

## Fund Manager's Report

March 2015





# The Month in Review

## Economic Review

Headline inflation clocked in at 2.49% YoY (the lowest level since Sept 2003) during the month under review as compared to 3.24% YoY recorded in the previous month mainly on account of decline in non-perishable food items and fuel prices. During March 2015, food inflation was the sole head that saw a MoM hike of 0.55%, while other key heads remained flat, resulting in MoM increase of 0.23% as compared to negative 0.9% posted in the previous month.

Overall in 9MFY15, CPI inflation stands at 5.1% YoY (down 349bps), while Core inflation clocked in at 7.1% YoY (down 110bps). Going forward, despite next month's House Rent Index and Education impact, the inflation is expected to remain subdued driven by high base effect and lower transportation inflationary index.

SBP's decision to reduce discount rate by a further 50bps was further reinforced by positive external account outlook, significant foreign exchange and workers remittances inflows, government's continued efforts towards fiscal consolidation and further expected improvement in LSM growth.

With continuous streak of remittances inflows amounting USD 1.39 billion during Feb 2015 coupled with shrinking import growth on MoM basis and materialization of CSF inflows, current account balance turned positive to USD 877 million during Feb 2015 as compared to deficit of USD 74 million in Jan 2015. Moreover, foreign exchange reserves stood to USD 16 billion during March 2015 and expected to propel by USD 500 million on account of approval of IMF's Seventh Tranche under EFF which would support PKR/USD exchange parity. In addition to this, Moody's Investor Services accredited positive outlook on Pakistan's economy taken into consideration improving macroeconomic outlook.

Going forward, macroeconomic health of the country will continue to remain strong owing to planned privatization of HBL target set by IMF, improvement in quarterly revenue collection targets, sufficient supply of food items in the market, muted M2 growth & low paced inflation, easing external pressures and anticipated arrival of first LNG import in Pakistan by early April 2015 thus providing support to gas-stricken sectors of the country mainly power and fertilizer.

## Money Market Review

In the monetary policy announcement for Mar'15, SBP further reduced discount rate by 50bps citing declining core inflation and strong foreign inflows. Furthermore, average CPI inflation projection for FY15 was reduced by 0.5% to 4% - 5% range as well.

Money market mostly remained short of liquidity as 3QFY15 quarter end also played its role in creating the liquidity crunch in the market and to mitigate this crunch SBP conducted 11 OMO – Injections where the total participation stood at PKR 4.49trn and total accepted amount was PKR 4.29trn at weighted average rate of 7.79%.

MUFAP's recommended format

SBP conducted two T bill auctions during the month of Mar'15. Total target was set at PKR 275bn against maturities of PKR 254.81bn, and SBP accepted PKR 324.33bn, the cut-offs for all three tenors were lowered by upto 23bps and were recorded at; 3M – 7.9648%, 6M – 7.9436% and 12M – 7.8382%.

In the both auctions of the month major participation remained concentrated towards 6 month T-bills followed by 12 months T-bill tenor.

In the PIB auction held during the month, total realized amount was PKR 46.47bn which was slightly less than the targeted amount of PKR 50mn. When compared to the previous month's PIB auction market participants focus shifted to 3yr tenor PIB followed by 5yr and 10yr PIBs. The cut-offs were lowered by 20-40bps from the last auction cut-offs. The cut-offs for the auction held during the month under review were 3Yr – 8.2900% from 8.4980%, 5Yr – 8.7476% from 9.1418%, 10Yr – 9.5002 from 9.8003% and 20Yr – No bids received.

## Equity Review

Despite positive macro developments, Pakistan's equity registered its worst monthly performance since August 2011. The benchmark KSE100 yielded a negative return of 10.1% in March 2015, pushing it towards the bottom of its regional peers on YTD basis.

