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# FUND MANAGER'S REPORT DECEMBER 2014



Rated 'AM2-' by JCR-VIS

A wholly owned subsidiary of **NIB Bank Ltd.**

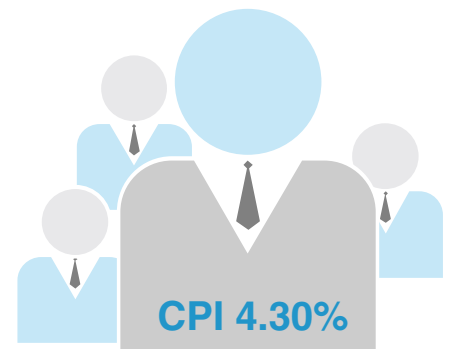
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## ECONOMIC REVIEW

Headline inflation (CPI) clocked in at 4.30% Y/Y for the month of Dec'14 (vs. 3.97% Y/Y recorded for the month of Nov'14) taking average CPI to clock in at 6.11% during 1hFy15. On a sequential basis, CPI recorded a decline of 1.01% M/M during Dec'14 (down 0.51% M/M during Nov'14). The measurable sequential decline in CPI is largely due to a reduction (down 2.30% M/M) in the Food segment (CPI basket weight: 34.83%) and a 2.93% M/M decline in the Transport segment (CPI basket weight: 7.2%) as domestic petroleum prices were slashed on the back of lower international oil prices. However, risks to CPI exist via fiscal adjustments (administered price changes) to raise revenue through

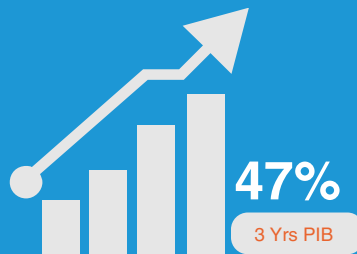
the phasing out of power subsidies (subsequent higher domestic gas and electricity prices). With regards to improving macro-economic indicators, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows (viz. privatization and release of IMF's ~USD 1.1bn tranche) have improved the external account outlook. The decline in international oil prices coupled with upcoming privatization transactions (e.g. HBL) provides further cushion to the external account. Going forward, domestic POL prices can be expected to be further brought down in line with the weakness in international oil prices which should keep the inflationary outlook benign and along with the optimism on the

external account can encourage the SBP to continue with the monetary easing cycle.



## MONEY MARKET REVIEW

During the period under review, SBP conducted T-bill auctions twice with a cumulative target of PKR 175bn against maturity of PKR 97bn. Cumulative participation in the auction was PKR179.3bn and the amount accepted was PKR121.6bn (both amounts excluding non-competitive bids). SBP also conducted a PIB auction on December 18, 2014 (against a target of PKR50bn) where participation of PKR332.4bn



(face value) was witnessed while the government accepted an amount of PKR151.4bn. Participation in the 3years PIBs attracted 47%, while 10years attracted 33% of the

entire participation. The cut-off yields were 10.5979% for the 3 years tenor (face value PKR 91.2bn), followed by 10.7994% in the 5 years tenor (face value PKR24.3bn) and 11.7049% in the 10 years tenor (face value PKR 35.8bn).

## EQUITY MARKET REVIEW

**The KSE100 Index gained 2.99% M/M (KMI30 Index gained 1.90% M/M) during Dec'14, taking total return to 27.20% in Cy14 (KMI30 gained 19.57% in Cy14). Average volumes**

marginally contracted by 2.03% M/M to 248mn shares traded in Dec'14. Dec'14 also witnessed net foreign outflows of USD 49.50mn (net foreign inflows have clocked in at USD 382.54mn in Cy14, down 3.91% Y/Y) against net foreign inflows (USD 36.33mn)

recorded in Nov'14. Activity at the exchange remained relatively robust during Dec'14 as improving macros prevailed over heightened political and law & order concerns. In this regard, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows (viz. privatization and release of IMF's ~USD 1.1bn tranche) have improved the external account outlook. Going forward, the market may bounce around from the vagaries of the political environment. That being said, we flag 1) Continuation of the monetary easing cycle in the backdrop of a soft inflationary outlook, 2) Political consensus in implementing reforms, 3) Stability on the external account (benefit of lower international oil prices to curb the import bill), 4) Successful completion of the on-going military offensive in the tribal regions, and 5) Continued foreign inflows in equities, as key short to medium term re-rating triggers for the index.

## PICIC CASH FUND (PICIC-CF)

### INVESTMENT OBJECTIVE:

To provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity. The Fund aims to maximize returns through efficient utilization of investment and liquidity management tools.

### FUND INFORMATION

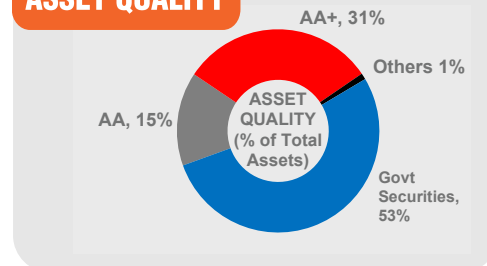
Fund Type	Open-end
Category	Money Market Fund
Launch Date	December 14th 2010
Net Assets (Dec 31st)	PKR 5,331 million
NAV per Unit (Dec 31st)	PKR 104.7537
Trustee	CDC
Auditor	A.F. Ferguson & Co.
Benchmark	Average of 3M AA Rated Bank Deposit
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Pricing Mechanism	Backward
Management Fee	0.5% per annum
AMC Rating	AM2-(JCR-VIS)
Fund Stability Rating	AA(f) (JCR-VIS)
Front-end Load	Class C: Nil Class D: 1% of NAV
Min. Subscription	PKR 5,000
Fund Manager	Tauqir Shamshad
Listing	ISE
Leverage	Nil
Risk Profile	Low

