

# PICIC ENERGY FUND



8<sup>th</sup> Annual Report  
*For The Year Ended June 30, 2013*

Managed By



AMC Rating: AM2- by JCR-VIS

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

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## SCHEME'S INFORMATION

### Management Company

PICIC Asset Management Company Limited  
3<sup>rd</sup> Floor, PNSC Building, M.T. Khan Road, Karachi.  
UAN: +92 21 1111 PICIC (74242) Fax: +92 21 35642770-71  
Toll Free: 0800-PICIC (74242)  
Email: customerservice@picicamc.com  
Web: www.picicamc.com

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### Board of Directors of the Management Company

(As of June 30, 2013)

Mr. Asadullah Khawaja	Chairman
Mr. Imran R. Ibrahim	Member
Mr. Badar Kazmi	Member
Mr. Yameen Kerai	Member
Mr. Shah Miftah ul Azim Azmi	Member
Mr. Adil Rashid	Member
Mir Adil Rashid	Chief Executive

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### Chief Financial Officer & Company Secretary of the Management Company

Mr. Imad Zahid Nagi

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### Audit Committee of the Board of the Management Company

Mr. Imran R. Ibrahim	Chairman
Mr. Yameen Kerai	Member
Mr. Shah Miftah ul Azim Azmi	Member

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### Investment Committee of the Board of the Management Company

Mr. Asadullah Khawaja	Chairman
Mr. Imran R. Ibrahim	Member
Mr. Yameen Kerai	Member
Mir Adil Rashid	Member

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### Human Resource Committee of the Board of the Management Company

Mr. Asadullah Khawaja	Chairman
Mr. Imran R. Ibrahim	Member
Mir Adil Rashid	Member

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### Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block "B" SMCHS  
Main Shahra-e-Faisal, Karachi-74400

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### Bankers

NIB Bank Limited

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### Auditors

A.F Ferguson & Co.  
Chartered Accountants

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### Legal Adviser

Bawaney & Partners

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### Registrar and Share Transfer Office

THK Associates (Pvt) Limited  
Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi-75530  
UAN: (92 21) 111-000-322 Fax: (92 21) 3565 5575



## Vision Statement

TO BE THE TOP PERFORMER OF THE MUTUAL FUND INDUSTRY THROUGH WEALTH MAXIMIZATION OF THE UNIT HOLDERS BY INVESTING IN THE BEST AVAILABLE OPPORTUNITIES WITH EMPHASIS ON GROWTH, WHILE CONSIDERING RISK PARAMETERS AND APPLICABLE RULES.



## Mission Statement

TO PROVIDE INVESTORS LUCRATIVE INVESTMENT OPPORTUNITIES THROUGH AN INVESTMENT MIX OF BLUE CHIP SHARES HAVING THE POTENTIAL OF OFFERING HEALTHY DIVIDENDS AND GROWTH OPPORTUNITY.

# DIRECTORS' REPORT

## REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

### INTRODUCTION

The Board of Directors of PICIC Asset Management Company Limited, the Management Company of PICIC Energy Fund (PEF) is pleased to submit herewith its Report together with the Financial Statements for the year ended June 30, 2013.

### FUND OBJECTIVE

The objective of the Fund is to capture significant return from an actively managed portfolio by investing in listed equity securities of energy sector in Pakistan and in this respect the Fund has achieved its objective.

### FUND PROFILE

PICIC Energy Fund is an open end equity fund which primarily invests in equity securities of the Energy Sector based on quantitative model. The Funds takes advantage of equity market volatility and primarily buys equities when they are underpriced and sells equities when they are overpriced. DCF (discounted cash flow) valuations are pivotal for stocks selection in the portfolio. The Fund invests mostly in liquid stocks.

### MARKET REVIEW

The benchmark KSE-100 Index gained a stellar 52.2% Y/Y in FY13 to close the period at 21,006 points, an increase of 7,204.28 points. This robust performance - highest annual return in the last 9 years (FY05-FY13) - was driven by a series of discount rate cuts, improvement in ties with the US (disbursement of CSF funds), a relatively lower inflation environment, CGT relaxation, continued foreign interest while a visible decline in country risk premium as a direct result of successful and conflict free democratic elections provided additional impetus to the capital markets of Pakistan. The highlight of the year, however, remained a smooth political transition towards the end, where the new government's stance on resolution of the energy crisis and plans for economic reforms led to improved investor sentiment. Average daily volumes for the KSE All share index in FY13 significantly improved to 200.69 million shares traded, a 54.4% increase from the 129.94 million shares traded in FY12. Q4FY13 volumes were an impressive 288.43 million shares traded per day, comfortably beating the previous quarter's volume traded of 211.19 million shares - an increase of 36.6%.

Foreign portfolio investment in Pakistan clocked in at USD 594.60 million (net basis) in FY13 compared to an outflow of USD 189.12 million in FY12. Cumulative gross trades by foreigners amounted to USD 1,717.08 million (inclusive of ULEVER delisting through buy back) in FY13, up 2.29x compared with gross trades in FY12. In the last quarter alone (4QFY13), USD 366.94 million (net basis) were deployed into the equity markets of Pakistan, up 5.2x compared with the previous quarter (3QFY13). Besides strong corporate earnings, reduction in the political risk premium (successful general elections) and expected growth focused economic policies by the incoming government interlaced foreign portfolio investment in Pakistan.

The Pakistani equity bourse continued to outperform the main global composites by a wide margin in FY13. In this regard, MSCI world, MSCI Emerging Markets, MSCI Emerging Markets Asia ex-Japan and MSCI Frontier Markets have underperformed by 16.1%, 0.3%, 6.9% and 6.82% respectively against the benchmark KSE-100 index's return of 52.2% in FY13.

