

Fund Manager's Report

May 2015



The Month in Review

Economic Review

Driven by escalating prices of perishable food items, the headline inflation clocked in at 3.19% YoY during the month under review as compared to 2.11% reported in the last month. On MoM basis, uptick in CPI (+0.76% MoM) was mainly driven by high food inflation (1.9% MoM as compared to 1.5% MoM in Apr-15) coupled with high base effect. Amongst food inflation, perishable food items category witnessed MoM increase of 9.72% during the month under review as compared to 4.96% in the same period last month mainly due to seasonality factor and upcoming month of Ramadan. Consequently, 11MFY15 average inflation edges to 4.69% (within SBP's revised target rate of 4.5-5.5%) as compared to 8.66% in the same period last year. Going forward, inflation is expected to surge owing to transport index fueling up, gas tariff being imposed with effect from July 2015, prices of perishable food items to remain sticky, and upcoming budgetary tax impact on the prices of essential food items.

On monetary front, SBP announced a 100bps cut in the discount rate in its May Monetary Policy 2015 on the back of lower inflation figure, widening real interest rate, muted government borrowing from SBP, favorable external account and surging foreign exchange reserves.

On external front, current account balance posted a surplus of USD 275 million during April 2015 on the back of higher remittances and lower trade deficit, however, taking 10MFY15 current account deficit to USD 13.8 billion as compared to USD 13.7 billion in the same period last year. Remittances were recorded at a higher level worth USD 1.6 billion during April 2015 thus taking 10MFY15 figure to USD 14.9 billion as compared to USD 12.8 billion, registering a growth of 16% YoY. Moreover, foreign exchange reserves swelled up to USD 17 billion by the end of May 2015 posting a growth of 26% YoY as compared to May 2014.

Going forward, macroeconomic indicators are expected to remain positive as foreign exchange reserves are expected to surge owing to approval of IMF 8th Tranche under EFF, inflation will remain subdued at manageable levels, and external account in comfortable levels.

Money Market Review

In the last MPS announcement in the month of May'15, SBP slashed the policy rate by 100bps from 8.00% to 7.00% lowest level in 42 years, also a target rate has been set at 50bps below the policy ceiling rate, which will be used by SBP itself to maintain the O/N and repo transactions at these levels. Lower inflation, reduced current account deficit and hefty foreign investments were among the few core reasons for the cut in policy rate.

During the month under discussion money market remained short of liquidity and to overcome the liquidity crisis SBP conducted 07 OMO – Injections where the total participation stood at PKR 3.75trn and total accepted amount was PKR 3.40trn at weighted average rate of 7.31%. One instance of excess liquidity was also witnessed in money market during the month and to wipe off the excess liquidity from the market SBP also conducted an OMO – Mop ups where the total participation was PKR 160.3bn and the total accepted amount was PKR 137.8bn at weighted average rate of 7.48%.

SBP conducted two T bill auctions during the month of May'15.

MUFAP's recommended format

Total target was set at PKR 175bn against maturities of PKR 459bn, and SBP accepted PKR 211.47bn, the cut-offs for all three tenors were slashed by max up to 27bps and the cut-offs for the last auction of the month were recorded at; 3M – 6.6171%, 6M – 6.6511% and 12M – 6.7535%.

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

In the PIB auction held during the month, total realized amount was PKR 60.86bn which was above than the targeted amount of PKR 50mn. When compared to the previous month's PIB auction market participants remained focused to 03yr tenor PIB followed by 5yr and 10yr PIBs. The cut-offs were lowered by up to max 32bps from the last auction cut-offs. The cut-offs for the auction held during the month under review were 3Yr – 7.5527% from 7.8502%, 5Yr – 8.1041% from 8.4219%, 10Yr – 9.2505% from 9.3402% and 20Yr – No bids received.

Equity Review

The benchmark KSE100 index lost 2% in May, mainly due to budgetary news flow with hike in CGT news and possibility of super tax dampening sentiments. We expect the budget to be a tough one in terms of taxation side due to impact of low oil prices impeding government's tax revenue. Volumes of KSE-100 index dipped by a hefty 45% MoM to 108mn, while value traded also declined by a similar 41% MoM. The Federal Budget on 5th June 2015 is expected to determine the market & sector specific direction going forward.

