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# Fund Manager's Report **OCTOBER 2014**



Managed By

AMC Rating: AM2- by JCR-VIS

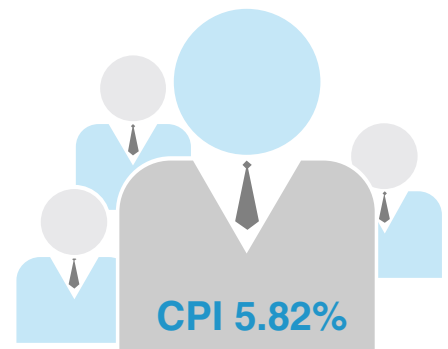
A wholly owned subsidiary of

**NIB Bank Ltd.**

## ECONOMIC REVIEW

Headline inflation (CPI) clocked in at 5.82% Y/Y for the month of Oct' 14 (vs. 7.68% Y/Y recorded for the month of Sep' 14) largely due to lower food prices and a high base effect. On a sequential basis, CPI recorded a growth of 0.21% M/M during Oct' 14 (up 0.35% M/M during Sep' 14), which was primarily driven by a quarterly upward revision in the house rent index. Going forward, while 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), a sharp contraction in international oil prices and subsequent decrease in domestic POL prices should exert downward pressure

on the food and transport segment. On the external front, Pakistan's current account (CA) recorded a deficit of USD 1,330mn during 1qFy15 (Jul' 14-Sep' 14), against a deficit of USD 1,268mn recorded in the same period last year. Looking for positives, a ~25% contraction in international oil prices during Fy15TD should provide some cushion to the external account. In the backdrop of delays in projected foreign inflows mobilization, the PKR has depreciated by 4% Fy15TD against the USD. With political temperature coming down during the review period, we expect the government to once again focus on its economic agenda of stimulation growth and correcting imbalances in the economy.



## MONEY MARKET REVIEW

During the period under review, SBP conducted three T-bill auctions with a cumulative target of PKR 550bn against maturity of PKR 482.7bn. Cumulative participation in the auction was PKR 351.7bn and the amount accepted was PKR 349.3bn (both amounts excluding non-competitive bids). SBP also conducted a PIB auction on October 22, 2014, where a participation of PKR 331.8bn (face value) was witnessed



against a target of PKR 50bn, and the government accepted an amount of PKR 50.3bn. Participation in the 3 years PIBs attracted 40.3%, while 5 years attracted 40.0% of the

entire participation. The cut-off yields were 12.4803% for the 3 years tenor (face value PKR 20.3bn), followed by 12.9770% in the 5 years tenor (face value PKR20.1bn) and 13.4494% in the 10 years tenor (face value PKR 9.9bn). Furthermore, the Government of Pakistan through its Open Market Operation has rolled over the amount of PKR 56bn maturing in the GOP Ijarah IX at 9.95% for a tenor of 6months under the contract of Bai Muajjal.

## EQUITY MARKET REVIEW

**Supplemented by softening risk perceptions, sustained corporate profitability and encouraging macro developments, the KSE100 Index gained 2.19% M/M**

(KMI30 Index gained 0.66% M/M) during Oct' 14 despite a sharp decline in international oil prices (Arab Light contracted by 14% M/M) and continued foreign outflows. Looking for positives, risk perceptions softened as one of the parties to the impasse

(Pakistan Awami Tehreek / PAT) led by Dr. Muhammad Tahir-ul-Qadri decided to end the sit-in protest at Islamabad after 70 days. In this backdrop, locals stepped up to counter net foreign outflows of USD 31.05mn in Oct' 14 (vs. inflows of USD 53mn in Sep' 14) - net foreign inflows have clocked in at ~USD 395.72mn during Cy14TD. Average volumes improved to 176mn shares in Oct' 14, up 17% M/M. Going forward, the market may bounce around from the vagaries of the political environment. However, despite short term pressures delaying reforms, long term economic direction should likely stay on course, in our view. We flag 1) Political consensus in implementing reforms, 2) Stability on the external account (privatization inflows), 3) Successful completion of the on-going military offensive in the tribal regions, and 4) 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

