR mn)	3,898.56
Leverage	Nil
Weighted Average Maturity	75.12 Days

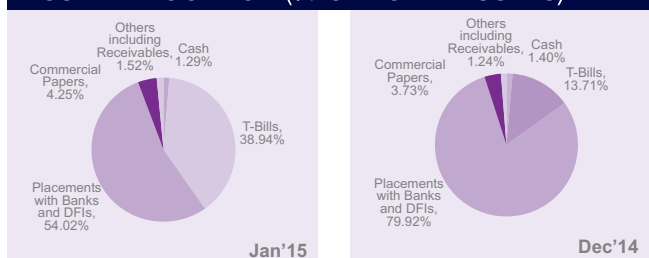
FUND RETURNS

(Holding Period Annualized % p.a)	FMMF	Benchmark
Month on Month	9.39	7.79
FY15 to Date	8.85	8.54
1 year trailing	8.94	8.63

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)

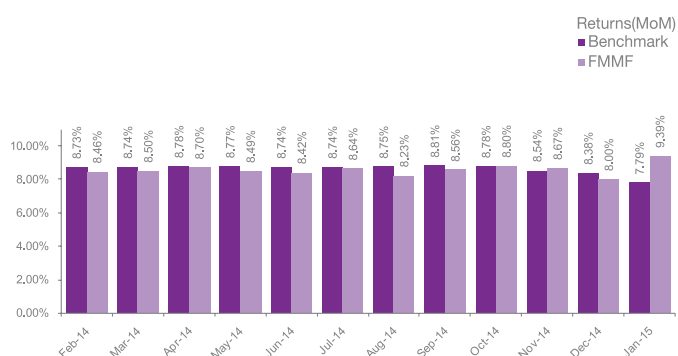
Government Securities	38.94%
AA+	34.95%
AA	24.59%
NR (include receivables against sale of Government Securities)	1.52%

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)
Vacant (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. 20,480,708 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.558 (0.53%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended September 30, 2014.

Performance Review

Faysal Money Market Fund yielded an annualized return of 9.39% during the month under review beating the benchmark by 160bps. This performance has enabled YTD return to consolidate at 8.85%. Your fund significantly increased exposure in T-bills from 13.71% in Dec 2014 to 38.94% in Jan 2015 owing to favorable economic outlook. Going forward, the fund is expected to capitalize on prevalent economic circumstances by diversifying the fund exposure towards better investment avenues.

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)	111.03
Net Assets (PKR mn)	2,428.38
Leverage	Nil
Weighted Average Maturity	4.87 years

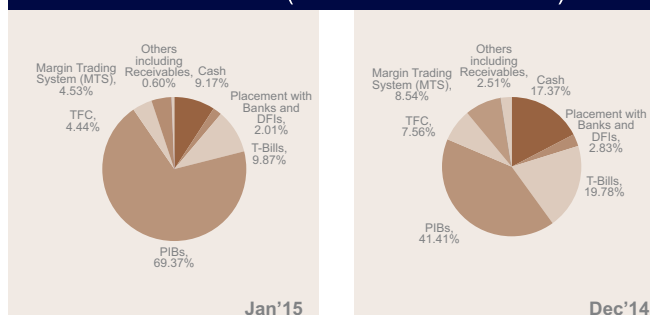
FUND RETURNS

(Holding Period Annualized % p.a)	FSGF	Benchmark
Month on Month	29.23	9.15
FY15 to Date	16.01	9.87
1 year trailing	13.70	9.97

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)

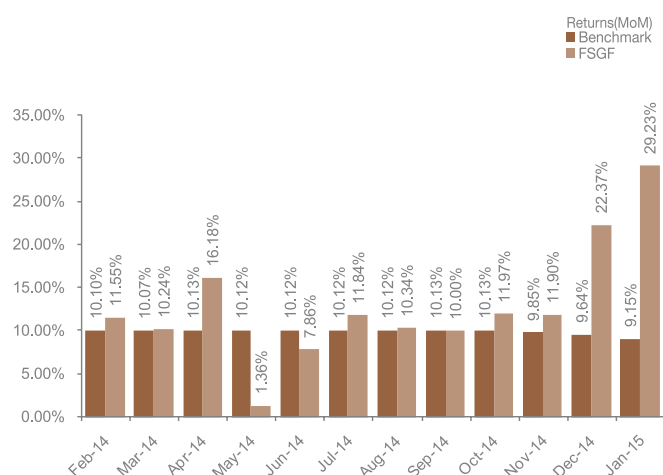
Government Securities	79.25%
AA	3.89%
AA-	8.50%
A+	3.23%
MTS (Unrated)	4.53%
NR (include receivables against sale of investments)	0.60%

TFCs/SUKUK Holdings (% of Total Assets)

NIB Bank Limited TFC II	3.23%
Bank Alfalah Limited IV	1.21%

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)
Vacant (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. 53,835,502 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 2.461 (2.22%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended September 30, 2014.