Engro, UBL & PPL contributed the most in terms of index points fall during May, while HBL and POL gained the most in terms of index points contribution. Sector wise return shows Pharmas, Autos and Telecom sector outperforming the most amongst the key sectors, while Banks fell the most. Pharmas rose on news of certain drug prices being raised, while Auto sector also outperformed due to continuation of robust volumes and falling yen. Banks were the biggest underperformer in May due to 100bps reduction in Discount rate, introduction of Target rate & reduction in Interest rate corridor. These measures are expected to negatively impact the banking sector earnings especially in CY16, unless the banks are able to raise their advances ratio. Chemical sector also saw a drop due to sector heavy weight Engro dropping as both its key listed subsidiary (EFOODS & EFERT) lost ground in May due to taxation concerns and GIDC issue, respectively. Foreigners were net buyers of USD15mn in May. The biggest net buy during the month came from Individuals (USD34mn), while Companies were the biggest net sellers (USD68mn). NCCPL has introduced a new classification of market participants (Broker Proprietary trading) from the month of May.

Most of the ingredients for buoyant market remain in place with discount rate and inflation at a decade low and external account outlook stable. As alternate fixed income returns continue to drop, we see interest shifting towards equities. Uptick in oil prices should result in improvement in E&P and especially OMCs earnings while in the medium term, the proposed infrastructure/energy related spending is set to benefit the cement and banking sector the most.

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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)	108.73
Net Assets (PKR mn)	3811.07
Leverage	Nil
Weighted Average Maturity	74.25 Days

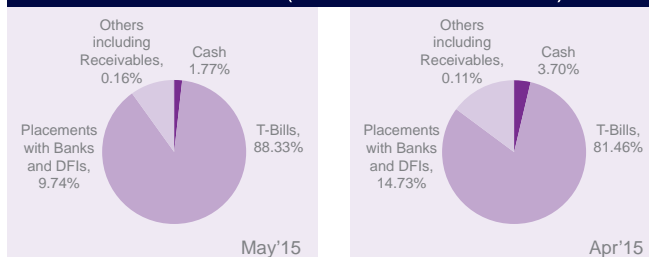
FUND RETURNS

(Holding Period Annualized % p.a)	FMMF	Benchmark
Month on Month	6.20	6.19
FY15 to Date	8.50	7.90
1 year trailing	8.55	7.97

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)

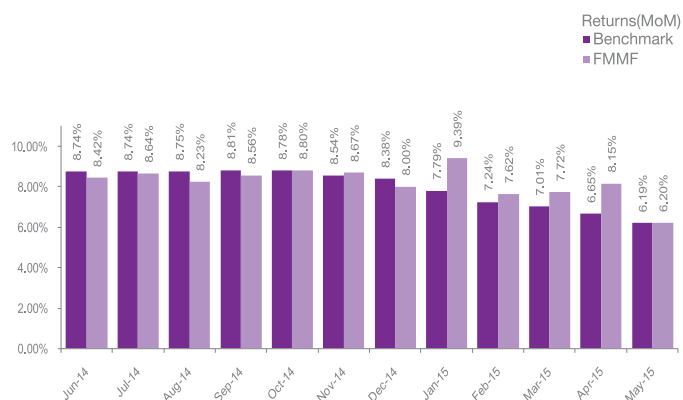
Government Securities	88.33%
AA+	9.74%
AA	1.77%
NR (include receivables against sale of Government Securities)	0.16%

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
Vacant	Manager Risk



The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 22,164,988 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.632 (0.58%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Money Market Fund yielded an annualized return of 8.50% YTD outperforming the benchmark by 60 bps. This performance allowed 365 Days return to consolidate at 8.55%. During the month duration of the fund was increased marginally to position the fund to benefit from anticipated adjustments of the yield curve. The fund intends to maintain a balanced mix of shorter to medium tenor T-Bills to provide competitive returns for the portfolio.

