

Disclaimer: This 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.

FUND MANAGER'S REPORT

OCTOBER 2013



Economic Review

Headline inflation (CPI) clocked in at 9.08% Y/Y for the month of October 2013 (14 month high), with an average CPI print of 8.32% during 4mFy14 (Jul'13-Oct'13). On a sequential basis, CPI recorded a growth of 1.97% M/M during October 2013 which was largely driven by i) 1.78% M/M growth in food inflation (largely due to Eid impact coupled with second round impact of electricity and fuel price hikes), ii) 4.07% M/M increase in housing, water, electricity, gas & fuels segment (due to quarterly adjustment in house rents coupled with hikes in prices of electricity and fuels) and iii) 1.30% M/M increase in the Transport (fuel prices) segment. Going forward, upside risks to CPI exists viz. 1) Phasing out of subsidies and consequent higher domestic utility (gas and electricity) prices, 2) Tax related measures to raise revenue, and 3) PKR depreciation against the USD. On the external front, Pakistan's current account (CA) recorded a deficit of USD 1,234mn (2% of GDP) during 1qFy14 (Jul'13-Sep'13), against a surplus of USD 439mn (0.7% of GDP) in the same period last year. Going forward, the CA balance may come under further pressure if projected foreign inflows are delayed. With the on-going IMF EFF review, it is expected that disbursement of the second tranche (~USD 550mn) should offset, to some extent, the deterioration of FX reserves (current stand a little over USD 9bn) from upcoming USD 725mn in debt servicing obligations (IMF repayments) in Nov'13. However, a delay in IMF EFF disbursement can consequently lead up to deterioration in the PKR-USD exchange parity. However, relatively lower oil prices can ease the pressure on the external side while privatization proceeds hold the key for strengthening foreign currency reserves. Within this backdrop, the upcoming monetary policy review of the State Bank of Pakistan (SBP) is laced with expectations of a hike in the benchmark discount rate (DR) – recall the SBP increased the DR by 50bps in the previous MPS.

Money Market Review.

The State Bank of Pakistan (SBP) is expected to announce the Monetary Policy Statement (MPS) in November 2013 for the upcoming two months. In the backdrop of the latest CPI print of 9.08% (avg. 4mFy14 CPI: 8.32%) coupled with upside pressures to general price levels stemming from administrative price changes (utilities) going forward, the upcoming Monetary Policy review by the State Bank of Pakistan (SBP) is laced with expectations of a hike in the benchmark discount rate (DR). We are hopeful that Pakistan would receive the next tranche IMF tranche of ~USD 550mn soon after the two-day policy-level talks (scheduled to begin from November 5 2013) between the IMF and Pakistan authorities under the first quarterly review of the USD 6.7bn Extended Fund Facility (EFF). However, a delay in IMF EFF disbursement can consequently lead up to deterioration in the PKR-USD exchange parity as Pakistan is due for ~USD 725mn in debt servicing obligations (IMF debt repayments) in November 2013.

During the period under review, SBP conducted three T-bill auctions with a cumulative target of PKR 950bn against a maturity of PKR~962.8bn. Despite ample maturities, investors remained shy across the board and total participation of PKR 1,027.3bn was witnessed with an amount of ~PKR 823.04bn being accepted. In this regard, 98.7% funds were parked in 3 Months T-bills while the 12 Months tenor paper received no bids. The cut-off yields in the 3 Months and 6 Months tenor bills were 9.4114% and 9.4640%, respectively.

SBP conducted a PIB auction on October 23rd with a target of ~PKR50.0bn. Against a participation of ~PKR44.5bn, all auction bids were rejected. The yields in the secondary market declined after the result to 11.50%, 12.05% and 12.56% in the 3yr, 5yr and 10yr tenors, respectively.