Performance Review

Faysal Savings Growth Fund yielded an annualized return of 16.01% on FYTD basis outperforming the benchmark by 614bps. Your fund increased exposure in PIBs from 41.41% in Dec 2014 to 69.37% in Jan 2015 considering lower inflationary expectations supporting monetary easing case coupled with healthy macroeconomic indicators. Going forward, the fund is expected to capitalize on improving economic circumstances while strategizing investment decisions towards higher yielding instruments.

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)	104.96
Net Assets(PKR mn)	264.78
Leverage	Nil
Weighted Average Maturity	3.27 years

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 1,069,870 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.424 (0.40%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended September 30, 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)
Vacant	
(Non voting member)	Head of Compliance & Internal Audit
Mr. Muhammad Faraz Khan	Manager Risk

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Standard Chartered Bank	14.85%
NIB Bank Limited TFC II	13.60%
Lalpir CP Sukuk	13.45%
Askari Bank Limited IV	13.27%
Bank Alfalah Limited IV	6.85%

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%	13.42%	3.42%	TFC	35,521,942	-	35,521,942	13.42%	13.27%
Standard Chartered Bank Ltd.	AA-	AAA	10%	15.01%	5.01%	TFC	39,740,600	-	39,740,600	15.01%	14.85%
NIB Bank Ltd.	AA-	AA-	10%	13.74%	3.74%	TFC	36,386,959	-	36,386,959	13.74%	13.60%
Pak Oman Investment Company	AA-	AA+	10%	18.88%	8.88%	COI	50,000,000	-	50,000,000	18.88%	18.68%
Lalpir Power Limited	AA-	AA	10%	13.60%	3.60%	CP Sukuk	36,000,000	-	36,000,000	13.60%	13.45%
Cash & Cash Equivalent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18.28%

Performance Review

Faysal Financial Sector Opportunity Fund yielded an annualized return of 8.03% on FYTD basis. Your fund maintained its strategy of diversified portfolio returns by preserving exposure to high yielding bank placements and TFC 18.68% and 48.56% respectively. Going forward, the fund is expected to capitalize on higher yielding instruments to gain competitive returns.

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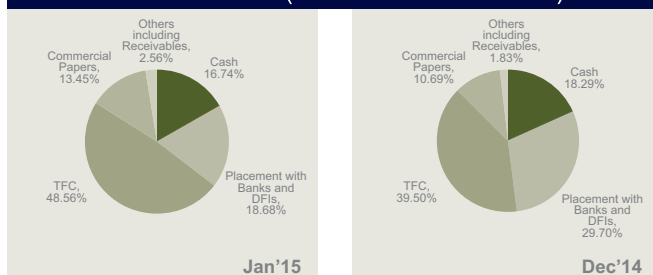
FUND RETURNS

(Holding Period Annualized % p.a)	FFSOF	Benchmark
Month on Month	-2.91	8.31
FY15 to Date	8.03	9.07
1 year trailing	8.50	9.15

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)

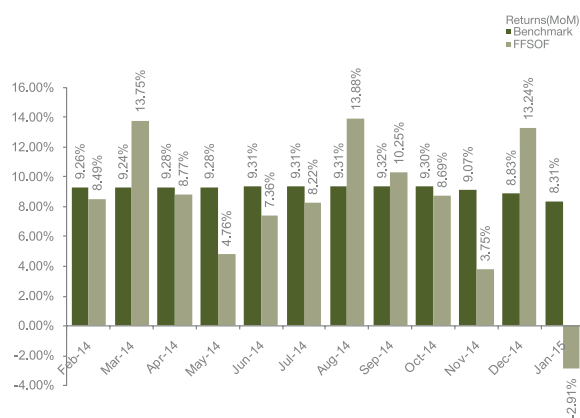


Investment Objective

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)

AAA	14.86%
AA+	18.70%
AA	13.78%
AA-	36.50%
A+	13.60%
NR (include receivables against sale of investments)	2.56%



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)	106.84
Net Assets (PKR mn)	787.75
Leverage	Nil
Weighted Average Maturity	1.12 years

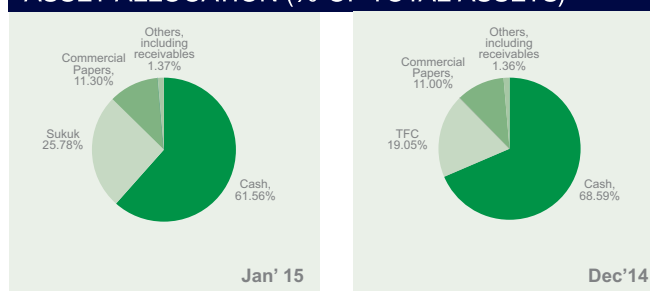
FUND RETURNS

(Holding Period Annualized % p.a)	FISGF	Benchmark
Month on Month	8.32	6.78
FY15 to Date	8.95	6.96
1 year trailing	8.83	6.99

