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# Fund Manager's Report August 2014



Managed By



AMC Rating: AM2- by JCR-VIS

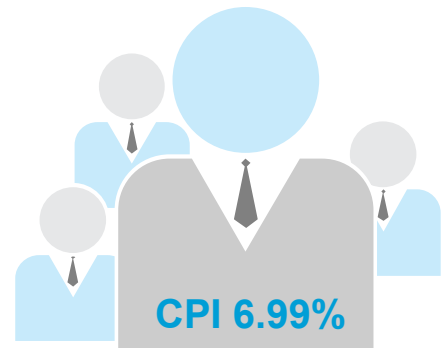
A wholly owned subsidiary of

NIB Bank Ltd.

## ECONOMIC REVIEW

Headline inflation (CPI) clocked in at 6.99% Y/Y for the month of Aug' 14 against 7.88% Y/Y recorded for the month of Jul' 14. On a sequential basis, CPI recorded a limited growth of 0.33% M/M during Aug' 14 (up 1.70% M/M during Jul' 14), which was primarily driven by a high base effect, comparatively contained prices of food items, and a static housing. That said, core inflation measured by non-food non-energy (NFNE) and also by 20% weighted trimmed mean CPI (Core Trimmed) have both recorded a muted increase of 0.2% M/M, in Aug' 14. Going forward, risks to CPI exist via fiscal adjustments to raise revenue through the phasing out of power subsidies (subsequent higher domestic gas

and electricity prices). With a rise in political temperature during the review period, concerns have heightened regarding the reforms agenda of the ruling government and general business sentiments. In this backdrop, the PKR has depreciated by 3.1% Fy14TD against the USD. However, a timely receipt of USD 371mn under the Coalition Support Fund (CSF) late into month has helped in improving the FX reserves (SBP reserves at ~USD8.8bn). We attach a higher probability to a political resolution taking place which remains essential to macroeconomic stability. In this regard, while the IMF program remains largely on track, new challenges may be accommodated in the program, in our view.



## MONEY MARKET REVIEW

During the period under review, SBP conducted two T-bill auctions with a cumulative target of PKR 225bn against maturity of PKR261.4bn. Cumulative participation in the auction was PKR170.1bn and the amount accepted was PKR170.1bn (both amounts including non-competitive bids). SBP also conducted a PIB auction on August



12th, 2014. Against a target of PKR100bn, participation of PKR93.9bn (face value) was witnessed

while the government accepted an amount of PKR89.8bn. Participation in the 3year PIBs attracted 47.5% of the entire participation. The cut-off yields were 12.5092% for the 3 years tenor (face value PKR 40.1bn), followed by 12.9021% in the 5 years tenor (face value PKR22.4bn) and 13.3494% in the 10 years tenor (face value PKR 24.3bn).

## EQUITY MARKET REVIEW

**In the backdrop of PTI/PAT led long marches culminating into altercations with the government, the KSE100 Index lost ~6% M/M in Aug'14**

(clipping Cy14TD gains to 13.09%) with average volumes clocking at 134mn shares in Aug' 14, down ~40% compared to the average volumes during Cy14TD.

Heightened political noise also subdued foreign buying with net inflows reducing by ~48% M/M to reach USD 35.74mn during the review period. With the impasse still outstanding, the market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out

## USD 35.74MN

as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key short term re-rating triggers for the index.

## 13.09% KSE 100 gained CY14TD

**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.

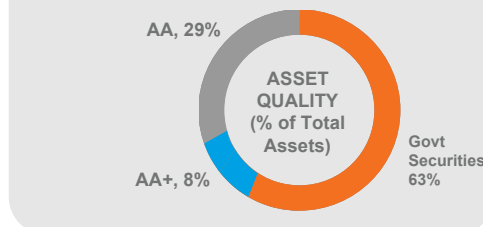
**FUND INFORMATION**

Fund Type	Open-end
Category	Money Market Fund
Launch Date	December 14th 2010
Net Assets (Aug 29th)	PKR 4,188 million
NAV per Unit (Aug 29th)	PKR 101.6341
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**	11.33%	8.31%
Month to Date return	8.84%	7.75%
Year to Date return	8.65%	7.31%