Equity Market Review

The KSE-100 Index increased by 4.3% during Oct'13, largely driven by robust foreign participation (net foreign inflows of USD 50.6mn in Oct'13 – highest since May'13). Sentiments were strengthened by 1) Healthy global liquidity (US FED delayed tapering in QE), 2) Pick up in US Pakistan relations post the PM's visit to the US which led to the disbursement of stalled CSF flows (USD 322mn) along with the decision to release USD 1.6bn in civilian and military aid from early 2014, and 3) Above market consensus corporate profitability of some leading index heavy weights (e.g. OGDC, POL, and LUCK). However, looming macroeconomic headwinds stemming from 1) Weakening external position (deteriorating FX reserves of the SBP), and 2) Rising price levels (hike in electricity prices and a likely rise in gas prices) and consequent impact on DR expectations continued to keep index rally in check. In this backdrop, volumes depicted a sizeable drop of 46% MoM to average 116.3mn during Oct'13, as local investors preferred to stay on the sidelines. Looking at the region, other emerging markets stood as significant beneficiaries of the delay in the roll-back of the QE with the MSCI EF and MSCI EM Asia Ex-Japan respectively increased by 4.8% and 4.6%, outperforming the KSE-100 by 0.4% and 0.3%, respectively. The KSE-100 on the other hand outperformed the MSCI World and MSCI FM by 0.5% and 1.9%, respectively. On a calendar year basis, KSE-100's returns during 9MCY13 increased to 35% but remained below the 40% provided during the same period last year. Going forward, key check points for the KSE include 1) US Pakistan Relations, 2) Momentum of foreign participation, 3) PKR stability, 4) Monetary stance of the SBP and 5) MSCI 2013 Semi-Annual Index Review.

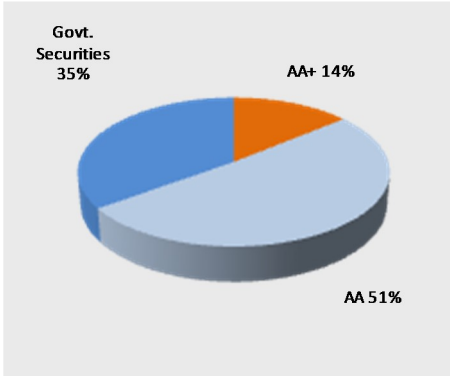
Risk Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant 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.

PICIC CASH FUND (PICIC-CF)

October 2013

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		Maturity Profile		Oct '13	Fund Strategy	
Fund Type	Open-end	Weighted Average Maturity	23 Days		During the month the Fund size marginally reduced to PKR 2,676mn from PKR 2,699mn in September. The Fund earned an annualized return of 8.27% for the month comfortably outperforming the benchmark. The fund increased its exposure in deposit while reducing its exposure in government securities. The overall weighted average maturity reduced to 23 days from 44 days in September. Going forward the fund intends to maintain low weighted average duration in light of increasing inflationary pressures and expected further monetary tightening by SBP.	
Category	Money Market Fund	Asset Allocation		Oct '13		Sept '13
Launch Date	December 14 th 2010	(% of Total Assets)				
Net Assets (Oct. 31 st)	Rs. 2,676 million	Cash	18%	1%		
NAV per Unit (Oct 31 st)	Rs. 100.7238	T-Bills	35%	82%		
Trustee	CDC	Placements with Banks and DFIs	28%	17%		
Auditor	A.F. Ferguson & Co.	Others including receivables	19%	0%		
Benchmark	Average of 3M AA Rated Bank Deposit	Asset Quality				
Dealing Days	Monday - Friday					
Cut off time	4:00 pm (Mon to Fri)					
Pricing Mechanism	Backward pricing					
Management Fee	1.00% per annum					
AMC Rating	AM2- (JCR-VIS)					
Fund Stability Rating	AA+(f) (JCR-VIS)					
Sales Load	Class C: Nil Class D: 1% of NAV					
Min. Subscription	PKR 5,000					
Fund Manager	Tauqir Shamshad					
Leverage	Nil					
Risk Profile	Low					

Fund Performance	PICIC-CF Annualized	3M Deposit
Inception to date return**	11.30%	8.58%*
Month to Date return	8.27%	6.93%
Year to Date return	7.57%	6.85%

Investment Committee Members

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Khashe Lodhi, Chief Investment Officer
Tauqir Shamshad, Head of Fixed Income
Umer Pervez, Head of Research

Key Rates	Oct '13
KIBOR (1M)*	8.93%
KIBOR (3M)*	9.23%
KIBOR (6M)*	9.30%
Latest T-Bill Cut-Off (3M)	9.41%
Latest T-Bill Cut-Off (6M)	9.46%
Discount Rate	9.50%
CPI Inflation Y/Y	9.08%