Fund Performance (Annualized)	PICIC-CF	3M-Deposit
Inception to date return**	11.50%	8.26%
Month to Date return	8.80%	7.33%
Year to Date return(FYTD)	9.17%	7.68%
12M Trailing	9.12%	7.52%

### MATURITY PROFILE

Weighted Average Maturity	70Days	
Asset Allocation (% of Total Assets)	Dec '14	Nov '14
Cash	2	3
T-Bills	53	72
Placements with Banks and DFIs	44	25
Others including receivables	1	0
Total	100	100

### ASSET QUALITY



### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Tauqir Shamshad, Head of Fixed Income

### FUND STRATEGY

During the month, the Fund size increased to PKR 5,331 mn from PKR 4,886 mn in Nov'14. The Fund earned an annualized return of 8.80% for the month, comfortably outperforming the benchmark. The fund increased its exposure in Placements with the amount maturing through T-bills. The overall weighted average maturity decreased marginally to 70 days from 83 days in Nov'14. Going forward, the fund manager believes that the room between the Discount Rate and Inflation is on the higher side and this will trigger potential opportunities of a rate cut.

Key Rates	Dec'14
KIBOR (1M)*	9.36%
KIBOR (3M)*	9.39%
KIBOR (6M)*	9.40%
Latest T-Bill Cut-Off (3M)	9.48%
Latest T-Bill Cut-Off (6M)	9.48%
Discount Rate	9.50%
CPI Inflation Y/Y	4.30%

### Performance Annualized

	PICIC CF	3M Deposit
FY-14	8.37%	7.16%
FY-13	9.08%	7.59%
FY-12	11.44%	9.67%
FY-11	11.68%	9.39%

Month	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Fund Returns	8.66%	8.30%	8.34%	8.65%	8.61%	8.61%	8.68%	8.94%	8.94%	9.11%	9.54%	8.80%
Ave. of 3M Bank Deposit (AA Rated)	7.37%	7.37%	7.37%	7.37%	7.37%	7.37%	7.75%	7.75%	7.75%	7.75%	7.75%	7.33%

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

\*Average (BID) for the period  
\*\*From 14th December 2010

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs19,278,941, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.3789/0.75% (YTD). For details, investors are advised to read the Note 7 of the latest financial statements of the scheme.

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**PICIC INCOME FUND (PICIC-IF)**

**INVESTMENT OBJECTIVE:**

To provide competitive returns to its investors through active investments in a blend of short, medium and long term debt instruments. The Fund aims to preserve capital while maximizing returns through efficient utilization of investment and liquidity management tools.

**BASIC FUND INFORMATION**

Fund Type	Open-end
Category	Income Fund
Launch Date	July 24th 2010
Net Assets (Dec 31st)	PKR 3,279 million
NAV per Unit (Dec 31st)	PKR 106.9673
Trustee	CDC
Auditor	A.F. Ferguson & Co.
Benchmark	Average of 6M KIBOR
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Pricing Mechanism	Forward
Management Fee	1.25% per annum
AMC Rating	AM2-(JCR-VIS)
Fund Stability Rating	A+(f) (JCR-VIS)
Front-end Load	Class D: 1.25%NAV
Min. Subscription	PKR 5,000
Fund Manager	Tauqir Shamshad
Listing	ISE
Leverage	Nil
Risk Profile	Low to medium

**MATURITY PROFILE**

Weighted Average Maturity	484 Days	
Asset Allocation (% of Total Assets)	Dec '14	Nov '14
Cash	6	6
T-Bills	22	30
Placements with Banks and DFIs	0	4
PIBs	51	51
Sukuks	2	2
MTS	16	4
Others	3	3
<b>Total</b>	<b>100</b>	<b>100</b>

**FUND STRATEGY**

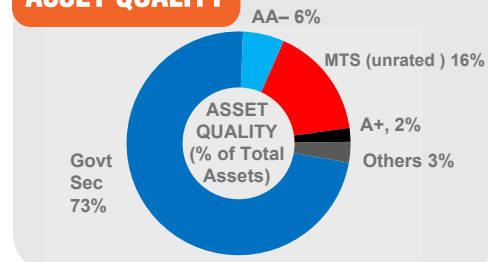
During the month, the Fund size increased to PKR 3,279mn from PKR 2,752mn in Nov' 14. The Fund made an annualized return of 13.26% during the month. The Fund's weighted average maturity increased to 484 days against 370 days in Nov'14. Going forward, the fund intends to keep moderate duration levels to provide competitive returns to its investors while keeping a check on the volatility of the returns.