**MATURITY PROFILE**

Weighted Average Maturity	43 Days	
Asset Allocation (% of Total Assets)	Aug '14	Jul '14
Cash	6	1
T-Bills	63	77
Placements with Banks and DFIs	31	22
Others including receivables	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

**ASSET QUALITY**

**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

**FUND STRATEGY**

During the month, the Fund size declined to PKR 4,188mn from PKR 4,361mn in Jul'14. The Fund earned an annualized return of 8.94% for the month, comfortably outperforming the benchmark. The fund increased its exposure in Placements while making a shift from T-bills avoiding volatility and improving returns. The overall weighted average maturity decreased to 43 days from 64 days in July'14. Going forward, the fund would look out opportunities to further augment its return for the unit holders.

Key Rates	Aug '14
KIBOR (1M)*	9.75%
KIBOR (3M)*	9.92%
KIBOR (6M)*	9.93%
Latest T-Bill Cut-Off (3M)	9.96%
Latest T-Bill Cut-Off (6M)	9.98%
Discount Rate	10.00%
CPI Inflation Y/Y	6.99%

**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	Sept-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Fund Returns	7.29%	8.27%	7.27%	8.37%	8.66%	8.30%	8.34%	8.65%	8.61%	8.61%	8.68%	8.94%
Ave. of 3M Bank Deposit (AA Rated)	6.85%	6.93%	7.08%	7.20%	7.37%	7.37%	7.37%	7.37%	7.37%	7.37%	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 15,742,084, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.3820/ 2.32% (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 (Aug 29th)	PKR 2,457 million
NAV per Unit (Aug 29th)	PKR 101.8683
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

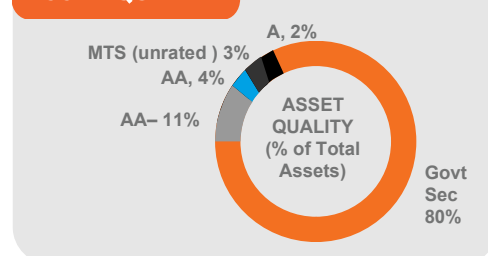
**MATURITY PROFILE**

Weighted Average Maturity (% of Total Assets)	492 Days	
	Aug '14	Jul '14
Cash	10	3
T-Bills	24	25
Placements with Banks and DFIs	4	4
PIBs	56	58
Sukuks	2	3
MTS	3	6
Others	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

**FUND STRATEGY**

During the month, the Fund size increased marginally to PKR 2,457mn from PKR 2,255mn in Jul'14. The Fund made an annualized return of 10.05% during the month. The Fund's weighted average maturity declined to 492 days against 541 days in Jul'14. Going forward, the fund intends to keep moderate duration levels to provide competitive returns to its investors in view of easing inflation in the second half Cy14.

**ASSET QUALITY**



Key Rates	Aug '14
KIBOR (1M)*	9.75%
KIBOR (3M)*	9.92%
KIBOR (6M)*	9.93%
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)	13.35%
CPI Inflation Y/Y	6.99%

Fund Performance	PICIC-IF	6M-KIBOR
Inception to date return**	12.25%	11.09%
Month to Date return	10.14%	9.93%
Year to Date return	9.23%	9.75%

**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

**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%

Month	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Fund Returns	7.06%	9.92%	7.44%	8.46%	9.17%	8.67%	15.19%	16.01%	-4.19%	7.65%	10.15%	10.05%
Ave. 6M KIBOR	9.03%	9.30%	9.53%	9.88%	9.89%	9.90%	9.86%	9.93%	9.92%	9.92%	9.92%	9.93%

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 12,439,448, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.5157 / 3.13% (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.