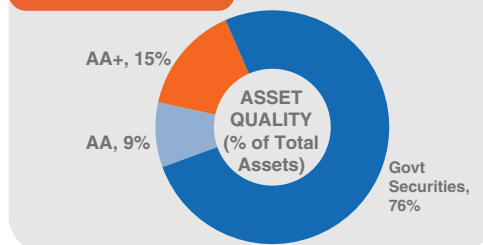
Fund Type	Open-end
Category	Money Market Fund
Launch Date	December 14th 2010
Net Assets (Oct 31st)	PKR 4,797 million
NAV per Unit (Oct 31st)	PKR 103.2690
Trustee	CDC
Auditor	A.F. Ferguson & Co.
Benchmark	Average of 3M AA Rated Bank Deposit
Dealing Days	Monday-Friday
Cut off time	4:00 pm (Mon to Fri)
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	PICIC-CF	3M-Deposit
Inception to date return**	11.42%	8.29%
Month to Date return	9.11%	7.75%
Year to Date return	9.01%	7.75%
12M Trailing	8.88%	7.46%

### MATURITY PROFILE

Weighted Average Maturity	84 Days	
Asset Allocation (% of Total Assets)	Oct '14	Sep '14
Cash	3	10
T-Bills	76	41
Placements with Banks and DFIs	21	48
Others including receivables	0	1
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 decreased to PKR 4,797mn from PKR 4,997mn in Sep'14. The Fund earned an annualized return of 9.11% for the month, comfortably outperforming the benchmark. The fund increased its exposure in T-bills with the amount maturing through Placements. The overall weighted average maturity increased to 84 days from 41 days in Sep'14. Going forward, the fund would look out for opportunities to stretch the DTM near 90 days as the real interest rates have increased considerably.

Key Rates	Oct '14
KIBOR (1M)*	9.79%
KIBOR (3M)*	9.94%
KIBOR (6M)*	9.94%
Latest T-Bill Cut-Off (3M)	9.96%
Latest T-Bill Cut-Off (6M)	9.98%
Discount Rate	10.00%
CPI Inflation Y/Y	5.82%

### Performance Annualized

	PICIC CF	3M Deposit
FY-14	8.37%	7.16%
FY-13	9.08%	7.59%
FY-12	10.28%	9.40%
FY-11	11.68%	9.39%

Month	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Fund Returns	8.27%	7.27%	8.37%	8.66%	8.30%	8.34%	8.65%	8.61%	8.61%	8.68%	8.94%	8.94%	9.11%
Ave. of 3M Bank Deposit (AA Rated)	6.93%	7.08%	7.20%	7.37%	7.37%	7.37%	7.37%	7.37%	7.37%	7.75%	7.75%	7.75%	7.75%

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 Rs 17,452,866, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.3757/ 1.11% (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 (Oct 31st)	PKR 2,671 million
NAV per Unit (Oct 31st)	PKR 104.2020
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**

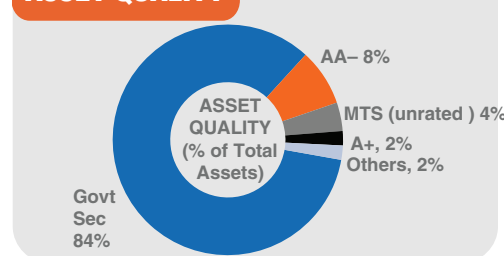
Weighted Average Maturity	405 Days	
	Oct '14	Sep '14
Asset Allocation (% of Total Assets)		
Cash	3	17
T-Bills	34	18
Placements with Banks and DFIs	5	5
PIBs	50	52
Sukuks	2	2
MTS	4	4
Others	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

**FUND STRATEGY**

During the month, the Fund size increased marginally to PKR 2,671mn from PKR 2,447mn in Sep'14. The Fund made an annualized return of 14.99% during the month. The Fund's weighted average maturity increased to 405 days against 370 days in Sep'14. Going forward, the fund intends to keep moderate duration levels to provide competitive returns to its investors in view of higher positive real interest rates.