Key Rates	Dec'14
KIBOR (1M)*	9.36%
KIBOR (3M)*	9.39%
KIBOR (6M)*	9.40%
Latest T-Bill Cut-Off (3M)	9.48%
Latest T-Bill Cut-Off (6M)	9.48%
Latest T-Bill Cut-Off (12M)	9.47%
Discount Rate	9.50%
PIB Cut-Off (10 Yr)	11.70%
CPI Inflation Y/Y	4.30%

Performance Annualized		
	PICIC IF	6M KIBOR
FY-14	8.78%	9.57%
FY-13	9.52%	9.67%
FY-12	11.85%	12.13%
FY-11	11.66%	13.20%

TOP TFCs / SUKUK HOLDING (% OF TOTAL ASSETS)	
Engro Fertilizer Limited Sukuk	1.85%

**ASSET QUALITY**



**INVESTMENT COMMITTEE MEMBERS**

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Tauqir Shamshad, Head of Fixed Income

Fund Performance (Annualized)	PICIC-IF	6M-KIBOR
Inception to date return**	13.01%	10.80%
Month to Date return	13.26%	9.40%
Year to Date return(FYTD)	13.40%	9.79%
12M Trailing	11.55%	9.85%

Month	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Fund Returns	9.17%	8.67%	15.19%	16.01%	-4.19%	7.65%	10.15%	10.05%	10.80%	14.99%	18.74%	13.26%
Ave. 6M KIBOR	9.89%	9.90%	9.86%	9.93%	9.92%	9.92%	9.92%	9.93%	9.93%	9.94%	9.61%	9.40%

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis.

\*AVERAGE (BID) FOR THE PERIOD  
\*\* FROM 24th JULY 2010

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs15,851,652, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.5171/1.02% (YTD). For details, investors are advised to read the Note 5of the latest financial statements of the scheme.

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## PICIC ISLAMIC INCOME FUND (PICIC-IIF)

### INVESTMENT OBJECTIVE:

To provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking in to account liquidity considerations.

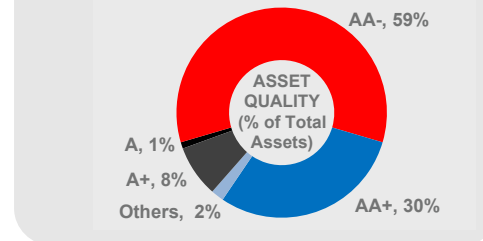
### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Income Fund
Launch Date	May 29th 2014
Net Assets (Dec 31st)	PKR 497 million
NAV per Unit (Dec 31st)	PKR 104.1415
Trustee	CDC
Auditor	BDO Ebrahim & Co.
Benchmark	Avg. of 6M profit rate of 3 Islamic Banks or Islamic windows of Conventional Banks having rating A and above
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Pricing Mechanism	Forward
Management Fee	10% of Gross Earnings subject to minimum fee of 0.50% and Maximum fee of 1.50% Of the average daily net assets***
AMC Rating	AM2-(JCR-VIS)
Fund Stability Rating	A(f) (JCR-VIS)
Front-end Load	Class B: 0% to 1.50%
Min. Subscription	PKR 5,000
Fund Manager	Tauqir Shamshad
Listing	ISE
Leverage	Nil
Risk Profile	Low to medium
Shariah Advisor	Fortune Islamic Service

### MATURITY PROFILE

Weighted Average Maturity	180 Days	
Asset Allocation (% of Total Assets)	Dec '14	Nov '14
Cash	40	61
GoP Ijarah Sukuks	0	0
Placements with Banks and DFIs	50	29
GOP Guaranteed Sukuks	0	0
Sukuks	8	8
Others	2	2
Total	100	100

### ASSET QUALITY



### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Tauqir Shamshad, Head of Fixed Income

### FUND STRATEGY

During the month of December, the fund size witnessed a decline of PKR 26mn. The current fund size was PKR 497mn against PKR 523mn in November 2014. The fund made an annualized of 7.46% for the month. The Fund manager adopted a cautious stance by staying liquid and was able to deploy nearly 50% of the funds at appropriate rates through placement. The fund manager is actively pursuing for quality Assets/ Sukuks to further increase the fund's return, while safeguarding the investors against any potential losses.

### Key Rates

	Dec'14
KIBOR (1M)*	9.36%
KIBOR (3M)*	9.39%
KIBOR (6M)*	9.40%
Discount Rate	9.50%
CPI Inflation Y/Y	4.30%

### Performance Annualized

	PICIC IIF	BENCHMARK
Inception to date	8.33%	6.59%
FY-15 to date	8.16%	6.62%
FY-14	8.95%	6.49%

### TOP TFCs / SUKUK HOLDING (% OF TOTAL ASSETS)

Engro Fertilizer Limited Sukuk	8.16%
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Month	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Fund Returns****	14.71%	8.57%	7.37%	8.52%	8.18%	7.81%	9.26%	7.46%
Benchmark	6.49%	6.49%	6.48%	6.54%	6.55%	6.51%	6.84%	6.79%

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

\*AVERAGE(BID) FOR THE PERIOD

\*\* FROM 29th MAY 2014

\*\*\*MANAGEMENT FEE IS WAIVED FROM MAY 29, 2014 TILL JUNE 30, 2014

\*\*\*\*INCLUDING TWO DAY IPO RETURN (27TH & 28TH MAY'14)

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs576,281, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.1208/ 0.24% (YTD). For details, investors are advised to read the Note 12 of the latest financial statements of the scheme.

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## PICIC STOCK FUND (PICIC-SF)

### INVESTMENT OBJECTIVE:

The fund objective is to provide its investors maximum risk adjusted returns over longer investment horizon by investing in a diversified equity portfolio that offers both capital gains and dividend income.