Payout (monthly)	Cash
December 2012	Rs. 0.75 per unit
January 2013	Rs. 0.75 per unit
February 2013	Rs. 0.60 per unit
March 2013	Rs. 0.60 per unit
April 2013	Rs. 0.60 per unit
May 2013	Rs. 0.70 per unit
June 2013	Rs. 0.70 per unit
July 2013	Rs. 0.47 per unit
August 2013	Rs. 0.55 per unit
September 2013	Rs. 0.60 per unit
October 2013	Rs. 0.60 per unit

PICIC Cash Fund Returns Comparison Versus Benchmark

Month	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sept-13	Oct-13
Fund Returns	7.12%	8.02%	7.83%	7.44%	7.68%	7.79%	7.91%	8.49%	7.27%	7.20%	7.29%	8.27%
Ave. of 3M Bank Deposit (AA Rated)	7.38%	6.87%	6.80%	6.93%	6.96%	6.83%	7.00%	6.85%	6.78%	6.85%	6.85%	6.93%

*Average for the month/**From 14th December 2010

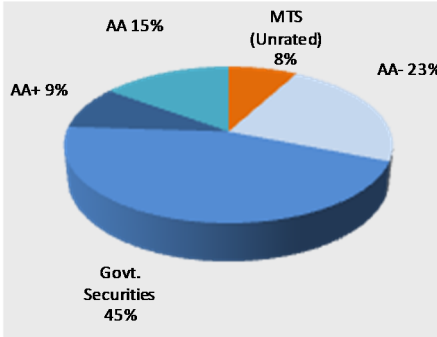
Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs 10,103,245, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.3803 / 1.12% (YTD). For details, investors are advised to read the Note 6 of the latest financial statements of the scheme.

Risk Disclaimer: This 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 dependant 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.

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		Maturity Profile		Oct '13		Fund Strategy			
Fund Type	Open-end	Weighted Average Maturity	26 Days		During the month the Fund size increased to PKR 1,334mn from PKR 1,276mn in September. The Fund made an annualized return of 9.92% during the month. The fund increased its exposure in deposits while reducing its exposure in MTS and Government Securities. The fund also reduced its weighted average maturity to 26 days from 49 days in September. Going forward the fund intends to keep low duration in light of increasing inflationary pressures and expected monetary tightening by SBP, while we will keep looking for attractive investment opportunities in order to augment returns.				
Category	Income Fund	Asset Allocation		Oct '13				Sept '13	
Launch Date	July 24 th 2010	(% of Total Assets)							
Net Assets (Oct 31 st)	Rs. 1,334million	Cash	14%	3%					
NAV per Unit (Oct 31 st)	Rs. 101.8294	T-Bills	45%	67%					
Trustee	CDC	Placements with Banks and DFIs	32%	8%					
Auditor	A.F. Ferguson & Co.	PIBs	0%	0%					
Benchmark	Average of 6M KIBOR	Short Term CP Sukuk	0%	0%					
Dealing Days	Monday - Friday	MTS	8%	22%					
Cut off time	4:00 pm (Mon to Fri)	Others	1%	0%					
Pricing Mechanism	Forward pricing	Asset Quality				Key Rates			
Management Fee	1.25% per annum					Oct '13			
AMC Rating	AM2- (JCR-VIS)					KIBOR (1M)*		8.93%	
Fund Stability Rating	A+(f) (JCR-VIS)					KIBOR (3M)*		9.23%	
Sales Load	Class C: Nil					KIBOR (6M)*		9.30%	
Min. Subscription	Class D: 1.25% of NAV					Latest T-Bill Cut-Off (3M)		9.41%	
Leverage	Nil	Latest T-Bill Cut-Off (6M)		9.46%					
Risk Profile	Medium to low	Latest T-Bill Cut-Off (12M)		8.98%					
Fund Manager	Tauqir Shamshad	Discount Rate		9.50%					
		PIB Cut-Off (10Yr)		12.60%					
		CPI Inflation Y/Y		9.08%					