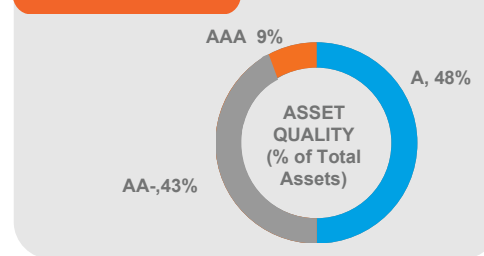
### BASIC FUND INFORMATION

Fund Type	Open-end
Category	Islamic Income Fund
Launch Date	May 29th 2014
Net Assets (Aug 29th)	PKR 535 million
NAV per Unit (Aug 29th)	PKR 101.3459
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	13 Days	
Asset Allocation (% of Total Assets)	Aug '14	Jul '14
Cash	54	12
GoP Ijarah Sukuks	0	0
Placements with Banks and DFIs	37	79
GOP Guaranteed Sukuks	0	0
Sukuks	8	7
Others	1	2
Total	100	100

### ASSET QUALITY



### 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

### FUND STRATEGY

During the month of August, the fund size witnessed a minimal decline of PKR 13mn. The current fund size was PKR 535mn against PKR 548mn in July 2014. The fund made an annualized of 8.52% 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. Going forward the Fund will look out for opportunities to invest in Shariah Compliant Investment avenues to increase its return.

### Key Rates Aug '14

KIBOR (1M)*	9.75%
KIBOR (3M)*	9.92%
KIBOR (6M)*	9.93%
Discount Rate	10.00%
CPI Inflation Y/Y	6.99%

### Performance Annualized

	PICIC IIF	BENCHMARK
Inception to date	8.39%	6.50%
FY-15 to date	8.01%	6.51%
FY-14	8.95%	6.49%
Trailing Return	8.39%	6.50%

Month	May-14	Jun-14	Jul-14	Aug-14
Fund Returns****	14.71%	8.57%	7.37%	8.52%
Benchmark	6.49%	6.49%	6.48%	6.54%

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 317,610, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.0602 / 0.37% (YTD).

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 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 (Aug 29th)	PKR 497 million
NAV per Unit	PKR 104.4316
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	120.82	147.74
FY-15 to date	-7.00	-3.66
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	-7.00	-8.20	-8.05	5.00	25.96
Benchmark (KSE-100 Index)	-3.66	-5.76	-3.93	10.80	28.91

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)**

	Aug '14	Jul '14
Cash	11	4
Equity	88	96
Other including Receivables	1	-
Total	100	100

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

Abbott Laboratories (Pak)	8.30
National Bank of Pakistan	7.45
Pakistan Petroleum Ltd	7.33
Pakistan Oilfields Ltd	7.04
Engro Corporation Ltd	6.51
Pakistan State Oil Company	6.37
Lucky Cement Ltd	5.65
Ferozsons Laboratories Ltd	5.60
Cherat Cement Company	4.39
Attock Petroleum Ltd	4.31

**INVESTMENT COMMITTEE MEMBERS**

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Khashe Lodhi, Chief Investment Officer
Adeel Abdul Wahab, Fund Manager
Umer Pervez, Head of Research

**FUND STRATEGY**

The NAV of PICIC-SF declined by 8.20% during Aug'14, underperforming the benchmark by 2.44%. In the backdrop of PTI/PAT led long marches culminating into altercations with the government, the KSE100 Index lost ~6% M/M in Aug'14 (clipping Cy14TD gains to 13.09%) with average volumes clocking at 134mn shares in Aug'14, down ~40% compared to the average volumes during Cy14TD. With the impasse still outstanding, market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key 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 Aug'14 Jul '14**

	Aug'14	Jul '14
Oil and Gas	27	27
Pharma and Bio Tech	16	19
Commercial Banks	17	17
Const. & Mat. (Cem.)	12	14
Chemical	7	3
Others	9	16
Total	88	96

Mutual Fund Association of Pakistan (MUFAP) Recommended Format

The scheme has maintained provisions against WWF liability to the tune of Rs 4,339,776, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.9119 /0.81% (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 (Aug 29th)	PKR 131 million
NAV per Unit	PKR 94.4019
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	-5.64	-0.49
FY-15 to date	-6.42	-2.50
FY-14 (May 29'14 to Jun 30'14)	0.84	2.06

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

	Aug '14	Jul '14
Cash	12	3
Equity	85	95
Other including Receivables	3	2
<b>Total</b>	<b>100</b>	<b>100</b>

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

Abbott Laboratories (Pak) Ltd	7
Cherat Cement Company Ltd	7
Pakistan State Oil Company	7
Ferozsons Laboratories Ltd	6
Pak Suzuki Motor Company	6
Attock Petroleum Ltd	6
Pakistan Oilfields Ltd	6
Lucky Cement Ltd	6
National Foods Ltd	5
Pakistan Telecommunication	4