### FUND INFORMATION

Fund Type	Open-end
Category	Equity Fund
Launch Date	September 27th 2011
Net Assets (Dec 31st)	PKR 394 million
NAV per Unit	PKR 125.0487
Trustee	CDC
Auditor	A.F. Ferguson & Co.
Benchmark	KSE-100 Index
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Management Fee	3% per annum
Min. Subscription	PKR 5,000
Front End Load	3%
Pricing Mechanism	Forward
AMC Rating	AM2-(JCR-VIS)
Listing	ISE
Leverage	Nil
Risk	Moderate to High
Fund Manager	Adeel Abdul Wahab

#### Fund Performance Absolute (%)

Inception (Sep 27'11) to date	PICIC SF	KSE-100
	164.41	178.65
FY-15 to date	11.36	8.36
FY-14	41.93	41.16
FY-13	48.18	52.20
FY-12	12.90	19.69

### Asset Allocation (% of Total Asset)

	Dec '14	Nov '14
Cash	10	5
Equity	79	92
Other including Receivables	11	3
Total	100	100

#### Top Holdings (as of Dec'14) (% of Total Assets)

Abbott Laboratories (Pak) Ltd	10
Pioneer Cement Limited	9
Exide Pakistan Ltd	9
GlaxoSmithKline Pakistan Ltd	8
National Bank of Pakistan Ltd	7
Cherat Cement Company Ltd.	7
United Bank Limited	4
Pakistan Petroleum Ltd	4
Pak Suzuki Motor Company	4
Wyeth Pakistan Ltd	3

#### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Adeel Abdul Wahab, Fund Manager

### FUND STRATEGY

The NAV of PICIC-SF increased by 1.32% during Dec'14, underperforming the benchmark by 1.67%. The KSE100 Index gained 2.99% M/M (KMI30 Index gained 1.90% M/M) during Dec'14, taking total return to 27.20% in Cy14. Activity at the exchange remained relatively robust during Dec'14 as improving macros prevailed over heightened political and law & order concerns. In this regard, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows have improved the external account outlook. Going forward, we flag 1) Continuation of the monetary easing cycle in the backdrop of a soft inflationary outlook, 2) Political consensus in implementing reforms, 3) Stability on the external account (benefit of lower international oil prices to curb the import bill), 4) Successful completion of the on-going military offensive in the tribal regions, and 5) Continued foreign inflows in equities, as key short to medium term re-rating triggers for the index. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors, whilst maintaining our blue chip investment profile, along with ensuring adequate levels of cash in order to meet the redemptions.

#### Equity Sector Break Down Dec'14(%) Nov'14(%)

Pharma & Bio Tech	21	23
Construction & Materials	16	27
Commercial Banks	16	13
Automobile & Parts	12	6
Chemicals	6	4
Others	8	19
<b>Total</b>	<b>79</b>	<b>92</b>

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Stock Fund	11.36	1.32	8.20	11.36	31.46
Benchmark (KSE-100 Index)	8.36	2.99	8.09	8.36	27.20

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs5,160,493, if the same were not made the NAV per unit/return of the scheme would be higher by Rs 1.6370/1.46% (YTD). For details, investors are advised to read the Note 5of the latest financial statements of the scheme.

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## PICIC ISLAMIC STOCK FUND (PICIC-ISF)

### INVESTMENT OBJECTIVE:

The fund objective is to provide its investors maximum risk adjusted returns over longer investment horizon by investing in a diversified equity portfolio that offers both capital gains and dividend income.

### FUND INFORMATION

Fund Type	Open-end
Category	Islamic Equity Fund
Launch Date	May 29th 2014
Net Assets (Dec 31st)	PKR 165 million
NAV per Unit	PKR 118.6615
Trustee	CDC
Auditor	BDO Ebrahim & Co
Benchmark	KMI-30 Index
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Management Fee	3% per annum
Min. Subscription	PKR 5,000 (Growth Unit)
Front End Load	3%
Pricing Mechanism	Forward
AMC Rating	AM2-(JCR-VIS)
Listing	ISE (in progress)
Leverage	Nil
Risk	Moderate to High
Fund Manager	Adeel Abdul Wahab
Shariah Advisor	Fortune Islamic Service

#### Fund Performance Absolute (%)

	PICIC ISF	KMI-30 Index
Inception (May 29'14) to date	18.61	8.58
FY-15 to date	17.62	6.39
FY-14 (May 29'14 to Jun 30'14)	0.84	2.06

### Asset Allocation (% of Total Asset)

	Dec '14	Nov '14
Cash	1	7
Equity	78	90
Other including Receivables	21	3
Total	100	100

#### Top Holdings (as of Dec'14) (% of Total Assets)

Cherat Cement Company Ltd.	11
Abbott Laboratories (Pak) Ltd	10
Pak Suzuki Motor Company	9
Exide Pakistan Ltd	9
Pioneer Cement Limited	9
GlaxoSmithKline Pakistan Ltd	8
Lucky Cement Ltd	7
Meezan Bank Ltd	4
National Foods Ltd	3
Pakistan Oilfields Ltd	2

### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Adeel Abdul Wahab, Fund Manager

### FUND STRATEGY

The NAV of PICIC-ISF declined by 0.16% during Dec'14, underperforming the benchmark KMI30 by 2.07%. The KMI30 Index gained 1.90% M/M during Dec'14 against 2.23% M/M gain in Nov'14. Activity at the exchange remained relatively robust during Dec'14 as improving macros prevailed over heightened political and law & order concerns. In this regard, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows have improved the external account outlook. Going forward, we flag 1) Continuation of the monetary easing cycle in the backdrop of a soft inflationary outlook, 2) Political consensus in implementing reforms, 3) Stability on the external account (benefit of lower international oil prices to curb the import bill), 4) Successful completion of the on-going military offensive in the tribal regions, and 5) Continued foreign inflows in equities, as key short to medium term re-rating triggers for the index. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors, whilst maintaining our blue chip investment profile, along with ensuring adequate levels of cash in order to meet the redemptions.