Average daily volume dropped by 31% MoM to 167 mn shares, as compared to 242 mn in the previous month. Moreover KSE witnessed net foreign outflow of USD71.4mn from the market compared to USD62.5mn net selling in Feb'15.

The lackluster trend in the market can be primarily attributed to i) considerable foreign selling (Net FIPI –ve USD71.4mn), ii) expectations of a gas price hike announcement in Apr'15 (-ve for Textiles, Chemicals and Cements) and iii) political tensions in the main metropolitan city of Karachi. The aforementioned negative developments overshadowed positive developments including i) a 50bps DR cut in Mar'15, ii) improvement in the country's credit rating outlook to 'positive' by Moody's and iii) arrival of the first LNG shipment into the country.

The best performing key KSE-100 sectors were Gas utilities (-2.3%) and Food Producers (-5.1%) while Pharmaceuticals (-18.9%) and Banks (-14.7%) were laggards.

Going forward the economic outlook remains upbeat on i) narrowing CAD on depressed oil prices, ii) improvement in gas supply (addition of LNG) and iii) continued strengthening in forex reserves amid receipt of IMF tranche (USD501mn) and HBL SPO proceeds. 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.

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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)	107.44
Net Assets (PKR mn)	3,822.60
Leverage	Nil
Weighted Average Maturity	81.36 Days

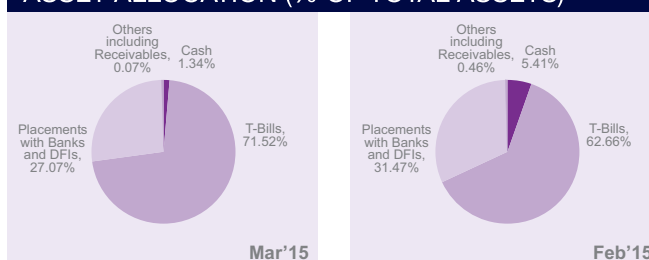
## FUND RETURNS

(Holding Period Annualized % p.a)	FMMF	Benchmark
Month on Month	7.72	7.01
FY15 to Date	8.69	8.23
1 year trailing	8.80	8.36

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)

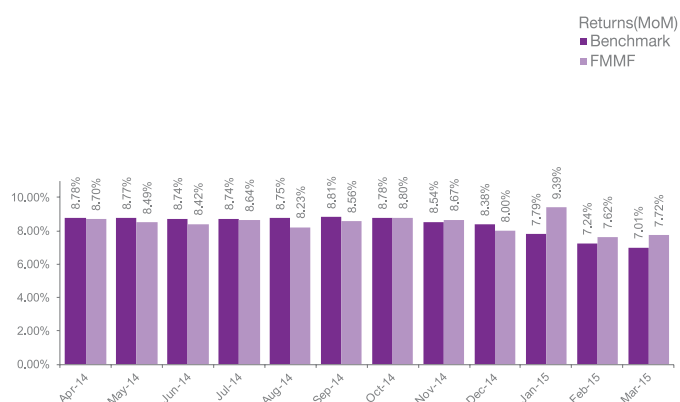
Government Securities	71.52%
AA+	22.67%
AA	5.74%
NR (include receivables against sale of Government Securities)	0.07%

## 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. 21,313,138 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.599 (0.56%). 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 7.72% during the month of March 2015 outperforming the benchmark by 71 bps. This performance allowed YTD Return to consolidate at 8.69%. During the month cash and maturing placements with banks were redeployed towards 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)	112.96
Net Assets (PKR mn)	2,353.72
Leverage	Nil
Weighted Average Maturity	3.00 years