KSE 100 index's strong performance was led by 1) Personal Goods (relative outperformance of 67% - primarily led by strong export sales), 2) Construction & Materials (relative outperformance of 46% - mainly led by firm sales and robust margins), 3) Food Producers (relative outperformance of 45% - largely led by strong consumer demand) and 4) Electricity (relative outperformance of 26% - PKR weakness and a lower interest rate environment favoring yield plays) segments. Likewise, on the back of strong sales and a secular consumer demand, the 1) Pharmaceutical sector (absolute performance of 101%), 2) Beverages (absolute performance of 158%) and 3) Tobacco (absolute performance of 169%) sectors also outperformed the benchmark KSE100 Index. On the flip side, the Chemical sector, marred by gas outages and subsidized urea imports, underperformed the benchmark index by 38% during FY13. Similarly, the Banking sector also underperformed the benchmark by 12% as contracting NIMs from a lower DR environment, poor credit off-take and regulatory headwinds (changes in the minimum saving rate methodology) clouded growth visibility for the sector.

On the economic front, while FY13 was characterized by continued sluggish GDP growth, however, a reduction in price levels (CPI coming into single digits) enabled the State Bank of Pakistan (SBP) to reduce the benchmark DR from 12% at the start of the fiscal year to 9% in Jun'13. While the current account (CA) remained in control (FY13 deficit: USD 2.29 billion), sizable IMF repayments implied stress on the Balance of Payments (BoP) profile which ultimately led to a Staff-level agreement on a new IMF program right at the start of FY14. FY13 was also witness to the first ever successive democratic transfer of power in Pakistan's history with the PML-N's sizeable mandate in the May'13 elections potentially allowing the ruling party the confidence to move through with deep structural reforms, particularly in the energy sector.

Among the key positives in FY13, headline inflation remained benign, averaging 7.4% Y/Y versus 11% Y/Y average growth in CPI recorded in FY12. The single digit CPI numbers are largely due to contained food inflation. At the same time, Core (trimmed mean) inflation remained on a downtrend despite increase in the Money Supply, thereby giving room for SBP to cut the benchmark discount (DR) by 300bps in FY13 to 9% at end-Jun'13. That being said, inflationary pressures emanating from hikes in gas and electricity prices are expected to raise price levels in FY14 (Jul'13 CPI clocked in at 8.26% Y/Y) which may lead to a more restrictive monetary policy stance in FY14.

The fiscal deficit in FY13 tagged in at a steep 8.8% of GDP with tax collection remaining subdued (PKR 1,352 billion in 9MFY13; +6% Y/Y) and current expenditure, particularly subsidies, exceeding targets. This led to increased financing from the central bank driving high M2 growth of 17.2% Y/Y. At the same time, in FY13 the GoP borrowed about PKR 950 billion from commercial banks alone, coinciding with severe private sector crowding out. Moreover, with the GoP recently raising power tariffs significantly, it is expected that the quantum of subsidies will reduce which should bring the overall fiscal deficit to manageable levels particularly if the privatization program is reinitiated.

The Fund management team has geared its investment strategy towards top tier blue chip liquid stocks. We reiterate our commitment to allocating the bulk of our funds in liquid equity scripts which ensures flexibility in both accumulating and offloading positions. The focus is to direct investments towards those entities which retain resilient non-cyclical fundamentals, professional management with a proven track record, consistent earnings growth and strong payout potential. We are also mindful of upcoming economic headwinds and consequent volatility in the capital markets of Pakistan. The Fund management team will continue to monitor macro-economic indicators, with particular focus on the Pak Rupee currency depreciation relative to the USD, general price levels in the country, external account and the BoP profile. The portfolio will also be continuously monitored to ensure that any new potential opportunities will be availed for the benefit of the fund's investors and to that end we aim to retain sufficient cash to take advantage of such opportunities.

## **FUTURE OUTLOOK**

We eye potential for further re-rating of the Pakistan equity market subject to corporate earnings growth, BoP stability, implementation of government policies with respect to controlling issues related to circular debt and power along with continued foreign inflows. Further positives can be unlocked from a potential upgrade of Pakistan to the MSCI Emerging Markets Index or a possible increase in weight-age in the MSCI Frontier Markets Index or commencement of privatization/SPO/GDR program. Additionally, policy formation within the framework of an IMF program (a long term positive for Pakistan) also remains the focal point for the Pakistan market. Furthermore, in the wake of rising price levels, the most critical factor is the future direction of interest rates which will have a direct impact on equity valuations.

The Fund Management team will also keep a watchful eye on the global economic and geopolitical uncertainty, particularly the instability in the Middle East and developments in developed economies.

## **FUND PERFORMANCE**

During the year ended June 30, 2013, PEF has earned a net income of Rs. 491.89 million (including Gain on Sale of Investments of Rs 156.15 million, Dividend Income of Rs 93.09 million, Unrealized Gain on Investments of Rs 285.86 million and Profit on Bank Deposits of Rs 5.87 million) as compared to Rs 83.14 million for the corresponding period. The net assets of the fund as on June 30, 2013 stood at Rs 1,410 million as compared to Rs 993 million as on June 30, 2012.

## **OUR INVESTMENT THEME, STYLE & PHILOSOPHY**

The investment strategy of our medium to long term investment horizon PICIC Energy Fund (PEF) mainly considers investing in blue chip stocks along the energy value chain. Within the KSE-100 Index, the PEF has

three investable sectors viz Oil & Gas, Electricity and Multiutilities (Gas and water). Investment exposure has been mainly in the Exploration & Production, Electricity and Oil & Marketing companies, with free float based market capitalization in excess of PKR 20 billion on average. Investment style has largely been focused towards growth and value dividend paying energy stocks, to ensure adequate market diversification, with a goal to yield positive and consistent returns over time which in turn also reduces the overall investment risk of the fund.