Key Rates	Oct '14
KIBOR (1M)*	9.79%
KIBOR (3M)*	9.94%
KIBOR (6M)*	9.94%
Latest T-Bill Cut-Off (3M)	9.96%
Latest T-Bill Cut-Off (6M)	9.98%
Latest T-Bill Cut-Off (12M)	9.99%
Discount Rate	10.00%
PIB Cut-Off (10 Yr)	13.45%
CPI Inflation Y/Y	5.82%

**ASSET QUALITY**



Performance Annualized		
	PICIC IF	6M KIBOR
FY-14	8.78%	9.57%
FY-13	9.52%	9.67%
FY-12	11.82%	12.13%
FY-11	11.66%	13.53%

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	PICIC-IF	6M-KIBOR
Inception to date return**	12.56%	11.05%
Month to Date return	14.99%	9.94%
Year to Date return	11.86%	9.93%
12M Trailing	10.12%	9.88%

Month	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Fund Returns	9.92%	7.44%	8.46%	9.17%	8.67%	15.19%	16.01%	-4.19%	7.65%	10.15%	10.05%	10.80%	14.99%
Ave. 6M KIBOR	9.30%	9.53%	9.88%	9.89%	9.90%	9.86%	9.93%	9.92%	9.92%	9.92%	9.93%	9.93%	9.94%

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 Rs 13,711,877, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.5349 / 1.58% (YTD). For details, investors are advised to read the Note 6 of the latest financial statements of the scheme.

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**PICIC ISLAMIC INCOME FUND (PICIC-IIF)**
**INVESTMENT OBJECTIVE:**

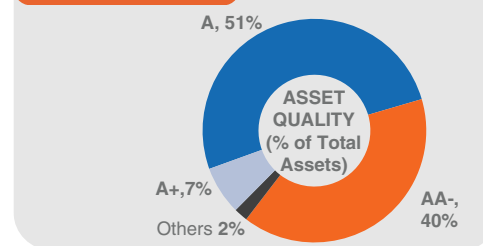
To provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking in to account liquidity considerations.

**BASIC FUND INFORMATION**

Fund Type	Open-end
Category	Islamic Income Fund
Launch Date	May 29th 2014
Net Assets (Oct 31st)	PKR 587 million
NAV per Unit (Oct 31st)	PKR 102.7140
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	129 Days	
	Oct '14	Sep '14
Asset Allocation (% of Total Assets)		
Cash	66	69
GoP Ijarah Sukuks	0	0
Placements with Banks and DFIs	25	23
GOP Guaranteed Sukuks	0	0
Sukuks	7	6
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 October, the fund size witnessed a decline of PKR 59mn. The current fund size was PKR 587mn against PKR 646mn in September 2014. The fund made an annualized return of 7.81% for the month. The Fund manager adopted a cautious stance by staying liquid as the yields offered on GoP Ijarah Sukuk and Corporate Sukuks remained on the lower side, since there was no fresh issue of GOP Ijarah Sukuks except the partial rollover of GOP Ijarah Sukuk VIII. The fund manager is actively pursuing for quality Assets/ Sukuks to further increase the fund's return.

**Key Rates Oct'14**

KIBOR (1M)*	9.79%
KIBOR (3M)*	9.94%
KIBOR (6M)*	9.94%
Discount Rate	10.00%
CPI Inflation Y/Y	5.82%

**Performance Annualized**

	PICIC IIF	BENCHMARK
Inception to date	8.23%	6.51%
FY-15 to date	7.96%	6.52%
FY-14	8.95%	6.49%
Trailing Return	8.23%	6.52%

Month	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Fund Returns****	14.71%	8.57%	7.37%	8.52%	8.18%	7.81%
Benchmark	6.49%	6.49%	6.48%	6.54%	6.55%	6.51%

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

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

\*\*\*MANAGEMENT FEE IS WAIVED FROM MAY 29, 2014 TILL JUNE 30, 2014 /\*\*\*\*INCLUDING TWO DAY IPO RETURN (27TH & 28TH MAY '14)

The scheme has maintained provisions against WWF liability to the tune of Rs 488,919, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.0856 / 0.25% (YTD).