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	13.05%
Engro Fertilizer Sukuk	12.74%
Lalpir CP Sukuk	11.30%

ASSET QUALITY (% OF TOTAL ASSETS)

AA	11.34%
A+	25.78%
A	61.52%
NR (include receivables against sale of investments)	1.37%

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. Syed Shahid Iqbal	Fund Manager (Fixed Income)
Mr. Hassan Bin Nasir	Fund Manager (Fixed Income)
Vacant	
(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. 4,600,700 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.624 (0.58%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended September 30, 2014.

Performance Review

Faysal Islamic Savings Growth Fund yielded an annualized return of 8.95% on YTD basis outperforming the benchmark by 199bps. During the month under review, your fund increased exposure in Corporate Sukuks and placements with banks & DFIs from 19.1% and 0.0% in Dec 2014 to 25.7% and 11.3% in Jan 2015. Going forward, the fund is expected to diversify the portfolio towards high yielding Sukuks to further enhance yield of the fund without compromising on the credit quality.

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)	114.09
Net Assets (PKR mn)	497.63
Leverage	Nil
Weighted Average Maturity	4.90 years

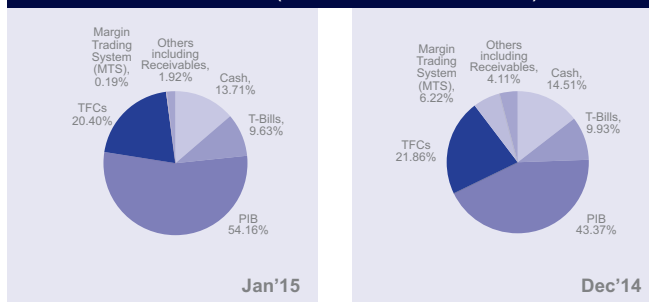
FUND RETURNS

(Holding Period Annualized % p.a)	FIGF	Benchmark
Month on Month	23.04	9.16
FY15 to Date	14.84	9.94
1 year trailing	13.04	10.03

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	63.78%
AAA	0.01%
AA+	0.02%
AA	2.44%
AA-	24.57%
A+	7.05%
MTS (Unrated)	0.19%
NR (include receivables against sale of investments)	1.92%

Investment Objective

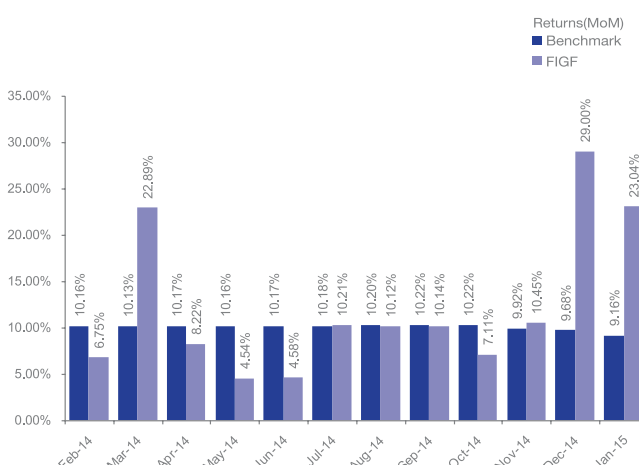
Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

TFCs/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	8.38%
NIB Bank Limited TFC II	7.05%
Hascol Limited PPTFC	2.95%
Bank Al Habib Limited	2.02%

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)
Vacant (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. 8,080,917 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.1.853 (1.62%). For details investors are advised to read the Note 9.1 of the latest financial statements for the the quarter ended September 30, 2014.

Performance Review

Faysal Income and Growth Fund yielded an annualized return of 14.84% on FYTD basis outperforming the benchmark by 490 bps. Your fund increased the exposure in PIBs from 43% to 54% to capitalize on the resulting capital gain from another round of monetary easing expected in the next MPS policy. Going forward, the fund is expected to diversify its exposure towards higher yielding instruments considering broad macroeconomic outlook.

MUFAP's recommended format

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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)	79.64
Net Assets (mn)	237.84
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)

	Jan'15	Dec'14
Oil & Gas	21.59%	19.52%
Mutiutilities (Gas and water)	9.95%	5.38%
Construction and Material	8.95%	12.73%
Commercial Banks	8.37%	4.99%
Non Life Insurance	6.70%	0.00%
Others	10.62%	11.84%

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
Vacant (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. 3,292,149 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.102 (1.38%). For details investors are advised to read the Note 9.1 of the latest financial statements for the quarter ended September 30, 2014.