#### Equity Sector Break Down Dec'14(%) Nov'14(%)

Constr. & Materials	28	25
Automobile & Parts	18	15
Pharma & Bio Tech	17	19
Oil & Gas	4	15
Banks	4	3
Others	7	13
Total	78	90

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Islamic Stock Fund	17.62	-0.16	12.92	17.62	
Benchmark (KMI-30 Index)	6.39	1.90	4.87	6.39	

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs 529,447 if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.3797 / 0.38% (YTD).For details, investors are advised to read the Note 12 of the latest financial statements of the scheme.

Risk Disclaimer: All investments in mutual fund are subject to market risks. Past performance is not necessarily indicative of the future results. Please read the Offering Document to understand the investment policies and the risks involved.

## PICIC ENERGY FUND (PEF)

### INVESTMENT OBJECTIVE:

The fund objective is to invest in securities defined in the energy sector to provide investors access to high quality blue chip stocks in the Energy sector.

### FUND INFORMATION

Fund Type	Open-end
Category	Equity Fund
Launch Date (Closed Ended)	January 2006
Conversion Date (Open Ended)	June 25, 2013
Net Assets (Dec 31st)	PKR 1,072 million
NAV per Unit	PKR 11.2762
Trustee	CDC
Auditor	A.F. Ferguson & Co.
Benchmark	KSE-100 Index
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
Management Fee	2% per annum
Min. Subscription	PKR 5,000
Front End Load	3%
Back End Load (Class A)	Nil (25th Jun 2014 onwards)
Pricing Mechanism	Forward
AMC Rating	AM2-(JCR-VIS)
Listing	ISE
Leverage	Nil
Risk	Moderate to High
Fund Manager	Adeel Abdul Wahab

#### Fund Performance Absolute (%)

Date to Conversion-Jun '25 13	PICIC EF	KSE-100
Inception to date	22.92	52.21
FY-15 to date	-1.34	8.36
FY-14	23.92	41.16
FY-13	0.55	-0.50

### Asset Allocation (% of Total Asset)

	Dec'14	Nov'14
Cash	6	2
Equity	93	97
Other including Receivables	1	1
Total	100	100

#### Top Holdings (as of Dec'14) (% of Total Assets)

Kot Addu Power Company Ltd	19
Pakistan Oilfields Ltd	16
Lalpir Power Limited	13
Attock Petroleum Ltd	12
Nishat Chunian Power Ltd	11
Shell Pakistan Ltd	9
Pakistan Petroleum Ltd	8
Nishat Power Limited	5
Engro Powergen Qadirpur Ltd	0*

#### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities
Adeel Abdul Wahab, Fund Manager

### FUND STRATEGY

The NAV of PEF declined by 0.20% during Dec'14, underperforming the benchmark by 3.19% during the review period. A continuous fall in international oil prices (Arab Light down ~17% M/M) during Dec'14 kept the price performance of energy sector companies in check. In this regard, amongst our major holdings, POL, PPL and APL lost 15.05%, 6.91% and 3.58% during the review period. However, other portfolio companies viz. LPL, NCPL and KAPCO gained 10.50%, 1.72% and 11.14% during Dec'14. We will continue to recalibrate our energy composite portfolio to maximize returns, whilst ensuring adequate levels of cash in order to meet the redemption requests of our valued investors

Equity Sector Break Down	Dec 14 (%)	Oct 14 (%)
Oil and Gas	44	53
Electricity	49	44
Gas & Multiutilities	-	-
Other	-	-
Total	93	97

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Energy Fund	-1.34	-0.20	1.25	-1.34	9.17
Benchmark (KSE-100 Index)	8.36	2.99	8.09	8.36	27.20

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

\*0.01,

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs26,449,293 if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.2783/ 2.43% (YTD). For details, investors are advised to read the Note 5 of the latest financial statements of the scheme.

Risk Disclaimer: All investments in mutual fund are subject to market risks. Past performance is not necessarily indicative of the future results. Please read the Offering Document to understand the investment policies and the risks involved.



## PICIC GROWTH FUND (PGF)

December 2014

### INVESTMENT OBJECTIVE:

To maximize the wealth of the certificate holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

### BASIC FUND INFORMATION

Fund Type	Closed-end
Category	Equity Fund
Launch Date*	July 2004
Net Assets (Dec 31st)	PKR 11,440 million
NAV per Unit	PKR 40.35
Trustee	CDC
Auditor	BDO Ebrahim & Co.
Benchmark	KSE-100 Index
Management Fee	2.00% per annum
AMC Rating	AM2-(JCR-VIS)
1 Year Perf. Ranking	MFR3 Star (JCR-VIS)
Listing	KSE, LSE, ISE
Leverage	Nil

### INVESTMENT COMMITTEE MEMBERS

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities

### ASSET ALLOCATION

Asset Allocation (% of Total Assets)	Dec'14	Nov'14
Cash	3	7
Equity	94	93
Others including receivables	3	0
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Dec14	Nov14
Oil & Gas**	46	51
Commercial Banks	24	8
PHARMA & BIO TECH	8	10
Const. & Mat. (Cem.)	7	5
Gas Water & Multiutilities	2	2
Others	7	17
<b>Total</b>	<b>94</b>	<b>93</b>