## HOW HAVE OUR INVESTORS FARED? PEF INVESTORS HAVE BEEN REAPING THE REWARDS!

A total return analysis of the closed-end fund (market price performance) versus the benchmark is more reflective of the returns accumulated by our certificate and unit holders. Statistically speaking, total return (dividends adjusted) of the PICIC Energy Fund (PEF) has comprehensively outperformed the benchmark KSE100 Index over a four year (Fy09-Fy13) holding period. In this regard, total return of the PEF calculates to be 431% over a four year (Fy10-Fy13) holding period. We believe that the price performance of our closed-end fund is a true reflection of our certificate and unit holder's trust and confidence in our management ability to safeguard their interests by following a prudent investment strategy.

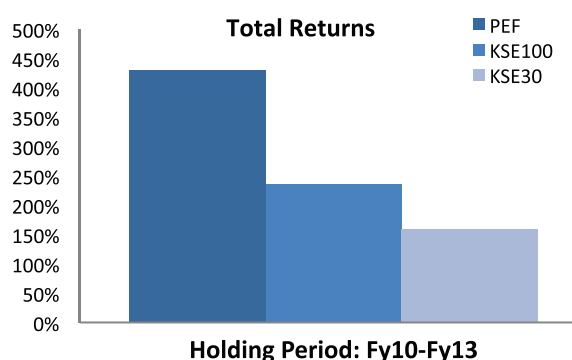
PKR/share	PRICE		DPS	Total Return
	30-Jun-09	28-Jun-13		
PEF	4.43	12.79	4.25	431% <sup>1</sup>
KSE100 Index	7,162	21,006	3,063 <sup>3</sup>	236% <sup>2</sup>
KSE30 Index	7,571	16,208	3,387 <sup>3</sup>	159% <sup>2</sup>

Source: PICIC, MUFAP, Bloomberg

<sup>1</sup> Dividends adjusted return - MUFAP Methodology

<sup>2</sup> Bloomberg Total Return Analysis (TRA)

<sup>3</sup> Index Dividend Points (Bloomberg TRA)



Source: PICIC, Bloomberg, MUFAP Methodology

## Income Distribution

During the year under review the Fund has distributed a final payout of Rs 2.05 per unit i.e. 20.50% of the par value of Rs 10/- per unit on June 26, 2013.

## RATINGS

JCR-VIS Credit Rating Company Limited has assessed the fund performance ranking at 'MFR 5-Star', 'MFR 4-Star' and 'MFR 3-Star' for the one-year, two-year and three year periods respectively.

PICIC Asset Management Company Limited, the Management Company has been assigned Management Quality rating of "AM2-" by JCR-VIS which denotes 'High Management Quality'.

## CONVERSION OF THE FUND INTO AN OPEN-END FUND

In compliance with Regulation 65 of Non-Banking Finance Companies and Notified Entities Regulations 2008, the Certificate Holders of the PICIC Energy Fund (PEF) in their Meeting held on January 31st, 2013 have approved the conversion of the Fund into an Open End Scheme. The conversion of the Fund was duly authorized by the SECP and the Fund is converted into an Open End Scheme with effect from June 25, 2013. For details please refer note no: 1 to the financial statements of the Fund.

## CORPORATE GOVERNANCE

The Fund is listed on Islamabad Stock Exchange and the Management Company is committed to observing Code of Corporate Governance prescribed for listed companies. Further the Board of Directors' States that:

- The financial statements prepared by the Management Company of the Fund, present a fair state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders fund.
- Proper books of accounts of the fund have been maintained.



- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. Relevant International Financial reporting Standards, as applicable in Pakistan, the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, the Non-Banking Finance Companies & Notified Entities Regulations, 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been consistently followed in preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund's ability to continue as a going concern.
- g. Key financial data of the fund since inception is presented in the Performance Table which is the part of this Annual Report.
- h. Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- i. The statement as to the value of investments of provident is not applicable in case of Fund as such expenses are borne by the Management Company.
- j. A statement showing the number of Board and Committees' meetings held during the year and attendance by each director has been annexed. (Annexure-C).
- k. During the year under review one Director has completed the directors training program offered by Pakistan Institute of Corporate Governance (PICG).
- l. The detail as required by the Code of Corporate Governance regarding the pattern of unit-holding has been annexed. (Annexure-D).
- m. All trades during the year in the units of the Fund carried out by the Directors, CEO, Chief Financial Officer & Company Secretary and their spouses and minor children has been annexed. (Annexure-B).

## AUDITORS

The Fund's external auditors A. F Ferguson & Co., Chartered Accountants have expressed their willingness to continue as the Fund's auditor for the ensuing year ending June 30, 2014. The Audit Committee of the Management Company has recommended the appointment of A. F Ferguson & Co., Chartered Accountants, as the Fund's auditors for the year ending June 30, 2014.

## ACKNOWLEDGEMENT

Finally, we avail this opportunity to thank all our valued unit holders and correspondents for their continuing patronage and support, the Ministry of Finance, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee), other regulatory authorities, financial institutions and the auditors for their continued guidance and assistance. The Board also wishes to place on record its appreciation for the staff for their commitment and hard work and to the unit holders for the trust and confidence reposed in us.