Performance Review

Faysal Asset Allocation Fund posted a monthly return of 8.68% during the month of January, outperforming the benchmark by 328bps. This performance has raised the Year to date return to 15.52%. Exposure to equities was increased from 54% to 66% to capitalize on the bullish momentum in the stock market on the back of monetary easing. 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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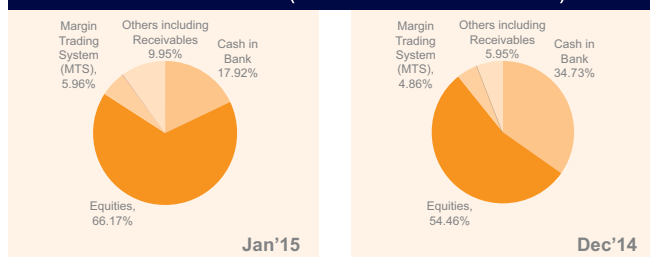
FUND RETURNS

	FAAF	Benchmark
Month on Month	8.68	5.40
FY15 to Date	15.52	11.95
1 year trailing	26.34	22.41

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)



(Others include Book Building/Advance for Synthetic Products Enterprises Ltd.)

ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.02%
AA	0.87%
AA-	17.03%
MTS (Unrated)	5.96%
NR	76.12%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Lafarge Cement Pakistan Ltd	8.95%
Sui Southern Gas Company Ltd	8.82%
Mari Petroleum Company Ltd	8.40%
National Bank of Pakistan Limited	8.37%
Hascol Petroleum Ltd	7.81%
Adamjee Insurance Company Ltd	6.70%
Sapphire Fibers Ltd	4.75%
Pakistan Oil Fields Ltd	3.93%
Saif Power Limited	2.82%
Ferozscons Laboratories Ltd	1.82%

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)	71.45
Net Assets (mn)	138.63
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)

	Jan'15	Dec'14
Household Goods	25.57%	26.34%
Mutiutilities (Gas and water)	11.21%	0.95%
Construction and Materials	9.17%	12.66%
Oil & Gas	8.27%	13.72%
Non Life Insurance	7.65%	0.00%
Others	16.57%	13.90%

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
Vacant (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%	27.04%	17.04%	Preference Shares	37,490,000	-	37,490,000	27.04%	25.57%
Pak Elektron Limited (Sector)	N/A	N/A	25%	27.04%	2.04%	Preference Shares	37,490,000	-	37,490,000	27.04%	25.57%

* Extension granted till 28th February 2015.

* Fresh issuance of units suspended upto two months effective 9th January, 2015. For details, refer www.faysalfunds.com

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 5,368,157 as at January 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.102 (1.54%). For details investors are advised to read the Note 10.1 of the latest financial statements for the quarter ended September 30, 2014.

Performance Review

Faysal Balanced Growth Fund yielded an annualized return of 6.66% during the month, outperforming the benchmark by 255bps and allowing YTD return to increase to 15.63%. Exposure to equities was increased from 41% to 53% to capitalize on the bullish rally in the stock market. Going forward, exposures will be determined on the back of anticipated triggers and macroeconomic environment.

MUFAP's recommended format

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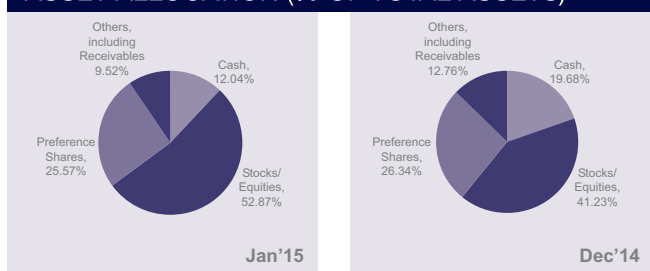
FUND RETURNS

	FBGF	Benchmark
Month on Month	6.66	4.11
FY15 to Date	15.63	10.51
1 year trailing	24.98	18.91

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)



*(Others include Book Building/Advance for Synthetic Products Enterprises Ltd.)

ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.03%
AA	0.63%
AA-	11.38%
NR (Include Equity Investments)	87.96%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Pak Elektron Ltd Pref Shares	25.57%
Sui Southern Gas Company Ltd	9.28%
Lafarge Pakistan Cement Ltd	9.17%
Adamjee Insurance Company Ltd	7.65%
Hascol Petroleum Ltd	6.69%
Sapphire Fiber Ltd	6.38%
National Bank of Pakistan Ltd	4.78%
Saif Power Ltd	3.45%
Sui Northern Gas Pipelines Company Ltd	1.93%
Pakistan Refinery Ltd	1.08%

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)

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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



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