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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 (Oct 31st)	PKR 459 million
NAV per Unit	PKR 115.7985
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 (%)**

	PICIC SF	KSE-100
Inception to date	144.85	163.43
FY-15 to date	3.12	2.44
FY-14	41.93	41.16
FY-13	48.18	52.20
FY-12	13.03	10.45

**Fund Performance Actual (%)**

	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Stock Fund	3.12	0.20	1.79	5.21	35.35
Benchmark (KSE-100 Index)	2.44	2.19	0.21	5.06	33.37

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

**Asset Allocation (% of Total Asset)**

	Oct '14	Sep '14
Cash	13	10
Equity	83	80
Other including Receivables	4	10
Total	100	100

**Top Holdings (as of Oct'14) (% of Total Assets)**

Abbott Laboratories (Pak) Ltd	11
Lucky Cement Ltd	8
GlaxoSmithKline Pakistan Ltd	7
Pioneer Cement Limited	5
National Bank of Pakistan Ltd	5
Pakistan Oilfields Ltd	4
Habib Bank Ltd	4
United Bank Limited	4
Cherat Cement Company Ltd.	4
Pakistan State Oil Company	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 0.20% during Oct'14, underperforming the benchmark by 1.99%. Supplemented by softening risk perceptions, sustained corporate profitability and encouraging macro developments, the KSE100 Index gained 2.19% M/M during Oct'14 despite a sharp decline in international oil prices and continued foreign outflows. Looking for positives, risk perceptions softened as one of the parties to the impasse (Pakistan Awami Tehreek / PAT) decided to end the sit-in protest at Islamabad after 70 days. In this backdrop, locals stepped up to counter net foreign outflows of USD 31.05mn in Oct'14 (vs. inflows of USD 53mn in Sep'14). Going forward, the market may bounce around from the vagaries of the political environment. However, despite short term pressures delaying reforms, long term economic direction should likely stay on course, in our view. We flag 1) Political consensus in implementing reforms, 2) Stability on the external account (privatization inflows), 3) Successful completion of the on-going military offensive in the tribal regions, and 4) 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	Oct'14	Sep'14
Pharma & Bio Tech	22	22
Construction & Materials	19	11
Commercial Banks	17	17
Oil & Gas	14	23
Non Life Insurance	5	5
Others	6	2
<b>Total</b>	<b>83</b>	<b>80</b>

**Mutual Fund Association of Pakistan (MUFAP) Recommended Format**

The scheme has maintained provisions against WWF liability to the tune of Rs 4,623,146, if the same were not made the NAV per unit/return of the scheme would be higher by Rs 1.1676 /1.04% (YTD). For details, investors are advised to read the Note 6 of 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 (Oct 31st)	PKR 157 million
NAV per Unit	PKR 108.3592
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 to date	8.31	4.23
FY-15 to date	7.41	2.12
FY-14 (May 29'14 to Jun 30'14)	0.84	2.06

### Asset Allocation (% of Total Asset)

	Oct '14	Sep '14
Cash	15	11
Equity	79	86
Other including Receivables	6	3
<b>Total</b>	<b>100</b>	<b>100</b>

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

GlaxoSmithKline Pakistan Ltd	8
Pak Suzuki Motor Company	8
Abbott Laboratories (Pak) Ltd	8
Lucky Cement Ltd	6
Pioneer Cement Limited	5
Pakistan Oilfields Ltd	5
Cherat Cement Company Ltd.	5
Mari Petroleum Company Ltd	4
National Foods Ltd	4
Meezan Bank Ltd	4