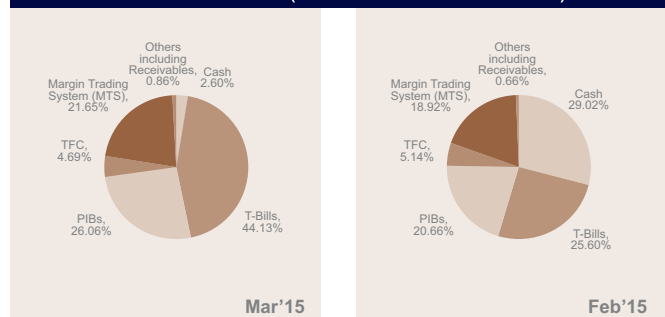
## FUND RETURNS

(Holding Period Annualized % p.a)	FSGF	Benchmark
Month on Month	12.22	8.15
FY15 to Date	15.10	9.54
1 year trailing	13.67	9.68

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)

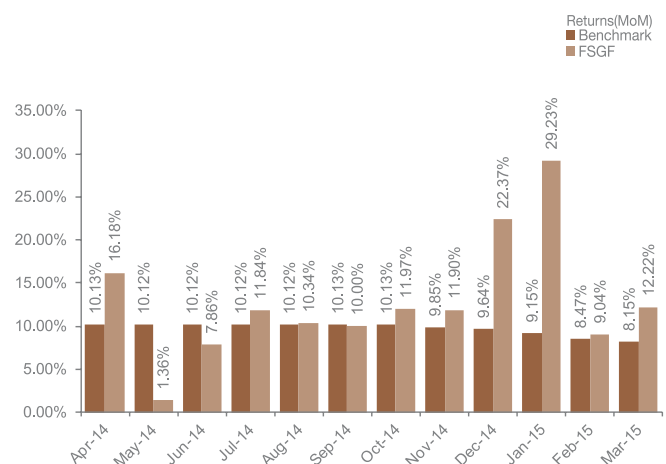
Government Securities	70.19%
AA	1.43%
AA-	2.46%
A+	3.40%
MTS (Unrated)	21.65%
NR (include receivables against sale of investments)	0.86%

## TFCs/SUKUK Holdings (% of Total Assets)

NIB Bank Limited TFC II	3.40%
Bank Alfalah Limited IV	1.29%

## 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. 54,455,245 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 2.613 (2.31%). 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 and Growth Fund yielded an annualized return of 12.2% during March 2015, consolidating the YTD return at 15.10% outperforming the benchmark by 556bps. During the month under review, your fund increased exposure towards government securities comprising T-bills and PIBs to 44.13% and 26.06% from 25.60% and 20.66% in Feb 2015. Going forward, the fund is expected to maintain a diversified portfolio with focus towards higher yielding instruments in order to capitalize on improving macroeconomic fundamentals.

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)	107.03
Net Assets(PKR mn)	251.72
Leverage	Nil
Weighted Average Maturity	4.14 years

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 1,152,719 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.490 (0.46%). 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-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

## TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	13.87%
Standard Chartered Bank	9.38%
NIB Bank Limited TFC II	4.86%

## 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%	14.06%	4.06%	TFC	35,382,635	-	35,382,635	14.06%	13.87%

\*Applied for Extension to SECP.

## Performance Review

Faysal Financial Sector Opportunity Fund yielded an annualized return of 9.05% on YTD basis outperforming the benchmark by 31bps. During the month under review, your fund increased exposure in long term government papers (PIBs) to 22.74% from 11.30% in Feb 2015. Going forward, the fund is expected to diversify towards high yielding instruments in order to maximize fund returns while capitalizing on lucrative investment opportunity without affecting the credit quality of assets.