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)	114.73
Net Assets (PKR mn)	2,698.62
Leverage	Nil
Weighted Average Maturity	1.92 years

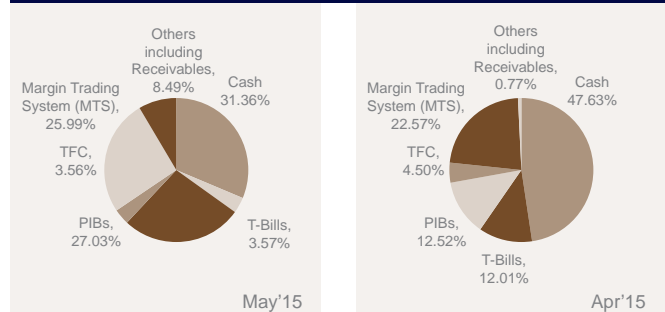
FUND RETURNS

(Holding Period Annualized % p.a)	FSGF	Benchmark
Month on Month	4.22	7.04
FY15 to Date	14.25	9.15
1 year trailing	13.81	9.23

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)

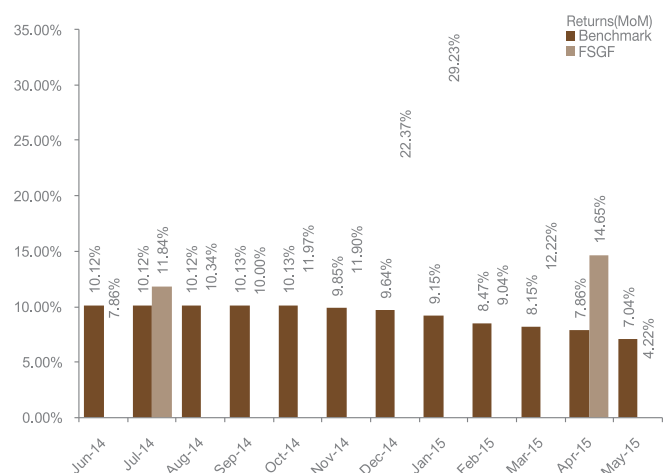
Government Securities	30.60%
AA	0.20%
AA-	34.71%
MTS (Unrated)	25.99%
NR (include receivables against sale of investments)	8.49%

INVESTMENT COMMITTEE

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

TFCs/SUKUK Holdings (% of Total Assets)

Engro Fertilizer Limited PPTFC - 1	2.44%
Bank Alfalah Limited IV	1.12%



The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 55,936,061 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 2.378 (2.07%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Saving Growth Fund yielded an annualized return of 14.25% YTD outperforming the benchmark by 510 bps. This performance consolidated 365 Days return at 13.81%. During the month under review your fund reduced its exposure in T-Bills to 3.67% from 12.01% and increased PIBs to 27.03% from 12.52%. Your fund is actively monitoring the changes in the macroeconomic environment and going forward, it is expected to maintain a diversified portfolio in high quality assets.

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)	108.42
Net Assets(PKR mn)	236.02
Leverage	Nil
Weighted Average Maturity	3.28 years

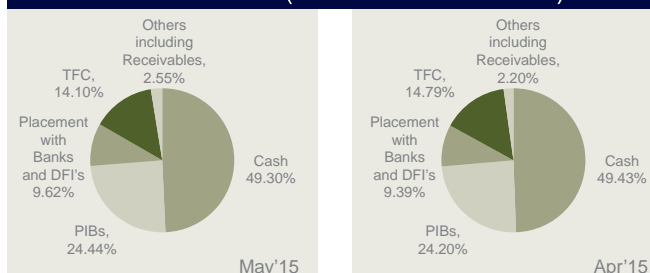
FUND RETURNS

(Holding Period Annualized % p.a)	FFSOF	Benchmark
Month on Month	2.83	6.50
FY15 to Date	8.91	8.40
1 year trailing	8.84	8.47

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)

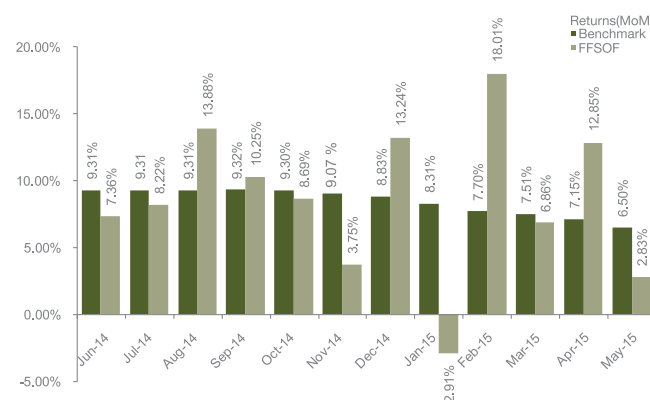
Government Securities	24.44%
AAA	8.96%
AA+	9.64%
AA	0.08%
AA-	49.18%
A+	5.15%
NR (include receivables against sale of investments)	2.55%