#### 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 increased by 3.11% during Oct'14, outperforming the benchmark KMI30 by 2.45%. Supplemented by softening risk perceptions, sustained corporate profitability and encouraging macro developments, the KMI30 Index gained 0.66% M/M during Oct'14 despite a sharp decline in international oil prices (Arab Light contracted by 14% M/M) and continued foreign outflows. Looking for positives, risk perceptions softened as one of the parties to the impasse (Pakistan Awami Tehreek / PAT) decided to end the sit-in protest at Islamabad after 70 days. In this backdrop, locals stepped up to counter net foreign outflows of USD 31.05mn in Oct'14 (vs. inflows of USD 53mn in Sep'14). Going forward, the market may bounce around from the vagaries of the political environment. However, despite short term pressures delaying reforms, long term economic direction should likely stay on course, in our view. We flag 1) Political consensus in implementing reforms, 2) Stability on the external account (privatization inflows), 3) Successful completion of the on-going military offensive in the tribal regions, and 4) 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 Oct '14 Sep '14

	Oct '14	Sep '14
Oil & Gas	19	25
Construction & Materials	18	13
Pharma & Bio Tech	16	21
Automobile & Parts	8	7
Food Producers	4	4
Others	14	15
<b>Total</b>	<b>79</b>	<b>85</b>

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Islamic Stock Fund	7.41	3.11	5.00	-	
Benchmark (KMI-30 Index)	2.12	0.66	-0.58	-	

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 244,240 if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.1688 / 0.17% (YTD).

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**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 (Oct 31st)	PKR 1,155 million
NAV per Unit	PKR 11.2618
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	22.77	43.89
FY-15 to date	-1.47	2.44
FY-14	23.92	41.16
FY-13	52.28	52.20

**Asset Allocation (% of Total Asset)**

	Oct '14	Sep '14
Cash	19	7
Equity	80	68
Other including Receivables	1	25
<b>Total</b>	<b>100</b>	<b>100</b>

**Top Holdings (as of Oct'14) (% of Total Assets)**

Pakistan Oilfields Ltd	15
Attock Petroleum Ltd	14
Kot Addu Power Company Ltd	13
Shell Pakistan Ltd	9
Lalpir Power Limited	8
Pakistan State Oil Company	8
Pakistan Petroleum Ltd	8
Nishat Power Limited	5
Engro Powergen Qadirpur Ltd	0*
Oil & Gas Development Co	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 increased by 1.12% during Oct'14, underperforming the benchmark by 1.07% during the review period. A sharp decline in international oil prices (Arab Light down 14% M/M) during Oct'14 kept the price performance of energy sector companies in check. In this regard, amongst our major holdings, POL, PPL and PSO lost 6%, 6% and 2% during the review period. However, other portfolio companies viz. KAPCO and APL gained 13% and 5% during Oct'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 Oct'14 Sep'14**

	Oct'14	Sep'14
Oil and Gas	54	64
Electricity	26	4
Gas & Multiutilities	-	-
Other	-	-
<b>Total</b>	<b>80</b>	<b>68</b>

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Energy Fund	-1.47	1.12	-3.93	0.07	15.70
Benchmark (KSE-100 Index)	2.44	2.19	0.21	5.06	33.37

Note: 1-Performance data does not include cost of sales loads. 2- Computation of performance is dividend adjusted NAV to NAV basis \*0.5, \*\*0.002

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs 26,449,293 if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.2579 / 2.26% (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)

October 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 (Oct 31st)	PKR 10,970 million
NAV per Unit	PKR 38.69
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)	Oct'14	Sep '14
Cash	13	8
Equity	85	90
Others including receivables	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Oct'14	Sep '14
Oil & Gas**	47	51
Commercial Banks	9	15
Pharma & Bio Tech	8	4
Automobile & Parts	7	6
Const. & Mat. (Cem.)	4	4
Others	10	10
<b>Total</b>	<b>85</b>	<b>90</b>