Fund Performance	PICIC-IF Annualized	6M KIBOR
Inception to date return**	12.09%	11.40%
Month to Date return	9.92%	9.30%*
Year to Date return	8.11%	9.01%

Investment Committee Members

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Khashe Lodhi, Chief Investment Officer
Tauqir Shamshad, Head of Fixed Income
Umer Pervez, Head of Research

Payout History	Cash
2QFY13	Rs. 2.30 per unit
3QFY13	Rs. 2.00 per unit
4QFY13	Rs. 2.20 per unit
1QFY14	Rs. 1.75 per unit

PICIC Income Fund Returns Comparison Versus Benchmark

Month	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sept-13	Oct-13
Fund Returns	6.57%	8.89%	7.94%	7.14%	7.87%	8.01%	8.17%	9.20%	7.48%	7.65%	7.06%	9.92%
Ave. 6M KIBOR	9.20%	9.20%	9.11%	9.18%	9.29%	9.33%	9.35%	9.14%	8.83%	8.87%	9.03%	9.30%

* Average for the month/** From 24th July 2010

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs 9,394,053, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.7169 / 2.11% (YTD). For details, investors are advised to read the Note 5 of the latest financial statements of the scheme.

Risk Disclaimer: This 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 dependant 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.

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		Asset Allocation (% of Total Asset)	Oct'13	Sep'13	Top Holdings (as of Oct'13)	(% of Total Asset)			
Fund Type	Open-end	Cash	12	3	Oil & Gas Development Co.	18			
Category	Equity Fund	Equity	86	94					
Launch Date (Closed Ended)	January 2006	Other Including Receivables	2	3					
Conversion Date (Open Ended)	June 25, 2013	Total	100	100					
Net Assets (Oct 31 st)	Rs. 1,419 million	Equity Sector Break Down (% of Total Asset)	Oct '13	Sep '13			Pakistan Oilfields Ltd	18	
NAV per Unit	Rs. 12.7013						Oil & Gas	73	71
Trustee	CDC				Electricity	13	23	Pakistan State Oil Company Ltd	12
Auditor	A.F. Ferguson & Co.				Gas & Multiutilities	0	0	Attock Petroleum Ltd	11
Benchmark	KSE-100 Index				Others	0	0	Hub Power Company Ltd	7
Front End Load	3%				Total	86	94	Nishat Power Limited	4
Back End Load (Class "A")	10%				Nishat Chunian Power Ltd	2			
Management Fee	2% per annum								
Min. Subscription	PKR 5,000								
Pricing Mechanism	Forward								
Dealing Day	Monday - Friday								
Cut Off Timing	4:00 pm (Mon to Fri)								
AMC Rating	AM2- (JCR-VIS)								
Listing	ISE								
Leverage	Nil								
Risk	Moderate to High								
Fund Manager	Salman Siddiqui, CFA								

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month
PICIC Energy Fund	5.53	6.53	-2.38	23.87
Benchmark (KSE 100 Index)	8.43	4.32	-2.30	19.98

Investment Committee Members	Fund Performance
Mir Adil Rashid, Chief Executive Officer	<p>The NAV of PEF increased by 6.53% during Oct'13, outperforming the benchmark by 2.21%. Sentiments were strengthened by a delay in tapering of QE by the US FED, disbursement of stalled CSF flows (USD 322mn) by the US along with the decision to release USD 1.6bn from early 2014. As a result, the equity market witnessed considerable foreign participation during the month, particularly towards the Oil & Gas Sector, which depicted a growth of 11%, beating the KSE-100 by 6.4%. Within the E&P Sector, OGDC, PPL and POL provided returns of 15% (relative performance: 10%), 7% (relative performance: 3%) and 11% (relative performance: 7%), respectively. On the flip side, HUBC declined by 2% (relative performance: -6%) and proved to be a drag on PEF returns. Going forward, we believe sizeable Oil & Gas production additions and local currency devaluation is expected to keep the E&P sector in the limelight. Also, upward revision in OMC margins is on the cards which would bode well for PSO and APL. 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.</p>
Khashe Lodhi, Chief Investment Officer	
Suleman Chhagla, Chief Operating Officer	
Umer Pervez, Head of Research	
Salman Siddiqui, CFA, Fund Manager	

The scheme has maintained provisions against WWF liability to the tune of Rs 21,426,812 if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.1918 / 1.59% (YTD). For details, investors are advised to read the Note 5 of the latest financial statements of the scheme.