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Standard Chartered Bank	8.95%
NIB Bank Limited TFC II	5.15%

INVESTMENT COMMITTEE

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



The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 1,190,345 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.547 (0.50%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Financial Sector Opportunity Fund yielded an annualized return of 8.91% YTD outperforming the benchmark by 51 bps. During the month your fund maintained its previous position in liquid assets & going forward liquidity will be deployed in good high quality yielding TFC's or other TDR placements without compromising on the credit quality of assets.

MUFAP's recommended format

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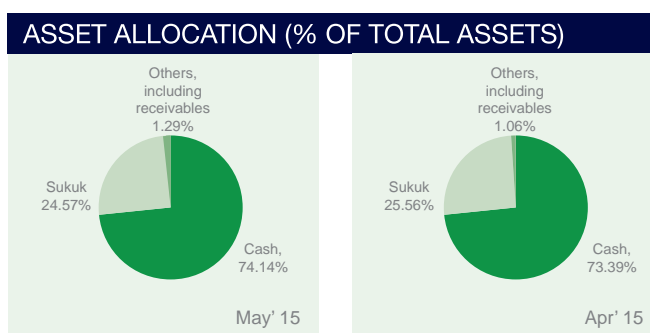
Islamic Savings Growth Fund

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)	109.21
Net Assets (PKR mn)	864.06
Leverage	Nil
Weighted Average Maturity	0.97 years

FUND RETURNS		
(Holding Period Annualized % p.a)	FISGF	Benchmark
Month on Month	6.29	6.08
FY15 to Date	8.29	6.72
1 year trailing	8.01	6.75

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)



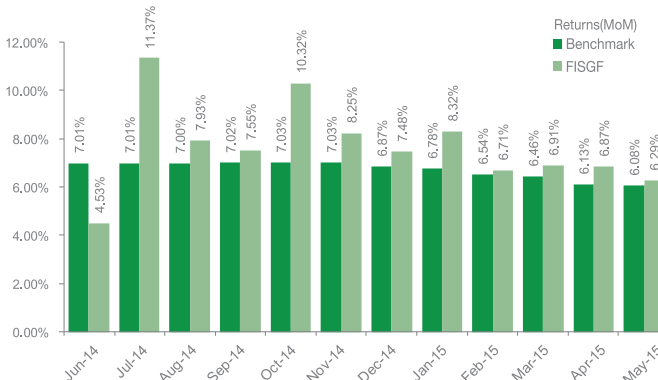
Investment Objective

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	11.89%
Engro Fertilizer Sukuk	11.67%
Engro Rupaya Sukuk	1.02%

ASSET QUALITY (% OF TOTAL ASSETS)	
AA	1.18%
A+	23.55%
A	73.97%
NR (include receivables against sale of investments)	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
Vacant	Manager Risk



The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 5,042,768 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.637 (0.58%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Islamic Saving Growth Fund yielded an annualized return of 8.29% YTD outperforming the benchmark by 157 bps. The MTD return clocked in at 6.29%. The fund maintained its exposure in quality Sukuk's and Cash. Going forward, your fund will continue to invest in higher yielding instruments and maintain a diversified approach.