### FUND STRATEGY

The NAV of PGF increased by 2.08% on an Ex-frozen basis (underperforming the benchmark by 0.91%), while it gained 2.26% on a Total Return basis (underperforming the benchmark by 0.74%) during Dec'14. The KSE100 Index gained 2.99% M/M (KMI30 Index gained 1.90% M/M) during Dec'14, taking total return to 27.20% in Cy14. Activity at the exchange remained relatively robust during Dec'14 as improving macros prevailed over heightened political and law & order concerns. In this regard, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows have improved the external account outlook. Going forward, we flag 1) Continuation of the monetary easing cycle in the backdrop of a soft inflationary outlook, 2) Political consensus in implementing reforms, 3) Stability on the external account (benefit of lower international oil prices to curb the import bill), 4) Successful completion of the on-going military offensive in the tribal regions, and 5) Continued foreign inflows in equities, as key short to medium term re-rating triggers for the index. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors, whilst maintaining our blue chip investment profile.

### Top Holdings (as of Dec'14)

United Bank Limited
Sui Northern Gas Pipeline Ltd
Pioneer Cement Limited
Pakistan State Oil Company Ltd
National Bank of Pakistan Ltd
Lotte Chemical Pakistan Ltd
GlaxoSmithKline Pakistan Ltd
Bank Al-Falah Ltd
Allied Bank Ltd
Abbott Laboratories (Pak) Ltd

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Growth Fund - Total	-0.75	2.26	5.30	-0.75	20.30
PICIC Growth Fund - Frozen	-6.74	2.42	0.56	-6.74	19.19
PICIC Growth Fund - Ex Frozen	6.42	2.08	10.96	6.42	22.76
Benchmark (KSE 100 Index)	8.36	2.99	8.09	8.36	27.20

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

The scheme has maintained provisions against WWF liability to the tune of Rs. 123,811,253, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.44 /1.07% (YTD). For details, investors are advised to read the Note 5.1 of the latest financial statements of the scheme.

\* As per Trust Deed \*\* Includes frozen portion of PSO

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

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**PICIC INVESTMENT FUND (PIF)**

**INVESTMENT OBJECTIVE:**

To maximize the wealth of the certificate holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

**BASIC FUND INFORMATION**

Fund Type	Closed-end
Category	Equity Fund
Launch Date*	April 2004
Net Assets (Dec 31st)	PKR 5,108 million
NAV per Unit	PKR 17.98
Trustee	CDC
Auditor	BDO Ebrahim & Co.
Benchmark	KSE-100 Index
Management Fee	2.00% per annum
AMC Rating	AM2-(JCR-VIS)
1 Year Perf. Ranking	MFR3 Star (JCR-VIS)
Listing	KSE, LSE, ISE
Leverage	Nil

**INVESTMENT COMMITTEE MEMBERS**

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Equities

**ASSET ALLOCATION**

Asset Allocation (% of Total Assets)	Dec '14	Nov '14
Cash	4	8
Equity	92	91
Others including receivables	4	1
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Dec'14	Nov '14
Oil & Gas**	38	43
Commercial Banks	26	10
Pharma & Bio Tech	10	12
Construction & Materials	9	5
Automobile & Parts	2	11
Others	7	10
<b>Total</b>	<b>92</b>	<b>91</b>

**FUND STRATEGY**

The NAV of PIF increased by 2.30% on an Ex-frozen basis (underperforming the benchmark by 0.69%), while it gained by 2.28% on a Total Return basis (underperforming the benchmark by 0.72%) during Dec'14. The KSE100 Index gained 2.99% M/M (KMI30 Index gained 1.90% M/M) during Dec'14, taking total return to 27.20% in Cy14. Activity at the exchange remained relatively robust during Dec'14 as improving macros prevailed over heightened political and law & order concerns. In this regard, lower trending CPI accompanied by reduction in NSS and bond yields have strengthened the case for further monetary easing in Jan'15 while inflows have improved the external account outlook. Going forward, we flag 1) Continuation of the monetary easing cycle in the backdrop of a soft inflationary outlook, 2) Political consensus in implementing reforms, 3) Stability on the external account (benefit of lower international oil prices to curb the import bill), 4) Successful completion of the on-going military offensive in the tribal regions, and 5) Continued foreign inflows in equities, as key short to medium term re-rating triggers for the index. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors, whilst maintaining our blue chip investment profile.

**Top Holdings (as of Dec'14)**

Wyeth Pakistan Ltd
United Bank Limited
Pioneer Cement Limited
Pakistan State Oil Company
National Bank of Pakistan Ltd
GlaxoSmithKline Pakistan Ltd
Exide Pakistan Ltd
Bank Al-Falah Ltd
Allied Bank Ltd
Abbott Laboratories (Pak) Ltd

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Investment Fund - Total	0.16	2.28	6.08	0.16	19.93
PICIC Investment Fund - Frozen	-7.13	2.24	0.16	-7.13	18.97
PICIC Investment Fund - Ex Frozen	6.24	2.30	11.00	6.24	21.70
Benchmark (KSE 100 Index)	8.36	2.99	8.09	8.36	27.20

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis

The scheme has maintained provisions against WWF liability to the tune of Rs. 63,306,755, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.22 /1.23% (YTD). For details, investors are advised to read the Note 5.1 of the latest financial statements of the scheme.