For and behalf of the board

Karachi  
September 04, 2013

**Mir Adil Rashid**  
Chief Executive Officer

**SUMMARIZED OPERATING AND FINANCIAL RESULTS**  
FOR THE LAST SIX YEARS IN COMPARISON TO CURRENT YEAR

Year Ended	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
	Rupee in '000'						
<b>STATEMENT OF ASSETS &amp; LIABILITIES</b>							
<b>Net Assets:</b>							
Investment in quoted shares	1,344,949	847,714	994,036	897,464	811,465	811,465	617,107
Other Assets	100,869	164,625	84,737	40,887	59,821	59,821	517,426
Liabilities	(36,137)	(19,552)	(19,130)	(12,738)	(12,127)	(12,127)	(57,523)
<b>Total Net Asset</b>	<b>1,409,681</b>	<b>992,787</b>	<b>1,059,643</b>	<b>925,613</b>	<b>859,159</b>	<b>859,159</b>	<b>1,077,010</b>
Net Asset Value per Unit/Certificate (Rupees)	12.0356	9.93	10.60	9.26	8.59	8.59	10.77
<b>INCOME STATEMENT</b>							
Income:							
Gain/(Loss) on Sale of Investments -net	156,146	28,373	206,564	171,086	(148,277)	(148,277)	37,224
Appreciation/Diminution on remeasurement of investment - net	285,861	3,529	20,660	(71,109)	(39,530)	(39,530)	(12,086)
Dividend	93,089	76,528	88,847	46,631	69,072	69,072	30,330
Other Income	5,866	5,543	10,600	13,551	7,136	7,136	54,314
	540,962	113,973	326,671	160,159	(111,599)	(111,599)	109,782
Expenditure:							
Management Fee	23,166	19,118	27,079	29,382	21,525	21,525	31,684
Auditors' Remuneration	460	446	382	368	335	335	280
Other Expenses	15,402	9,568	9,383	11,578	7,947	7,947	19,930
	39,028	29,132	36,844	41,328	29,807	29,807	51,894
<b>Profit/(Loss) Before Taxation</b>	<b>501,934</b>	<b>84,841</b>	<b>289,827</b>	<b>118,831</b>	<b>(141,406)</b>	<b>(141,406)</b>	<b>57,888</b>
Worker Welfare Fund (WWF)	(10,040)	(1,697)	(5,797)	(2,377)	-	-	-
Taxation	-	-	-	-	-	-	-
<b>Profit/(Loss) After Taxation</b>	<b>491,894</b>	<b>83,144</b>	<b>284,030</b>	<b>116,454</b>	<b>(141,406)</b>	<b>(141,406)</b>	<b>57,888</b>
*Earnings/(Loss) per Unit/Certificate (Rupees)	N/A	0.83	2.84	1.16	(1.41)	(1.41)	0.58

\* Note: Since PICIC Energy Fund is converted from close end fund to open end fund effective from June 25, 2013, Earnings/(Loss) per Unit is not applicable on it.

## Annexure-B

### STATEMENT SHOWING UNITS TRADED/HELD BY DIRECTORS, CEO, CFO, AND COMPANY SECRETARY OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY) AND THEIR SPOUSES AND MINOR CHILDREN

FOR THE PERIOD FROM JULY 01, 2012 TO JUNE 30, 2013

S. No.	Names	Designation	Begining Units	Units Issued	Units Sold	Bonus Units	Closing Units
1	Mr. Asadullah Khawaja	Chairman	50,000.0000	-	-	8,563.2174	58,563.2174
2	Mr. Imran R. Ibrahim	Director	-	-	-	-	-
3	Mr. Badar Kazmi	Director	-	-	-	-	-
4	Mr. Shahid Sattar	Director	-	-	-	-	-
5	Mr. Yameen Kerai	Director	-	-	-	-	-
6	Mr. Shah Miftah-ul- Azim	Director	-	-	-	-	-
7	Mr. Adil Rashid	Director	-	-	-	-	-
8	Mir Adil Rashid	CEO	-	-	-	-	-
9	Mr. Imad Zahid Nagi	Chief Financial Officer & Company Secretary	-	-	-	-	-

\*Mr. Shahid Sattar resigned from the Board with effect from February 14, 2013

## Annexure-C

### STATEMENT SHOWING ATTENDANCE OF THE BOARD OF DIRECTORS' MEETING OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY) FOR PICIC ENERGY FUND

FOR THE PERIOD FROM JULY 01, 2012 TO JUNE 30, 2013

S. No.	Name of Directors	Designation	Number of Meetings			Meetings not attended
			Held	Attended	Leave Granted	
1	Mr. Asadullah Khawaja	Chairman	10	10	-	
2	Mr. Imran R. Ibrahim	Member	10	10	-	
3	Mr. Badar Kazmi	Member	10	5	5	56th, 57th, 58th, 59th and 63rd
4	Mr. Yameen Kerai	Member	10	8	2	58th and 64th
5	Mr. Shahid Sattar*	Member	7	3	4	58th, 59th, 60th and 61st
6	Mr. Shah Miftah -ul - Azim	Member	10	8	2	62nd and 64th
7	Mr. Adil Rashid**	Member	1	1	-	
8	Mir Adil Rashid	(CEO)	10	10	-	

\*Mr. Shahid Sattar resigned on February 14, 2013

\*\*Mr. Adil Rashid was appointed on May 21, 2013

**STATEMENT SHOWING ATTENDANCE OF THE BOARD AUDIT COMMITTEE MEETING OF  
PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY) FOR  
PICIC ENERGY FUND**

FOR THE PERIOD FROM JULY 01, 2012 TO JUNE 30, 2013

S. No.	Name of Directors	Held	Numbers of Meetings		
			Attended	Leave Granted	Meetings not attended
1	Mr. Imran R. Ibrahim - Chairman	4	4	-	-
2	Mr. Yameen Kerai	4	3	1	37th
3	Mr. Shah Miftah-ul-Azim	4	4	-	-

**STATEMENT SHOWING ATTENDANCE OF THE BOARD INVESTMENT COMMITTEE MEETING  
OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY)  
FOR PICIC ENERGY FUND**

FOR THE PERIOD FROM JULY 01, 2012 TO JUNE 30, 2013

S. No.	Name of Directors	Held	Numbers of Meetings		
			Attended	Leave Granted	Meetings not attended
1	Mr. Asadullah Khawaja - Chairman	5	5	-	-
2	Mr. Yameen Kerai	5	4	1	58th
3	Mr. Imran R. Ibrahim	5	5	-	-
4	Mir Adil Rashid - CEO	5	5	-	-