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)	118.05
Net Assets (PKR mn)	546.95
Leverage	Nil
Weighted Average Maturity	2.42 years

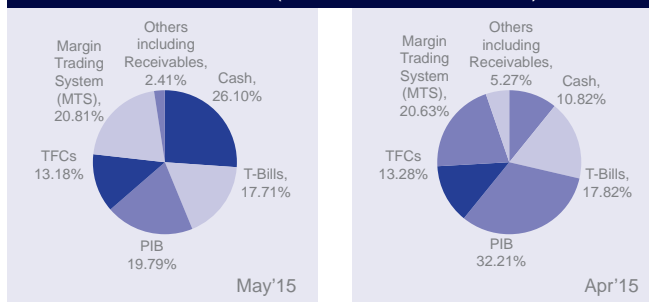
FUND RETURNS

(Holding Period Annualized % p.a)	FIGF	Benchmark
Month on Month	4.71	7.14
FY15 to Date	13.63	9.21
1 year trailing	12.94	9.29

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	37.50%
AAA	0.01%
AA+	0.02%
AA	0.79%
AA-	31.94%
A+	6.52%
MTS (Unrated)	20.81%
NR (include receivables against sale of investments)	2.41%

Investment Objective

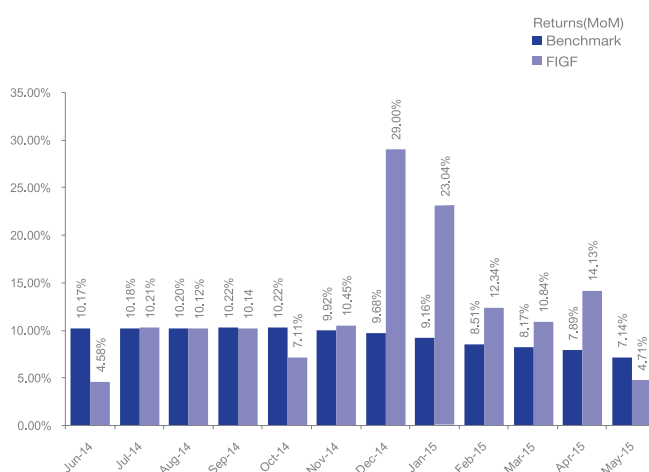
Faysal Income & Growth Fund (FIGF) seeks to provide its investors with optimal yields through a diversified portfolio consisting of both long-term fixed instruments as well as short-term money market securities.

TFCS/SUKUK HOLDINGS (% OF TOTAL ASSETS)

Askari Bank Limited IV	6.67%
NIB Bank Limited TFC II	6.52%

INVESTMENT COMMITTEE

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



The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 8,505,656 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs.1.836 (1.56%). For details investors are advised to read the Note 9.1 of the latest financial statements for the the half year ended March 31, 2015.

Performance Review

Faysal Income Growth Fund yielded an annualized return of 13.63% YTD outperforming the benchmark by 442 bps. Your fund maintained its position in longer term tenor bonds. Going forward, your fund will continue to invest in higher quality and yielding instrument in order to exploit the low inflationary environment and generate 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)	77.50
Net Assets (mn)	394.86
Leverage	Nil

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

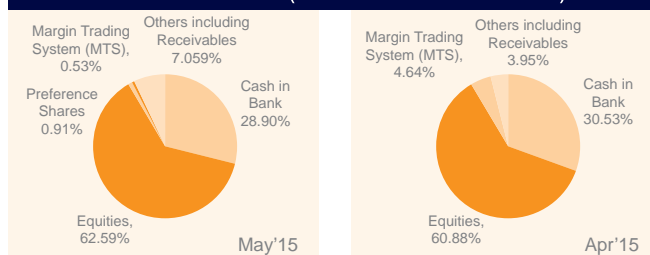
FUND RETURNS

	FAAF	Benchmark
Month on Month	(1.37)	(1.03)
FY15 to Date	12.42	10.35
1 year trailing	13.06	10.50

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)

	May'15	Apr'15
Oil & Gas	14.38%	16.23%
Construction and Material	9.87%	18.12%
Chemicals	9.01%	0.26%
Multiutilities (Gas and water)	8.32%	9.26%
Electricity	6.59%	0.00%
Others	15.34%	17.00%

ASSET QUALITY (% OF TOTAL ASSETS)

AA+	0.01%
AA	1.22%
AA-	27.67%
MTS (Unrated)	0.53%
NR (Include Equity Investments)	70.56%

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
Vacant	Manager Risk

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Sui Southern Gas Company Ltd	8.32%
Hascol Petroleum Ltd	8.19%
Saif Power Limited	6.59%
Engro Fertilizers Ltd	5.72%
Mari Petroleum Company Ltd	5.27%
Lafarge Cement Pakistan Limited	5.18%
Pak Suzuki Motor Company Ltd	4.79%
Pioneer Cement Company Ltd	4.69%
Ferozsons Laboratories Ltd	2.76%
Sapphire Fibers Ltd	2.61%