MUFAP's recommended format

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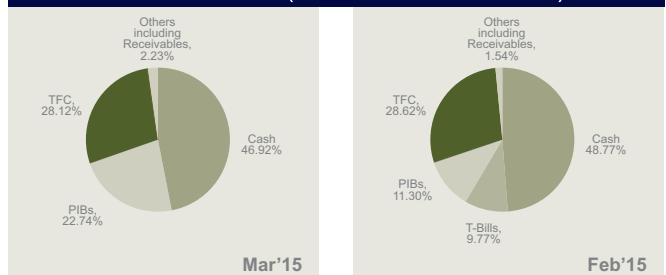
## FUND RETURNS

(Holding Period Annualized % p.a)	FFSOF	Benchmark
Month on Month	6.86	7.51
FY15 to Date	9.05	8.74
1 year trailing	8.65	8.88

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)

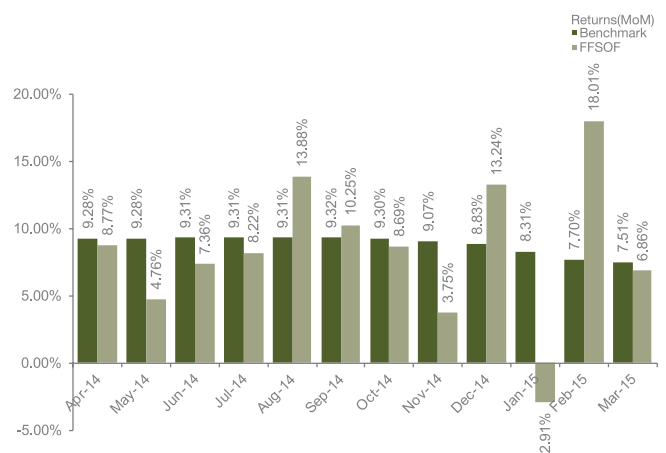


## Investment Objective

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	22.74%
AAA	9.39%
AA+	0.02%
AA	0.64%
AA-	60.12%
A+	4.86%
NR (include receivables against sale of investments)	2.23%



# 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)	108.02
Net Assets (PKR mn)	779.92
Leverage	Nil
Weighted Average Maturity	1.11 years

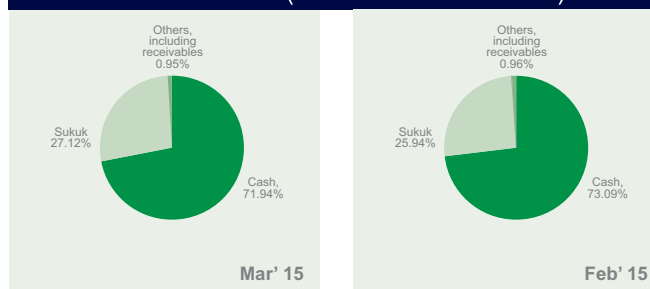
## FUND RETURNS

(Holding Period Annualized % p.a)	FISGF	Benchmark
Month on Month	6.91	6.46
FY15 to Date	8.57	6.86
1 year trailing	8.54	6.90

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)

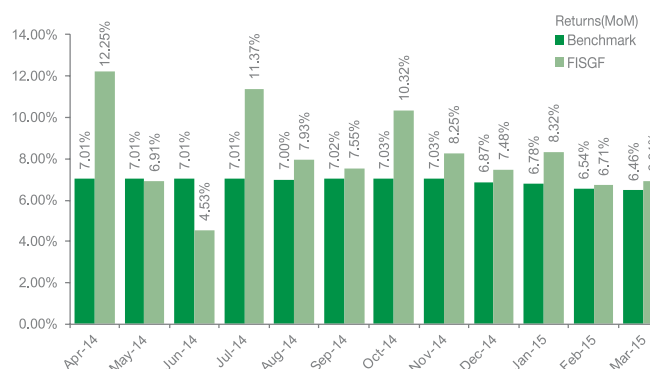
K-Electric AZM Sukuk III	13.17%
Engro Fertilizer Sukuk	12.84%
Engro Rupaya Sukuk	1.11%

## ASSET QUALITY (% OF TOTAL ASSETS)

AA	1.16%
A+	26.00%
A	71.89%
NR (include receivables against sale of investments)	0.95%

## 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. 4,757,762 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.659 (0.61%). 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 and Growth Fund yielded an annualized return of 8.57% on year-to-date basis whereas month-to-date return clocked in at 6.91% beating benchmark by 1.71% on YTD basis. Going forward we intend to continue focus of investments towards a mix of corporate sukuk and sovereign sukuk's if any are available to maintain competitive returns.