**STATEMENT SHOWING ATTENDANCE OF THE BOARD HUMAN RESOURCE COMMITTEE  
MEETING OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT  
COMPANY) FOR PICIC ENERGY FUND**

FOR THE PERIOD FROM JULY 01, 2012 TO JUNE 30, 2013

S. No.	Name of Directors	Held	Numbers of Meetings		
			Attended	Leave Granted	Meetings not attended
1	Mr. Asadullah Khawaja - Chairman	4	4	-	
2	Mr. Imran R. Ibrahim	4	4	-	
3	Mr. Shahid Sattar *	3	-	3	23rd, 24th, & 25th
4	Mir Adil Rashid - CEO	4	4	-	

\* Mr. Shahid Sattar resigned on 14 Feb 2013

**PATTERN OF UNIT-HOLDING OF PICIC ENERGY FUND  
AS PER REQUIREMENT OF THE CODE OF CORPORATE GOVERNANCE  
AS AT JUNE 30, 2013**

Category Description	Units Held
Individuals	50,932,685.5831
Associated Companies, undertakings & related parties NIB Bank Limited	13,036,359.6023
Management Company PICIC Asset Management Company Limited National Investment Trust Limited	18,789,422.6804 231,435.9790
Director Mr. Asadullah Khawaja	58,563.2174
Mutual Funds & Modaraba MC FSL - Trustee Atlas Fund to Funds National Bank of Pakistan-Trustee Department NI(U)T Fund First Fidelity Leasing Modaraba	6,060,309.1420 1,730,861.6590 1,171.2643
Banks	350,108.4827
Insurance Companies	1,228,965.5155
Public Sector Companies and Corporation	16,065,784.4754
Others	8,640,767.3076
	<u>117,126,434.9087</u>

**DETAILS OF UNIT HOLDERS HOLDING FIVE PERCENT OR MORE  
UNITS OF PICIC ENERGY FUND  
AS AT JUNE 30, 2013**

Category Description	Holding	%
PICIC ASSET MANAGEMENT COMPANY LIMITED	18,789,422.6804	16.04
NIB BANK LIMITED	13,036,359.6023	11.13
MUHAMMAD SHAFI TANNERIES (PVT) LIMITED	7,911,127.0105	6.75
MC FSL - TRUSTEE ATLAS FUND OF FUNDS.	6,060,309.1420	5.17

# FUND MANAGER'S REPORT

FOR THE YEAR ENDED JUNE 30, 2013

**i) Description of the Collective Investment Scheme category and type**

Equity / Open-end

**ii) Statement of Collective Investment Scheme's investment objective**

PICIC Energy Fund (PEF) is an open end equity fund. The objective of the Fund is to capture significant return from an actively managed portfolio by investing in listed equity securities of energy sector in Pakistan and in this respect the Fund has achieved its objective.

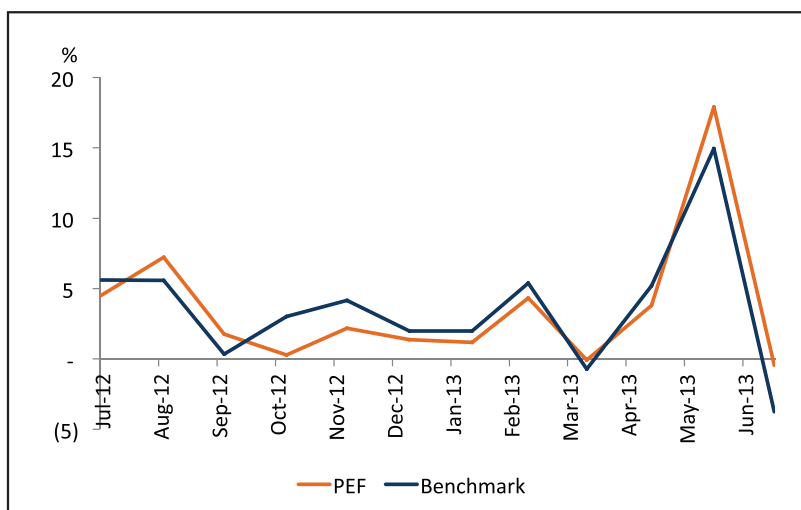
**iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective**

The Collective Investment Scheme achieved its stated objective.

**iv) Statement of benchmark(s) relevant to the Collective Investment Scheme**

The Collective Scheme's total NAV increased by 51.45%, slightly underperforming the benchmark KSE 100 Index by 0.75% during the stated period.

**v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**



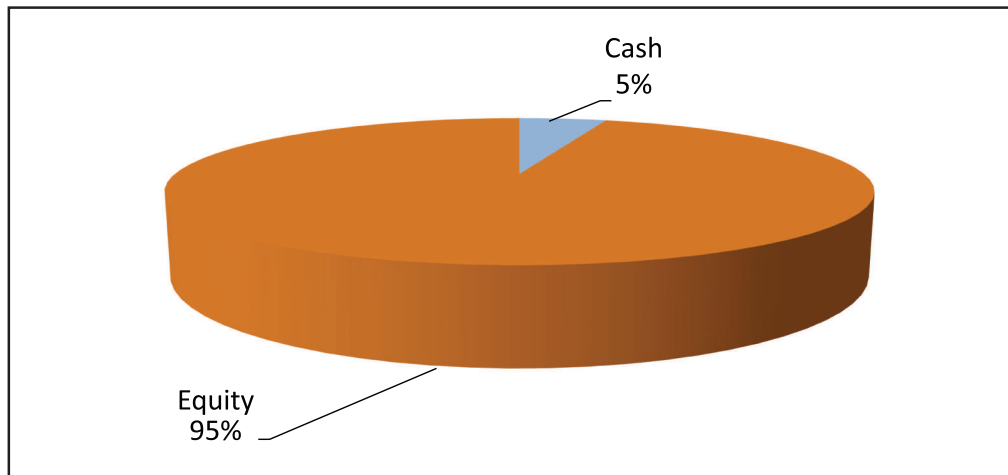
Monthly Yield	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
PEF	4.53	7.23	1.77	0.28	2.17	1.39	1.19	4.32	(0.09)	3.80	17.90	(0.45)
Benchmark	5.62	5.59	0.35	3.01	4.17	2.00	2.00	5.40	(0.72)	5.20	14.96	(3.75)

**vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

PICIC Energy Fund (PEF) provided returns of 52.28% during the period under review as compared to 52.20% by the KSE-100, thereby outperforming the benchmark by 0.08%. With the heaviest allocations, the Oil & Gas and the Electricity Sectors stood out as the top profit contributors for the fund which benefited during the year due to declining interest rates, additions to production portfolios which came online during year while fundamentals were further supported by the local currency depreciation versus the US Dollar. FY13 also saw successful and conflict free General Elections after which investors eyed an improvement with regards to the economic and political scenario of the country leading to lowering of the market's overall risk premiums. Further, the incoming political leadership expressed a strong resolve to arrest the circular debt issue which boded well for the liquidity situation of the overall Energy Sector. Additionally, in the backdrop of maturing economies of the emerging heavy weights, i.e. China and India, a consistent inflow of foreign investor interest was witnessed in Pakistan's Energy Sector.

**vii) Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation(%)	Jun'13	Jun'12
Cash	5	15
Equity	95	84
Other Including Receivables	0	1



#### viii) Analysis of the Collective Investment Scheme's performance

The Fund has achieved a return of 52.28%, outperforming the KSE100 index by 0.08% due to the stocks in the energy sector outperforming the broader market. Further details of performance analysis are provided in para vi of this report.

#### ix) Changes in total NAV and NAV per unit since the last review period or since commencement (in case of newly established Collective Investment Schemes)

Net Asset Value		
30 June 2013	30 June 2012	Change
Rupees (000)		%
1,409,681	992,787	41.99

NAV per unit		
30 June 2013	30 June 2012	Change
Rupees (000)		%
12.0356	9.93	21.20

#### x) Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market(s) invested in and performance during the period

The benchmark KSE-100 Index gained a stellar 52.2% Y/Y in FY13 to close the period at 21,006 points, an increase of 7,204.28 points. This robust performance - highest annual return in the last 9 years (FY05-FY13) - was driven by a series of discount rate cuts, improvement in ties with the US (disbursement of CSF funds), a relatively lower inflation environment, CGT relaxation, continued foreign interest while a visible decline in risk premiums as a direct result of successful and conflict free second consecutive democratic elections provided additional impetus to the capital markets of Pakistan. The highlight of the year, however, remained a smooth political transition towards the end, where the new government's stance on resolution of the energy crisis and plans for economic reforms led to improved investor sentiment. Market capitalization of the Average daily volumes for the KSE All share index in FY13 significantly improved to 200.69 million shares traded, a 54.4% increase from the 129.94 million shares traded in FY12. Q4FY13 volumes were an impressive 288.43 million shares traded per day, comfortably beating the previous quarter's volume traded of 211.19 million shares - an increase of 36.6%.

Foreign portfolio investment in Pakistan clocked in at USD 594.60 million (net basis) in FY13 compared to an outflow of USD 189.12 million in FY12. Cumulative gross trades by foreigners amounted to USD 1,717.08 million (inclusive of ULEVER delisting through buy back) in FY13, up 2.29x compared with gross trades in FY12. In the last quarter alone (4QFY13), USD 366.94 million (net basis) were deployed into the equity markets of Pakistan, up 5.2x compared with the previous quarter (3QFY13). Besides strong corporate earnings, reduction in the political risk premium (successful general elections) and expected growth focused economic policies by the incoming government interlaced foreign portfolio investment in Pakistan.

The Pakistani equity bourse continued to outperform the main global composites by a wide margin in FY13. In this regard, MSCI world, MSCI Emerging Markets, MSCI Emerging Markets Asia ex-Japan and MSCI Frontier Markets have underperformed by 16.1%, 0.3%, 6.9% and 6.82% respectively against the benchmark KSE-100 index's return of 52.2% in FY13.

**xi) Disclosure on distribution (if any), comprising:-**

- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Distribution			Per Unit		
Declared on	Bonus	Cash	Per Unit	Cum NAV	Ex NAV
	Rupees (000)		----- Rupees -----		
25th June 2013	-	205,000	2.05	14.0198	11.9698

**xii) Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements.**

The Fund converted into an open-end scheme (equity) from June 25, 2013.

**xiii) Breakdown of unit holdings by size**

Range of Units	Number of Investors
	PICIC Energy Fund
1 - 9,999	5,438
10,000 - 49,999	313
50,000 - 99,999	67
100,000 - 499,999	62
500,000 & Above	35
<b>Total</b>	<b>5,915</b>

**xiv) Disclosure on unit split (if any), comprising:-**

There were no unit splits during the period.

**xv) Disclosures of circumstances that materially affect any interests of unit holders**

Investments are subject to market risk.

**xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.**

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



## PERFORMANCE TABLE

	2013	2012	2011	2010	2009
	Rupee in '000'				
Net Assets at June 30 - Rupees in '000'	1,409,682	992,787	1,059,643	925,613	859,159
Net Assets Value per Unit /certificate -Rupees	12.0356	9.93	10.60	9.26	8.59
<b>Distribution per Unit /certificate: -Rupees</b>					
Cash Dividend					
Interim	-	-	1.00	0.50	-
Final	-	0.75	1.50	0.50	-
Bonus Dividend					
Final	2.05	-	-	-	-
<b>Distribution dates:</b>					
Cash Dividend					
Interim	-	-	11-Feb-11	16-Dec-09	-
Final	-	30-Aug-12	9-Sep-11	19-Oct-10	-
Bonus Dividend					
Final	26-Jun-13	-	-	-	-
KSE 100 Index Growth percentage	52.20%	10.44%	28.54%	35.74%	-41.72%
<b>Return of Fund as a percentage of average NAV:</b>					
Total return	52.28%	9.33%	31.09%	13.52%	-12.20%
Capital growth	31.78%	1.83%	6.09%	3.52%	-12.20%
Income distribution	20.50%	7.50%	25.00%	10.00%	0.00%
<b>Average Annual Return:</b>					
Current year	52.28%	9.33%	31.09%	13.52%	-12.20%
Last two years	29.03%	19.71%	21.99%	-0.16%	-2.95%
Last three years	29.71%	17.61%	9.32%	2.26%	-0.15%

**Note:**

- The Launch date of the Fund is January 2006
- PICIC Energy Fund is converted from closed end scheme to an open end scheme effective from June 25, 2013

**DISCLAIMER**

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



## Core Values

PICIC Asset Management Company Limited, Management Company of PICIC ENERGY FUND believes in:

- Highest standards of personal and professional ethics and integrity.
- Providing impeccable services to its certificate holders.
- Maximizing certificate holders' value through meeting their expectations.
- Innovation and technology as rewarding investments.
- Training, development and recognition as employees' key motivators.
- Democratic leadership and candor as key ingredients for effective team work.
- These core values are the manifestation of its claim of being "The Trusted Name".

# STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented by the Board of Directors of PICIC Asset Management Company Limited (Company), the Management Company of PICIC Energy Fund - PEF (Fund) to comply with the Code of Corporate Governance (Code) contained in Regulation No. 35, (Chapter XI) of the Listing Regulations of the Islamabad Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

PICIC Asset Management Company Limited, an un-listed Public Limited Company, which manages the affairs of the Fund, has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. The Management Company, being an un-listed company, does not have any minority interest. At present the Board includes:

Category	Names
Independent Directors	Mr. Asadullah Khawaja (Chairman) Mr. Imran R. Ibrahim
Executive Directors	Mir Adil Rashid (Chief Executive)
Non- Executive Directors	Mr. Badar Kazmi Mr. Yameen Kerai Mr. Adil Rashid Mr. Shah Miftah-ul-Azim

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board of the Management Company on February 14, 2013 was filled up by the director within time.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and non-executive directors, have been taken by the Board. There is no other executive-director of the Management Company besides the Chief Executive Officer.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the Directors of their duties and responsibilities and for their orientation purpose they were informed about the recent developments / changes in applicable laws and regulations affecting the mutual fund industry. The directors are conversant of the relevant laws and applicable to the Management Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

During the year under review, one Director has completed the directors' training program arranged by the Pakistan Institute of Corporate Governance (PICG).

10. The existing Chief Financial Officer and Company Secretary continues to serve as per his terms of employment duly approved by the Board. During the current year, the Board has approved the appointment of Head of Internal Audit including his terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the Chief Executive Officer and the Chief Financial Officer before approval of the Board.
13. The Directors, the Chief Executive Officer and executives do not hold any interest in the Units of the Fund other than that disclosed financial statements.
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code with respect of the Fund.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom two are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an independent director.
18. The Board has outsourced the internal audit function of the Fund to Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants, Karachi, for the year ended June 30, 2013, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company with regards to the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) .
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market/published price of Fund's unit, was determined and intimated to directors, employees and the stock exchange.
22. Material / price sensitive information has been disseminated amongst all market participants at once through the stock exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

For and behalf of the board

Karachi  
September 04, 2013

**Mir Adil Rashid**  
Chief Executive Officer

## AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of PICIC Asset Management Company Limited, the Management Company of **PICIC Energy Fund** to comply with the Listing Regulation No.35 (Chapter XI) of the Islamabad Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Sub-Regulation (x) of Listing Regulation No. 35 as notified by the Islamabad Stock Exchange (Guarantee) Limited requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.

Karachi  
September 04, 2013

Chartered Accountants  
Engagement partner

# TRUSTEE REPORT TO THE UNIT HOLDERS

## PICIC ENERGY FUND

### Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

**PICIC Energy Fund (the Fund)**, initially established as a closed-end scheme under a trust deed dated March 16, 2005, executed between PICIC Asset Management Company Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the trustee. Pursuant to a supplemental trust deed dated June 04, 2013, the Fund was converted into an open-end scheme with effect from June 25, 2013. This conversion has been made in accordance with the resolution passed by the certificate holders in the general meeting on January 31, 2013; and approved by the Commission.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2013 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing of units is carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi  
September 18, 2013

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **PICIC Energy Fund (here in after referred to as “the Fund”)**, which comprise the statement of assets and liabilities as at June 30, 2013, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management Company's responsibility for the financial statements

The Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2013, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi  
September 18, 2013

Chartered Accountants  
**Rashid A. Jafer**  
Engagement Partner

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2013

	Note	2013	2012
Rupee in '000'			
<b>ASSETS</b>			
Bank balances	4	96,248	12,943
Investments	5	1,344,949	847,714
Dividend and profit receivable	6	1,921	3,492
Receivable against sale of investments		-	145,490
Security deposits		2,700	2,700
Total assets		1,445,818	1,012,339
<b>LIABILITIES</b>			
Payable to the Management Company	7	2,729	1,919
Payable to the Trustee	8	168	230
Payable to the Securities and Exchange Commission of Pakistan	9	1,100	908
Accrued expenses and other liabilities	10	26,209	11,611
Unclaimed dividend		5,931	4,884
Total liabilities		36,137	19,552
<b>NET ASSETS</b>		<u>1,409,681</u>	<u>992,787</u>
<b>Unit holders' fund / certificate holders equity (As per statement attached)</b>		<u>1,409,681</u>	<u>992,787</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
(Number of units / certificates)			
<b>Number of units / certificates in issue</b>		117,126,435	100,000,000
Rupee			
<b>Net assets value per unit / certificate (Face value of Rs 10 each)</b>	3.6	<u>12.0356</u>	<u>9.9300</u>