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. 3,529,947 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 0.693 (0.89%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Asset Allocation Fund yielded a return of 12.42% on FYTD basis, outperforming the benchmark by 207bps. Your fund's exposure in equities was increased to 62.59% during the month as compared to 60.88% in the previous month. Going forward, your fund is expected to keep a vigilant eye on upcoming budget 2015-2016 proposals and recommendations as to diversify the fund towards the most attractive sectors and stocks.

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)	71.17
Net Assets (mn)	127.77
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)

	May'15	Apr'15
Household Services	27.78%	26.18%
Construction and Materials	10.11%	15.74%
Electricity	9.05%	0.00%
Oil & Gas	10.09%	15.92%
Chemicals	8.08%	0.00%
Others	19.39%	17.68%

INVESTMENT COMMITTEE

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Mr. Ravi Kumar Mandhan (Non voting member)	Head of Compliance & Internal Audit
Dr. Gohar Rasool	Fund Manager-Equity
Vacant	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%	29.34%	19.34%	Preference Shares	37,490,000	-	37,490,000	29.34%	27.78%
Pak Elektron Limited (Sector)*	N/A	N/A	25%	29.34%	4.34%	Preference Shares	37,490,000	-	37,490,000	29.34%	27.78%
Mari Petroleum Co. Ltd Equity Exposure	N/A	N/A	10%	N/A	N/A	Equity Shares	11,001,760	-	11,001,760	N/A	N/A
Mari Petroleum Co. Ltd Preference Shares Exposure**	A-	N/A	10%	N/A	N/A	Preference Shares	2,060,950	-	2,060,950	N/A	N/A
Mari Petroleum Co. Ltd Total Exposure	-	-	10%	10.22%	0.22%	-	13,062,710	-	13,062,710	10.22%	9.68%

* Applied for Extension to SECP.

** Corporate Action: Mari Petroleum announced preference shares of PKR 87.7 per share on 14th May, 2015.

The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs. 5,329,182 as at May 31, 2015. If the same were not made the NAV per unit / return of the Scheme would have been higher by Rs. 1.169 (1.64%). For details investors are advised to read the Note 9.1 of the latest financial statements for the half year ended March 31, 2015.

Performance Review

Faysal Balanced Growth Fund yielded a return of 15.18% on FYTD basis, outperforming the benchmark by 528bps. During the month, your fund increased exposure in equities to 55% as compared to 49% in the previous month. Going forward, your fund is expected to diversify the fund considering the upcoming development on federal budget 2015-2016.

MUFAP's recommended format

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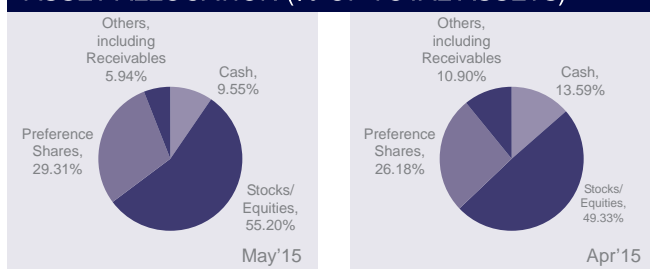
FUND RETURNS

	FBGF	Benchmark
Month on Month	(1.32)	(0.83)
FY15 to Date	15.18	9.90
1 year trailing	16.15	10.19

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	1.81%
AA-	7.70%
NR (Include Equity Investments)	90.45%

EQUITY HOLDINGS (% OF TOTAL ASSETS)

Pak Elektron Ltd Pref Shares	27.78%
Lafarge Pakistan Cement Ltd	9.21%
Saif Power Ltd	9.05%
Mari Petroleum Company Ltd	8.15%
Engro Fertilizers Ltd	8.08%
Sui Southern Gas Company Ltd	7.62%
Sapphire Fiber Ltd	6.00%
Ferozsons Laboratories Ltd	5.05%
Mari Petroleum Ltd - Pref Shares	1.53%
Pioneer Cement Ltd	0.90%

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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