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

Risk Disclaimer: This 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

3rd floor, PNSC Building, Maulvi Tamizuddin Khan Road, Karachi-74400, Pakistan. UAN: 021-1111 PICIC (74242) FAX: 021-3564 2770 www.picicamc.com

A wholly owned subsidiary of NIB BANK Ltd.

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		Asset Allocation (% of Total Asset)	Oct '13	Sep '13	Top Holdings (as of Oct'13)	(% of Total Asset)
Fund Type	Open-end	Cash	4	1	Bank Al-Falah Ltd	9
Category	Equity Fund	Equity	93	96	Nishat (Chunian) Ltd.	8
Launch Date	September 27, 2011	Others including Receivables	3	3	United Bank Limited	8
Net Assets (Oct 31 st)	Rs. 216 million	Total	100	100	Oil & Gas Development Co Ltd	7
NAV per Unit	Rs. 122.5430	Equity Sector Break Down (% of Total Asset)	Oct '13	Sep '13	Wyeth Pakistan Ltd	6
Trustee	CDC	Commercial Banks	29	28	Pakistan Tobacco Company	6
Auditor	A.F. Ferguson & Co.	Oil & Gas	19	18	Pakistan Oilfields Ltd	6
Benchmark	KSE-100 Index	Personal Goods	13	8	Nishat Mills Ltd	5
Management Fee	3% per annum	Electricity	9	17	Habib Bank Ltd	5
Min. Subscription	PKR 5,000	Pharmaceutical	6	7	Nishat Chunian Power Ltd	5
Front End Load	3%	Others	17	18		
Pricing Mechanism	Forward	Total	93	96		
Dealing Day	Monday - Friday					
Cut Off Timing	4:00 pm (Mon to Fri)					
AMC Rating	AM2- (JCR-VIS)					
Listing	ISE					
Leverage	Nil					
Risk	Moderate to high					
Fund Manager	Salman Siddiqui, CFA					

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month
PICIC Stock Fund	8.14	2.79	-3.27	22.05
Benchmark (KSE 100 Index)	8.43	4.32	-2.30	19.98

Investment Committee Members	Fund Strategy
Mir Adil Rashid, Chief Executive Officer	<p>The NAV of PICIC-SF increased by 2.79% during Oct'13, underperforming the benchmark KSE-100 Index by 1.53%. The KSE-100 recorded a growth of 4.32% during the month, largely driven by foreign portfolio investment which recorded an inflow of USD 50.6mn - highest inflow since May'13. This was mainly on account of 1) Healthy global liquidity (US FED delayed tapering in QE), 2) Disbursement of stalled CSF flows (USD 322mn) by the US along with the decision to release USD 1.6bn from early 2014, and 3) Above market consensus corporate profitability of the index heavy weights. (e.g. OGDC, POL & LUCK)</p> <p>Going forward, Pakistan is due for sizable IMF debt repayments of USD 725mn during Nov'13 which would likely further weaken the external position. With expectations of further growth in price levels, the upcoming Monetary Policy review by the SBP is laced with expectations of a hike in the interest rate profile. Key swing factors include 1) Sustainability of FIPI participation, 2) US Pakistan relations and 3) MSCI 2013 Semi- Annual Index Review. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors but will maintain sufficient cash to meet redemptions.</p>
Khashe Lodhi, Chief Investment Officer	
Suleman Chhagla, Chief Operating Officer	
Umer Pervez, Head of Research	
Salman Siddiqui, CFA, Fund Manager	

The scheme has maintained provisions against WWF liability to the tune of Rs 1,976,027, if the same were not made the NAV per unit/return of the scheme would be higher by Re 1.1219 / 0.99% (YTD). For details, investors are advised to read the Note 5 of the latest financial statements of the scheme.

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

Risk Disclaimer: This 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

3rd floor, PNSC Building, Maulvi Tamizuddin Khan Road, Karachi-74400, Pakistan. UAN: 021-1111 PICIC (74242) FAX: 021-3564 2770 www.picamc.com

A wholly owned subsidiary of NIB BANK Ltd.