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)	116.23
Net Assets (PKR mn)	527.43
Leverage	Nil
Weighted Average Maturity	4.15 years

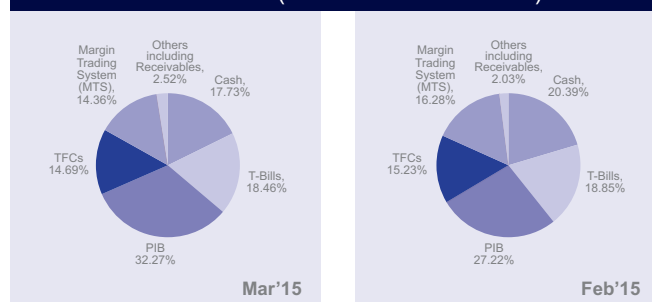
## FUND RETURNS

(Holding Period Annualized % p.a)	FIGF	Benchmark
Month on Month	10.84	8.17
FY15 to Date	14.36	9.59
1 year trailing	12.38	9.73

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	50.72%
AAA	0.01%
AA+	0.02%
AA	1.73%
AA-	23.84%
A+	6.81%
MTS (Unrated)	14.35%
NR (include receivables against sale of investments)	2.52%

## Investment Objective

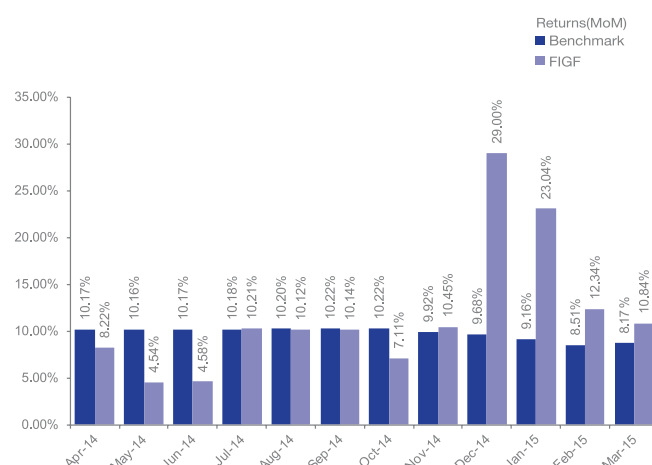
Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

## TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	7.87%
NIB Bank Limited TFC II	6.81%

## 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. 8,312,576 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.1.832 (1.58%). 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 14.36% on year-to-date basis whereas month-to-date return clocked in at 10.84% beating benchmark by 4.77% on YTD basis. During the month, exposure towards longer tenor bonds was further enhanced in order to capitalize upon the easing monetary cycle in the wake of consistently declining inflationary trend. Going forward, the fund will continue its proactive investment strategy to yield competitive returns.

## 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)	71.75
Net Assets (mn)	222.62
Leverage	Nil

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

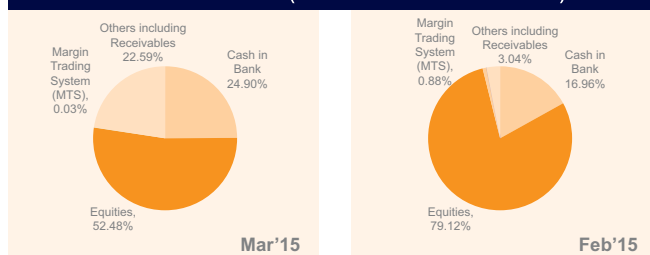
## FUND RETURNS

	FAAF	Benchmark
Month on Month	(8.72)	(7.39)
FY15 to Date	4.08	3.86
1 year trailing	15.84	10.84

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)