\* As per Trust Deed \*\* Includes frozen portion of PSO

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

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## SINCE INCEPTION RETURNS

FUND PERFORMANCE ACTUAL %	30 June, 14	30 June, 13	30 June, 12	30 June, 11
PICIC Stock Fund	137.44	67.29	12.90	
Benchmark (KSE-100 Index)	157.15	82.16	19.69	
PICIC Energy Fund	24.60	0.55		
Benchmark (KSE-100 Index)	40.46	-0.50		
PICIC Islamic Stock Fund	0.84			
Benchmark (KMI-30 Index)	2.06			
FUND PERFORMANCE ANNUALIZED %				
PICIC Cash Fund	11.31	11.50	12.00	11.68
Ave. of 3M Bank Deposit (AA Rated)	8.34	8.80	9.57	9.39
PICIC Income Fund	12.14	12.21	12.41	11.66
Ave. 6M KIBOR	11.14	11.67	12.66	13.20
PICIC Islamic Income Fund	8.95			
Benchmark	6.49			

Note: 1-Performance data is exclusive of Sales Load paid by investor...2- Computation of performance is dividend adjusted NAV to NAV basis

Risk Disclaimer: All investments in mutual fund are subject to market risks. Past performance is not necessarily indicative of the future results. Please read the Offering Document to understand the investment policies and the risks involved.