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		Asset Allocation (% of Total Asset)	Oct '13	Sep '13	Top Holdings (as of Oct '13)
Fund Type	Closed-end	Cash	1	1	
Category	Equity Fund	Equity	86	95	
Launch Date*	July 2004	Other Including Receivables	13	4	
Net Assets (Oct 31 st)	Rs. 9,252 million	Total	100	100	
NAV per Unit	Rs. 32.64	Equity Sector Break Down (% of Total Asset)	Oct '13	Sep '13	Lafarge Pakistan Cement Limited
Trustee	CDC		Oil & Gas**	49	52
Auditor	BDO Ebrahim & Co	Commercial Banks	24	21	Pakistan Oilfields Ltd
Benchmark	KSE-100 Index	Chemicals	4	8	Pakistan State Oil Company Ltd
Management Fee	2.00% per annum	Electricity	3	7	Sui Northern Gas Pipeline Ltd
AMC Rating	AM2- (JCR-VIS)	Construction	2	2	United Bank Limited
1 Year Perf. Ranking	MFR3 Star (JCR-VIS)	Others	4	5	
Listing	KSE, LSE, ISE	Total	86	95	
Leverage	Nil				

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month
PICIC Growth Fund - Total	-2.60	3.23	-13.95	23.31
PICIC Growth Fund - Frozen	-12.68	5.61	-23.57	37.13
PICIC Growth Fund - Ex Frozen	7.55	1.36	-4.07	13.92
Benchmark (KSE 100 Index)	8.43	4.32	-2.30	19.98

Investment Committee Members

Mir Adil Rashid, Chief Executive Officer
Khashe Lodhi, Chief Investment Officer
Suleman Chhagla, Chief Operating Officer
Umer Pervez, Head of Research

Fund Performance

The NAV of PGF increased by 1.36% on Ex-frozen basis (underperforming the benchmark by 2.96%) while it increased by 3.23% on Total Return basis (underperforming the benchmark by 1.09%) during Oct'13. The KSE-100 recorded a growth of 4.32% during the month, largely driven by foreign portfolio investment which recorded an inflow of USD 50.6mn - highest inflow since May'13. This was mainly on account of 1) Healthy global liquidity (US FED delayed tapering in QE), 2) Disbursement of stalled CSF flows (USD 322mn) by the US along with the decision to release USD 1.6bn from early 2014, and 3) Above market consensus corporate profitability of the index heavy weights (e.g. OGDC, POL & LUCK)

Going forward, Pakistan is due for sizable IMF debt repayments of USD 725mn during Nov'13 which would likely further weaken the external position. With expectations of further growth in price levels, the upcoming Monetary Policy review by the SBP is laced with expectations of a hike in the interest rate profile. Key swing factors include 1) Sustainability of FIPI participation, 2) US Pakistan relations and 3) MSCI 2013 Semi- Annual Index Review.

We will continue to evaluate the market for new investment opportunities that would benefit our valued investors whilst maintaining our blue chip investment profile.

The scheme has maintained provisions against WWF liability to the tune of Rs. 89,615,172, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.32 /0.95% (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

Risk Disclaimer: This 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.

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.

Fund Information		Asset Allocation (% of Total Asset)	Oct '13	Sep '13	Top Holdings (as of Oct '13)
Fund Type	Closed-end	Cash	2	2	Attock Petroleum Ltd
Category	Equity Fund	Equity	83	93	Bank Al-Falah Ltd
Launch Date*	April 2004	Other Including Receivables	15	5	Dawood Hercules
Net Assets (Oct 31 st)	Rs. 4,217 million	Total	100	100	Habib Bank Ltd
NAV per Unit	Rs. 14.84	Equity Sector Break Down (% of Total Asset)	Oct '13	Sep '13	Lafarge Pakistan Cement Limited
Trustee	CDC	Oil & Gas**	42	44	Oil & Gas Development Co Ltd
Auditor	BDO Ebrahim & Co	Commercial Banks	25	21	Pakistan Oilfields Ltd
Benchmark	KSE-100 Index	Chemicals	5	8	Pakistan State Oil Company Ltd
Management Fee	2.00% per annum	Pharmaceutical	3	3	United Bank Limited
AMC Rating	AM2- (JCR-VIS)	Construction	3	3	Wyeth Pakistan Ltd
1 Year Perf. Ranking	MFR3 Star (JCR-VIS)	Others	5	14	
Listing	KSE, LSE, ISE	Total	83	93	
Leverage	Nil				