**INVESTMENT COMMITTEE MEMBERS**

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Khashe Lodhi, Chief Investment Officer
Adeel Abdul Wahab, Fund Manager
Umer Pervez, Head of Research

**FUND STRATEGY**

The NAV of PICIC-ISF declined by 8.52% during Aug'14, underperforming the benchmark KMI30 by 3.44%. In the backdrop of PTI/PAT led long marches culminating into altercations with the government, the KMI30 Index lost 5.08% M/M in Aug'14 (clipping Cy14TD gains to 9.57%) with average volumes (KSE ALL) clocking at 134mn shares in Aug'14, down ~40% compared to the average volumes during Cy14TD. With the impasse still outstanding, market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key 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 Aug '14 Jul '14**

Oil & Gas	27	28
Pharma & Bio Tech	17	15
Const. & Mat.(Cem.)	15	19
Automobile & Parts	6	6
Food Producers	5	4
Others	15	23
<b>Total</b>	<b>85</b>	<b>95</b>

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Islamic Stock Fund	-6.42	-8.52	-5.61	-	-
Benchmark (KMI-30 Index)	-2.50	-5.08	-1.05	-	-

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 23,442, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.0168 / 0.02% (YTD).

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 (Aug 29th)	PKR 1,194 million
NAV per Unit	PKR 10.7199
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	16.86	35.33
FY-15 to date	-6.21	-3.36
FY-14	23.92	41.16
FY-13	52.28	52.20

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

	Aug '14	Jul '14
Cash	8	4
Equity	92	96
Other including Receivables	-	-
<b>Total</b>	<b>100</b>	<b>100</b>

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

Attock Petroleum Ltd	19
Pakistan Oilfields Ltd	19
Attock Refinery Ltd	14
Pakistan State Oil Company	12
Shell Pakistan Ltd	9
Pakistan Petroleum Ltd	9
Oil & Gas Development Co	6
Nishat Power Limited	4

**INVESTMENT COMMITTEE MEMBERS**

Mir Adil Rashid, Chief Executive Officer
Suleman Chhagla, Chief Operating Officer
Khashe Lodhi, Chief Investment Officer
Adeel Abdul Wahab, Fund Manager
Umer Pervez, Head of Research

**FUND STRATEGY**

The NAV of PEF declined by 8.55% during Aug'14, underperforming the benchmark by 2.79% during the review period. Concerns arising from the political impasse also negatively impacted the price performance of energy sector companies. In this regard, amongst our major holdings, ATRL, SHEL and APL lost 15.41%, 15.86% and 6.97% in their respected market capitalizations during the review period. Along with this, other portfolio companies viz. PSO and POL lost 7.94% and 4.67% in their respected market capitalizations during Aug'14. With the political impasse still outstanding, market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key re-rating triggers for the index. 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 Aug '14 Jul'14**

Equity Sector Break Down	Aug '14	Jul'14
Oil and Gas	87	93
Electricity	5	3
Gas & Multiutilities	-	-
Other	-	-
<b>Total</b>	<b>92</b>	<b>96</b>

Fund Performance Actual (%)	FYTD	1 Month	3 Month	6 Month	Trailing 12M
PICIC Energy Fund	-6.21	-8.55	-6.98	1.83	11.40
Benchmark (KSE-100 Index)	-3.66	-5.76	-3.93	10.80	28.91

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 26,449,293, if the same were not made the NAV per unit/return of the scheme would be higher by Re 0.2375 / 2.08% (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)

August 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 (Aug 29th)	PKR 11,941 million
NAV per Unit	PKR 42.12
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
Khashe Lodhi, Chief Investment Officer
Umer Pervez, Head of Research

### ASSET ALLOCATION

Asset Allocation (% of Total Assets)	Aug '14	Jul '14
Cash	2	1
Equity	96	95
Others including receivables	2	4
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Aug '14	Jul '14
Oil & Gas**	56	53
Commercial Banks	19	21
Automobile & Parts	5	6
Const. & Mat. (Cem.)	5	6
Non Life Insurance	3	2
Others	8	7
<b>Total</b>	<b>95</b>	<b>95</b>