### FUND STRATEGY

The NAV of PGF increased by 5.60% on an Ex-frozen basis (outperforming the benchmark by 3.41%), while it gained 0.97% on a Total Return basis (underperforming the benchmark by 1.22%) during Oct'14. Supplemented by softening risk perceptions, sustained corporate profitability and encouraging macro developments, the KSE100 Index gained 2.19% M/M during Oct'14 despite a sharp decline in international oil prices and continued foreign outflows. Looking for positives, risk perceptions softened as one of the parties to the impasse (Pakistan Awami Tehreek / PAT) decided to end the sit-in protest at Islamabad after 70 days. In this backdrop, locals stepped up to counter net foreign outflows of USD 31.05mn in Oct'14 (vs. inflows of USD 53mn in Sep'14). Going forward, the market may bounce around from the vagaries of the political environment. However, despite short term pressures delaying reforms, long term economic direction should likely stay on course, in our view. We flag 1) Political consensus in implementing reforms, 2) Stability on the external account (privatization inflows), 3) Successful completion of the on-going military offensive in the tribal regions, and 4) 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 Sep'14)

Wyeth Pakistan Ltd
Pakistan State Oil Company Ltd
Pakistan Oilfields Ltd
Pak Suzuki Motor Company Limited
National Bank of Pakistan Ltd
Lotte Chemical Pakistan Ltd
GlaxoSmithKline Pakistan Ltd
Cherat Cement Company Ltd.
Allied Bank Ltd
Adamjee Insurance Co Ltd

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Growth Fund - Total	--4.83	0.97	-5.83	-4.20	32.32
PICIC Growth Fund - Frozen	-9.95	-2.90	-12.92	-13.58	38.00
PICIC Growth Fund - Ex Frozen	1.28	5.60	2.57	7.11	29.02
Benchmark (KSE 100 Index)	2.44	2.19	0.21	5.06	33.37

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. 118,409,550, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.42 /1.02% (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 (Oct 31st)	PKR 4,901 million
NAV per Unit	PKR 17.25
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)	Oct '14	Sep '14
Cash	14	9
Equity	83	89
Others including receivables	3	2
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Oct '14	Sep '14
Oil & Gas**	39	44
Pharma & Bio Tech	10	6
Banks	10	16
Automobile & Parts	9	8
Construction & Materials	4	4
Others	11	11
	83	89

**FUND STRATEGY**

The NAV of PIF increased by 5.64% on an Ex-frozen basis (outperforming the benchmark by 3.46%), while it gained by 1.77% on a Total Return basis (underperforming the benchmark by 0.42%) during Oct'14. Supplemented by softening risk perceptions, sustained corporate profitability and encouraging macro developments, the KSE100 Index gained 2.19% M/M during Oct'14 despite a sharp decline in international oil prices and continued foreign outflows. Looking for positives, risk perceptions softened as one of the parties to the impasse (Pakistan Awami Tehreek / PAT) decided to end the sit-in protest at Islamabad after 70 days. In this backdrop, locals stepped up to counter net foreign outflows of USD 31.05mn in Oct'14 (vs. inflows of USD 53mn in Sep'14). Going forward, the market may bounce around from the vagaries of the political environment. However, despite short term pressures delaying reforms, long term economic direction should likely stay on course, in our view. We flag 1) Political consensus in implementing reforms, 2) Stability on the external account (privatization inflows), 3) Successful completion of the on-going military offensive in the tribal regions, and 4) 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 Oct'14)**

Wyeth Pakistan Ltd
Pakistan State Oil Company
Pakistan Oilfields Ltd
Pak Suzuki Motor Company
National Bank of Pakistan Ltd
GlaxoSmithKline Pakistan Ltd
Cherat Cement Company Ltd.
Allied Bank Ltd
Adamjee Insurance Co Ltd
Abbott Laboratories (Pak) Ltd

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Investment Fund - Total	-3.91	1.77	-4.43	-2.66	31.19
PICIC Investment Fund - Frozen	-9.95	-2.89	-12.97	-13.61	38.59
PICIC Investment Fund - Ex Frozen	1.11	5.64	2.64	6.57	28.00
Benchmark (KSE 100 Index)	2.44	2.19	0.21	5.06	33.37

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. 60,378,245; if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.21 /1.18% (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)	8.36	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	Jibran 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	Ume 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, I1 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 Zarah 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, Bahria 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 Boulovard, 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-UI-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, Khewat # 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	Khewat # 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