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month
PICIC Investment Fund - Total	-0.83	2.70	-12.60	22.65
PICIC Investment Fund - Frozen	-12.86	5.75	-23.60	37.38
PICIC Investment Fund - Ex Frozen	7.66	1.03	-4.76	15.57
Benchmark (KSE 100 Index)	8.43	4.32	-2.30	19.98

Investment Committee Members	Fund Performance
Mir Adil Rashid, Chief Executive Officer	<p>The NAV of PIF increased by 1.03% on Ex-frozen basis (underperforming the benchmark by 3.29%) while it increased by 2.70% on Total Return basis (underperforming the benchmark by 1.62%) during Oct'13. The KSE-100 recorded a growth of 4.32% during the month, largely driven by foreign portfolio investment which recorded an inflow of USD 50.6mn - highest inflow since May'13. This was mainly on account of 1) Healthy global liquidity (US FED delayed tapering in QE), 2) Disbursement of stalled CSF flows (USD 322mn) by the US along with the decision to release USD 1.6bn from early 2014, and 3) Above market consensus corporate profitability of the index heavy weights. (e.g. OGD, POL & LUCK)</p> <p>Going forward, Pakistan is due for sizable IMF debt repayments of USD 725mn during Nov'13 which would likely further weaken the external position. With expectations of further growth in price levels, the upcoming Monetary Policy review by the SBP is laced with expectations of a hike in the interest rate profile. Key swing factors include 1) Sustainability of FIPI participation, 2) US Pakistan relations and 3) MSCI 2013 Semi- Annual Index Review. We will continue to evaluate the market for new investment opportunities that would benefit our valued investors whilst maintaining our blue chip investment profile.</p>
Khashe Lodhi, Chief Investment Officer	
Suleman Chhagla, Chief Operating Officer	
Umer Pervez, Head of Research	

The scheme has maintained provisions against WWF liability to the tune of Rs. 45,812,207, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.16 /1.08% (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

Risk Disclaimer: This 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.