### FUND STRATEGY

The NAV of PGF declined by 8.18% on an Ex-frozen basis (underperforming the benchmark by 2.42%), while it declined by 8.16% on a Total Return basis (underperforming the benchmark by 2.40%) during Aug '14. In the backdrop of PTI/PAT led long marches culminating into altercations with the government, the KSE100 Index lost ~6% M/M in Aug '14 (clipping Cy14TD gains to 13.09%) with average volumes clocking at 134mn shares in Aug '14, down ~40% compared to the average volumes during Cy14TD. With the impasse still outstanding, market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key 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 Aug '14)

Sui Northern Gas Pipeline Ltd
Pakistan State Oil Company
Pakistan Petroleum Ltd
Pakistan Oilfields Ltd
Pak Suzuki Motor Company
National Bank of Pakistan Ltd
Habib Bank 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	-7.18	-8.16	-10.08	8.00	24.01
PICIC Growth Fund - Frozen	-5.00	-8.13	-12.20	13.52	37.88
PICIC Growth Fund - Ex Frozen	-9.33	-8.18	-7.78	2.84	12.36
Benchmark (KSE 100 Index)	-3.66	-5.76	-3.93	10.80	28.91

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. 118,106,523, if the same were not made the NAV per certificate/return of the scheme would be higher by Rs. 0.42 /0.92% (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: 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 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 (Jul 28th)	PKR 5,313 million
NAV per Unit	PKR 18.70
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
- Khashe Lodhi, Chief Investment Officer
- Umer Pervez, Head of Research

**ASSET ALLOCATION**

Asset Allocation (% of Total Assets)	Aug '14	Jul '14
Cash	2	2
Equity	94	94
Others including receivables	4	4
<b>Total</b>	<b>100</b>	<b>100</b>

Equity Sector Break Down (% of Total Assets)	Aug '14	Jul '14
Oil & Gas**	50	48
Commercial Banks	19	21
Automobile & Parts	7	7
Cons. & Materials	6	7
Pharma & Bio Tech	4	3
Others	8	8
<b>Total</b>	<b>94</b>	<b>94</b>

**FUND STRATEGY**

The NAV of PIF declined by 8.29% on an Ex-frozen basis (underperforming the benchmark by 2.53%), while it declined by 8.20% on a Total Return basis (underperforming the benchmark by 2.44%) during Aug'14. In the backdrop of PTI/PAT led long marches culminating into altercations with the government, the KSE100 Index lost ~6% M/M in Aug'14 (clipping Cy14TD gains to 13.09%) with average volumes clocking at 134mn shares in Aug'14, down ~40% compared to the average volumes during Cy14TD. With the impasse still outstanding, market may continue to exhibit range trading behavior arising from political noise. However, we attach a higher probability to the best case where a political resolution takes place, however, a break-down in law & order can force the army's hand and mid-term elections cannot be ruled out as a result. That being said, we flag 1) Political consensus to end the current impasse and 2) Resumption in momentum in foreign inflows as key 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 Aug'14)**

- Wyeth Pakistan Ltd
- Pakistan State Oil Company
- Pakistan Petroleum Ltd
- Pakistan Oilfields Ltd
- Pak Suzuki Motor Company
- National Bank of Pakistan Ltd
- Habib Bank 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 Investment Fund - Total	-7.70	-8.20	-9.92	6.43	21.41
PICIC Investment Fund - Frozen	-4.88	-8.07	-12.14	13.37	38.54
PICIC Investment Fund - Ex Frozen	-9.66	-8.29	-8.23	1.66	11.35
Benchmark (KSE 100 Index)	-3.66	-5.76	-3.93	10.80	28.91

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 /1.05% (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 ABSOLUTE RETURNS

FUND PERFORMANCE ANNUALIZED %	FY14	FY13	FY12	FY11
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			
PICIC Stock Fund	137.44	67.29	12.90	
Benchmark (KSE-100 Index)	157.15	82.16	19.69	
PICIC Islamic Stock Fund	0.84			
Benchmark (KMI-30 Index)	2.06			
PICIC Energy Fund	24.60	0.55		
Benchmark (KSE-100 Index)	40.46	-0.50		

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

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, 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, 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 IIII 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-I, 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	Aansoor 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, 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