## 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)

	Mar'15	Feb'15
Oil & Gas	18.27%	13.46%
Construction and Material	8.38%	8.95%
Industrial Transporation	8.32%	8.51%
Multiutilities (Gas and water)	4.79%	8.26%
Personal goods	4.64%	4.75%
Others	8.08%	35.19%

## ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.03%
AA	5.39%
AA-	19.49%
MTS (Unrated)	0.03%
NR (Include Equity Investments)	75.06%

## 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

## EQUITY HOLDINGS (% OF TOTAL ASSETS)

Hascol Petroleum Ltd	9.24%
Mari Petroleum Company Ltd	9.03%
Lafarge Cement Pakistan Ltd	8.38%
Pakistan International Bulk Terminal Ltd	8.32%
Sui Sothern Gas Company Ltd	4.79%
Sapphire Fibers Ltd	4.64%
Ferozsos Laboratortries Ltd	4.35%
Hub Power Company Limited	3.74%
Sui Northren Gas Piplines Co.	0.00%

## 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. 2,817,693 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.908 (1.27%). 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 -8.72% during the month of March as the broader KSE-100 Index was in the grip of bearish momentum and fell by -10.10%. Thus exposure to equities was reduced from 79% to 52% to reduce systematic risk. However we believe that the expected monetary easing and attractive valuations 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

**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.

# 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)	67.26
Net Assets (mn)	127.75
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)

	Mar'15	Feb'15
Household Goods	27.88%	24.75%
Oil & Gas	13.09%	7.52%
Construction and Materials	8.52%	8.92%
Personal Goods	5.91%	5.94%
Mutiutilities (Gas and water)	5.12%	8.08%
Others	4.84%	21.80%

## 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
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%	29.35%	19.35%	Preference Shares	37,490,000	-	37,490,000	29.35%	27.88%
Pak Elektron Limited (Sector)	N/A	N/A	25%	29.35%	4.35%	Preference Shares	37,490,000	-	37,490,000	29.35%	27.88%

\* Extension granted till 20th April, 2015

The Scheme has maintained provisions against **Workers' Welfare Fund** liability to the tune of Rs. 5,197,780 as at March 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.036 (1.54%). 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 monthly return of -5.85% during the month of March as the broader KSE-100 Index was in the grip of bearish momentum and fell by -10.10%. Thus exposure to equities was reduced from 52% to 37% to reduce systematic risk. Going forward, exposures will be determined on the back of anticipated triggers and macroeconomic environment.

MUFAP's recommended format

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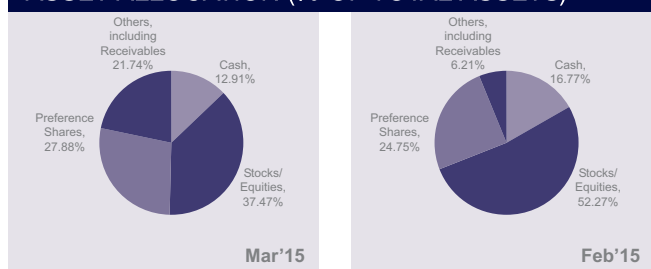
## FUND RETURNS

	FBGF	Benchmark
Month on Month	(5.85)	(4.99)
FY15 to Date	8.85	4.71
1 year trailing	20.20	10.51

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	1.50%
AA-	11.38%
NR (Include Equity Investments)	87.09%

## EQUITY HOLDINGS (% OF TOTAL ASSETS)

Pak Elektron Ltd Pref Shares	27.88%
Hascol Petroleum Ltd	9.26%
Lafarge Pakistan Cement Ltd	8.52%
Sapphire Fiber Ltd	5.91%
Sui Southern Gas Company Ltd	5.12%
Ferozsans Laboratories Ltd	4.40%
Mari Petroleum Company Ltd	3.84%
Pakistan International Bulk Terminal Ltd	0.44%

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.



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