Sr #	Designated Branch	City	Address	Phone	Contact Person
1	NIB -DHA Phase IV	Karachi	99E, 9th Commercial Street Phase IV, DHA Karachi.	0213-5885718	Farrukh Ghani Soomro
2	NIB -DHA Phase II	Karachi	Plot No 106-C DHA Phase II, National Highway Near Tooba Apartments, Karachi	0213-5314083	Gazanfar Ali
3	NIB -Kulsoom Court	Karachi	NIB Bank, Kulsoom Court, Near Della Wala, Building, Clifton, Karachi	0213-5837011	Jalal Jamil
4	NIB -Zamzama	Karachi	Zamzama Branch, 18-C, 5th Zamzama Lane, Phase 5, DHA Karachi	0213-5295210	Jibraan Taqi
5	NIB -North Nazimabad	Karachi	SD-12, Bl - 'A'- North Nazimabad, Karachi	0213-6673597	Junaid Mitha
6	NIB -Khyaban e Shahbaz	Karachi	Shop No.2,3,4 C -23, Kh e Saher, Phase-VII, DHA, Karachi	0213-5348772	Moazzam
7	NIB -University Road	Karachi	Plot No. SB -4 Block 13 -B University Road, Gulshan -e-Iqbal, Karachi	0213-4980430	Muhammad Umair Khan
8	NIB -Gulshan-e-Iqbal	Karachi	Plot # FL -2/3 block 6, Improvement scheme No. 24, Gulshan-e-Iqbal, Karachi	0213-4986186	Syed Latafat Hussain Naqvi
9	NIB -DHA 26th Street	Karachi	NIB Bank, 42 C, Sun Centre, 26th Street, Tuheed Commercial Area, DHA Phase V, Karachi	0213-5304163	Urme Laila
10	NIB -Saba Avenue	Karachi	Saba Avenue Branch, 8-C Badar Commercial Street # 06, Phase-V Ext DHA, Karachi	0213-5341672	Yousuf Muhammad Farooqi
11	NIB -Business Arcade, Shakra-e-Faisal	Karachi	Business Arcade, Block 6, PECHS, Shakra -e-Faisal, Karachi	0213-4524667	Eliza Raza
12	NIB -Defence Phase I	Karachi	19-C & 21 -C, East Street, Main korangi Road, DHA Phase - I, Karachi	0213-5386881	Waqas Ahmed
13	NIB -Gul Tower	Karachi	Gul Tower, I.I Chundrigar Road, Karachi	0213-5277220	Fasih Uddin
14	NIB -Hyderi Karachi	Karachi	D-14, Block -H, North Nazimabad, Karachi.	021-36643411	Syed Danish Mehdi
15	NIB -Zaibunnisa Street Saddar	Karachi	State Life Building # 5, Zaibunnisa Street, Saddar, Karachi	0213-5212102	Muhammad Faheem tariq
16	NIB -Malir Colony, Liaquat Market	Karachi	Plot No. G -107/10, Liaquat Market, Malir Colony, Karachi	0213-4117601	Muhammad Yameen
17	NIB -Stadium Road	Karachi	Shop # 2 & 3, G.F, Plot # SC -45, Chandni Chowk, KDA Sch # 7, Stadium Road, Karachi	0213-4932266	Syed Iqbal Rasheed
18	NIB -DHA Phase II	Lahore	2/1 Block B Guldasth Town Zarar Shaheed Road, Lahore Cantt	0423-6639771	Ali Agha
19	NIB -Jouhar Town E Block	Lahore	Plot # 1, Block E 1, Johar Town, Lahore	0423-5220637	Asad Sheikh
20	NIB -Bharia Town	Lahore	Bharia Town Branch, Commercial Area, Alfalah Plaza, Sector B, Bharia Town Lahore	0423-5341656	Asjad Mir
21	NIB -Gulberg Main Boulevard	Lahore	Old Sanda Road, Sardar Chapal Chock, Bilal Gunj, Lahore	0423-7220005	Babar Ali Peerzada
22	NIB -Z Block DHA Phase III	Lahore	NIB Bank, 38 Z, Commercial Area, Phase III, DHA Lahore	0423-5748865	Fahad Kardar
23	NIB -Model Town	Lahore	Shop No. 10-11 Model Town C Block Commercial Market, Lahore	0423-5915406	Majid Bashir
24	NIB -Davis Road	Lahore	Aftab Centre, 30 Davis Road, Lahore	0423-6286965	Mirza Ali Yar Baig
25	NIB -Model Town Link Rd	Lahore	Plot # 34-B, phase III Govt Employees C.H.S, Model Town Link Road, Lahore	0423-5888303	Noroz Nabi
26	NIB -6-Bank Square	Lahore	6-Bank Square, Shahrah Quaid Azam, Lahore.	0423-7246257	Saleem Mukhtar
27	NIB -Gulberg III	Lahore	83-E-1, Main Boulevard, Gulberg III, Lahore	0423-5756850	Raiz Azhar Sheikh
28	NIB -Gulberg III Affluent	Lahore	NIB Bank, 70 E 1, Hali Road, Gulberg III, Lahore	0423-5756993	Muhammad Ameen
29	NIB -House	Lahore	NIB House, Old Race Course branch, Aiwan E Tijarat Raod, China Chowk, Lahore	042-99203194	Muhammad Waqas Ijaz
30	NIB -New Garden Town	Lahore	10-A Block, New Garden Town, Lahore	0423-5843886	Mansoor Akram
31	NIB -F-8 Markaz	Islamabad	12 & 13, Al -Babar Center, F-8 Markaz, Islamabad	051-2852653	Aamir Rashid Chaudhry
32	NIB -Post Mall	Islamabad	NIB Bank, Post Mall Branch, F 7, Markaz Islamabad	051-2653581	Asim Ikram
33	NIB -I-8	Islamabad	I-8 Markaz MB City Mall Palaza, Islamabad	051-4862271	Muhammad Ebraheem
34	NIB -PWD Employee C.H.S	Islamabad	40B PWD Housing Society, Islamabad highway, Islamabad	051-5957660	M.Nauman-Ul-Haq Khawaja
35	NIB -F-10	Islamabad	NIB Bank Ltd, Unit # 1 -R, Block 3,4&5, Main Double Road, F -10 Markaz Islamabad	051-2215856	Shiraz Khan Afridi
36	NIB -F-11 Markaz	Islamabad	18-Trade Center Main Double Road, F-11 Markaz Islamabad	051-2107862	Syed Usman Ali Shah
37	NIB -I-10 Markaz	Islamabad	Plot # 3-A, I -10 Markaz, Islamabad	051-2852653	Afzaal Mehmood
38	NIB -Razia Sharif	Islamabad	NIB Bank, Razia Sharif Branch, Blue Area Islamabad	051-2826553	Shaheed Ahmed
39	NIB -Murree Road Saddar	Rawalpindi	Building No.111/10 Muree Road, Saddar Rawalpindi	051-5562944	Faqir Sheryar
40	NIB -Mall Road Branch, Rawalpindi	Rawalpindi	31/3-31/A, The Mall Rawalpindi.	051-5701200	Junaid Waheed
41	NIB -Adyala Road	Rawalpindi	Khasra# 1365/572, Skindar Plaza, Munawar Colony Main Adyala Road, Rawalpindi	051-5948126	Syed Dabeer Ali Hamdani
42	NIB -Regency Arcade	Faisalabad	The Mall, Regency Shopping Arcade, Faisalabad	041-2604875	Aqeel Ahmed
43	NIB -Karkhana Bazar Branch	Faisalabad	Property #122, Khatooni # 1650, Khawat # 1647, Faisalabad	041-2601808	Muddassar Sohail
44	NIB -Liaquat Road	Faisalabad	Plot No. 3, Liaquat Road, Faisalabad	041-2604931	Syed Mazfoor Mohsin Gillani
45	NIB -Millat Road	Faisalabad	Commercial Center # 02 Gulistan Colony Millat Road, Faisalabad	041-8849935	Dilbar Hassan Ch
46	NIB -Hayatabad	Peshawar	B-1 Phase 5, Hayatabad, Peshawar.	091-5825278	Muhammad Ali Khan
47	NIB -Abdali Road	Multan	Plot # 66/9, Abdali Road, Multan	061-4517126	Basharat Ali Siddiqui
48	NIB -Main	Hyderabad	Plot # 53 & 54, Cantt Saddar, Hyderabad	022-2787462	Taneer Hussain kazi
49	NIB -Okara Branch	Okara	Khawat # 50-18, Chak # 1 -A/4-C, M.A. Jinnah Road	0442-550902	Ch M Aslam
50	NIB -Mandi Bahauddin Branch	Mandi Bahauddin	Plot # 7/211, Ward # 7, Mandi Bahauddin	0546-509551	Khawar Nazir
51	NIB -Habib Center	Gujranwala	Al Hameed Center Branch, Opposite Iqbal High School, G.T. Road, Gujranwala	055-9200236	Muhammad Kashif Ahmed
52	NIB -Jhelum City Branch	Jhelum	B-V -112, Resham Plaza, Civil Lines, Jhelum	0544-627286	Awais Khurram
53	NIB -Shahabpura Sialkot	Sialkot	Plot # B -III -8-S-206, Shahabpura, Sialkot	052-3559682	Rajesh Kumar