DESIGNATED BRANCHES	CITY	ADDRESS	CONTACT NO.
NIB 26th Street	Karachi	NIB Bank, 42 C, Sun Centre, 26th Street, Tuheed Commercial Area, DHA Phase V, Khi.	021-35304163
NIB Kulsoom Court	Karachi	NIB Bank, Kulsoom Court, Near Della Wala, Building, Clifton, Karachi.	021-35837011
NIB Khayaban-e-Shahbaz	Karachi	NIB Bank, Khyaban E Shahbaz Branch, DHA, Phase VI, Karachi	021-35348772
NIB Defence Phase I	Karachi	19-C & 21-C, East Street, Main Korangi Road, DHA Phase -I, Karachi.	021-35386884
NIB Saba Avenue Branch	Karachi	Saba Avenue Branch, 8-C Badar Commercial Street # 06, Phase V, Ext DHA, Karachi.	021-35341672
NIB DHA Phase II	Karachi	Plot No. 106-C, DHA, Phase II, National Highway Near Tooba Apartments, Karachi.	021-35314083
NIB Zamzama Branch	Karachi	Zamzama Branch, 18-C, 5th Zamzama Lane, Phase 5, DHA, Karachi.	021-35295210
NIB Shakra-e- Faisal Branch	Karachi	Shakra-e-Faisal, Karachi.	3218299301
NIB Main Branch	Karachi	Muhammadi House, I.I. Chundrigar Road, Karachi.	3212000470
NIB Khyaban e Shahbaz Branch	Karachi	Shop No.2,3,4 C-23, Kh e Sehar, Phase-VII, DHA, Khi.	3002287282
NIB Saba Avenue Branch	Karachi	Saba Avenue Branch, 8-C Badar Commercial Street # 06, Phase-V Ext DHA Karachi.	3002586191
NIB University Road Branch	Karachi	Plot No. SB-4 Block 13-B University Road, Gulshan-e-Iqbal Karachi	3229054909
NIB North Nazimabad Branch	Karachi	SD-12, Bl- 'A'- North Nazimabad Karachi	3332149754
NIB DHA Phase IV Branch	Karachi	99E, 9th Commercial Street Phase IV DHA Karachi.	3218297886
NIB Gulberg III	Lahore	NIB Bank, 70 E 1, Hali Road, Gulberg III, Lahore.	042-35756993
NIB DHA. Z	Lahore	NIB Bank, 38 Z, Commercial Area, Phase III, DHA Lahore.	042-35748865
NIB House	Lahore	NIB House, Old Race Course branch, Aiwan E Tijarat Raod, China Chowk, Lahore	042-99203194
NIB Gulberg III (Affluent)	Lahore	70-E-1, Hali Road, Gulberg III, Lahore.	3214792177
NIB Model Town Branch	Lahore	Shop No. 10-11 Model Town C Block Commercial Market Lahore	3214411333
NIB Gulberg Main Boulevard	Lahore	Old Sanda Road, Sardar Chapal Chowk, Bilal Gunj, Lahore.	3214559831
NIB Jouhar Town E Block	Lahore	S S Centre, Kibriya Town Thoker Niaz Baig Raiwind Road, Lahore	3214022270
NIB DHA Phase II	Lahore	2/1 Block B Guldasth Town Zarar Shaheed Road Lahore Cantt	3004266899
NIB New Garden Town Branch	Lahore	10-ABIK Block New Garden Town Lahore.	3009490770
NIB Bahria Town Branch	Lahore	Bahria Town Branch, Commercial Area, Alfalah Plaza, Sector B, Bahria Town Lahore.	3334212304
83-E-1, Gulberg	Lahore	83-E-1, Gulberg Branch, Lahore.	042-5756850
NIB I-8	Islamabad	I-8 Markaz MB City Mall Plaza Islamabad	3215000245
NIB F-10	Islamabad	NIB Bank Ltd, Unit # 1-R, Block 3,4&5, Main Double Road, F-10 Markaz Islamabad.	3149000666
NIB F-11 Markaz Branch	Islamabad	18-Trade Center Main Double Road F-11 Markaz Islamabad.	3219042222
NIB F-8 Markaz Branch	Islamabad	12 & 13, Al-Babar Centre, F-8 Markaz, Islamabad.	3005145740
NIB I-10 Markaz Branch	Islamabadd	I-10 Markaz Islamabad	3335439664
NIB PWD Emp. Coop. Housing S	Islamabad	40B PWD Housing Society, Islamabad Highway, Islamabad.	3218507089
NIB Razia Sharif	Islamabad	NIB Bank, Razia Sharif Branch, Blue Area Islamabad	051-2826553
NIB Post Mall	Islamabad	NIB Bank, Post Mall Branch, F 7, Markaz Islamabad	051-2653581-85
NIB Murree Road Saddar	Rawalpindi	Building No.111/10 Murree Road Saddar Rawalpindi	3219549988
NIB Adyala Road Br.	Rawalpindi	Khasra# 1365/572, Skindar Plaza, Munawar Colony Main Adyala Road, Rawalpindi.	3345199566
NIB Hayatabad	Peshawar	B-1 Phase 5, Hayatabad, Peshawar	3005889550
NIB Shahbpura	Sialkot	Shahab Pura Branch Sialkot	3006108334
NIB Habib Centre	Gujranwala	Al Hameed Centre Branch, Opposite Iqbal High Scholl, G.T. Road, Gujranwala	3216440400
NIB Millat Road	Faisalabad	Commercial Centre # 02 Gullistan Colony Millat Road, Faisalabad	3216601022
Liaquat Road	Faisalabad	3-Liaquat Road, Faisalabad	041-2604931
NIB Abdali Road	Multan	Abdali Road, Multan.	3008630023



3rd Floor, PNSC Building, M.T. Khan Road, Karachi.

UAN: +92 21 1111 PICIC (74242) Fax: +92 21 35642770-71 Toll Free: +92 21 0800-PICIC (74242)

Email: customerservice@picicamc.com Web: www.picicamc.com

A wholly owned subsidiary of NIB Bank Ltd.