The annexed notes 1 to 28 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
Rupee in '000'			
<b>INCOME</b>			
Capital gain on sale of investments - net		156,146	28,373
Dividend income		93,089	76,528
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		285,861	3,529
Profit on bank deposits		5,866	5,543
<b>Total income</b>		<b>540,962</b>	<b>113,973</b>
<b>EXPENSES</b>			
Remuneration of the Management Company	7.1	23,166	19,118
Sindh sales tax on remuneration of the Management Company		3,707	3,059
Federal excise duty and additional sales tax on the management fee	10.2	263	-
Remuneration of the Trustee	8.1	1,423	1,240
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	1,100	908
Securities transaction costs	14	2,508	2,353
Auditors' remuneration	12	460	446
Legal and professional charges		205	180
Bank charges		6	7
Printing charges		531	1,029
Listing fee		545	433
Other expenses	13	5,114	359
<b>Total expenses</b>		<b>39,028</b>	<b>29,132</b>
<b>Net income from operating activities</b>		<b>501,934</b>	<b>84,841</b>
Provision for Workers' Welfare Fund	10.1	(10,040)	(1,697)
<b>Net income for the year before taxation</b>		<b>491,894</b>	<b>83,144</b>
Taxation	15	-	-
<b>Net income for the year after taxation</b>		<b>491,894</b>	<b>83,144</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>491,894</b>	<b>83,144</b>
Rupee			
<b>Earnings per unit / certificate</b>	16	<b>-</b>	<b>0.83</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

## DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	Rupee in '000'	
<b>Unappropriated profit / (accumulated loss) brought forward</b>		
- Realised income	(10,742)	56,114
- Unrealised income	3,529	3,529
	(7,213)	59,643
Net income for the year after taxation	491,894	83,144
Final cash dividend of Re 0.75 per certificate for the year ended June 30, 2012 declared on August 30, 2012 (2012: Rs 1.50 per certificate for the year ended June 30, 2011 declared on September 29, 2011)	(75,000)	(150,000)
Final distribution in the form of bonus units of Rs 2.05 (2012: Rs nil) per unit for the year ended June 30, 2013 declared on June 26, 2013	(205,000)	-
<b>Undistributed income / (accumulated loss) carried forward</b>	<b>204,681</b>	<b>(7,213)</b>
<b>Represented by:</b>		
- Realised loss	(81,180)	(10,742)
- Unrealised income	285,861	3,529
	<b>204,681</b>	<b>(7,213)</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2013

2013 2012

Rupee in '000'

## Net assets at the beginning of the year

992,787 1,059,643

Issue of 100,000,000 units at the time of conversion

100,000,000 -

Cancellation of 100,000,000 certificates at the time of conversion

(100,000,000) -

- -

Final cash dividend of Re 0.75 per certificate for the year ended June 30, 2012 declared on August 30, 2012 (2012: Rs 1.50 per certificate for the year ended June 30, 2011 declared on September 29, 2011)

(75,000) (150,000)

Issues of bonus units during the year

- Final distribution of 17,126,435 units (2012: nil units)

205,000 -

Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

285,861 3,529

Capital gain on sale of investments - net

156,146 28,373

Other income (net of expenses) for the year

49,887 51,242

491,894 83,144

Final distribution in the form of bonus units of Rs 2.05 (2012: Rs nil) per unit for the year ended June 30, 2013 declared on June 26, 2013

(205,000) -

## Net assets at the end of the year

1,409,681 992,787

Rupee

Net asset value per unit / certificate at start of the year

9.93 10.60

Net asset value per unit / certificate at end of the year

12.04 9.93

The annexed notes 1 to 28 form an integral part of these financial statements.

**NOTE:** Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from June 25, 2013, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

# CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
Rupee in '000'			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		491,894	83,144
<b>Adjustments for:</b>			
Capital gain on sale of investments - net		(156,146)	(28,373)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		(285,861)	(3,529)
		49,887	51,242
<b>(Increase) / decrease in assets</b>			
Investments - net		(55,228)	178,224
Dividend and profit receivable		1,571	1,455
Receivable against sale of investments		145,490	(145,490)
		91,833	34,189
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		810	69
Payable to the Trustee		(62)	105
Payable to the Securities and Exchange Commission of Pakistan		192	(98)
Payable against purchase of investments		-	(2,692)
Accrued expenses and other liabilities		14,598	2,160
		15,538	(456)
<b>Net cash inflow from operating activities</b>		157,258	84,975
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(73,953)	(149,122)
<b>Net cash used in financing activities</b>		(73,953)	(149,122)
<b>Net increase / (decrease) in cash and cash equivalents</b>		83,305	(64,147)
Cash and cash equivalents at the beginning of the year		12,943	77,090
<b>Cash and cash equivalents at the end of the year</b>	4	96,248	12,943

The annexed notes 1 to 28 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

## 1 LEGAL STATUS AND NATURE OF BUSINESS

PICIC Energy Fund (the Fund) was established in 2006 as a closed-end scheme under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

In accordance with clause 65(1) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a meeting of the certificate holders of the Fund was held on January 31, 2013 whereby the conversion of the Fund into an open-end scheme was duly approved through a resolution passed by the majority of the certificate holders present in the meeting who were entitled to vote. The Securities and Exchange Commission of Pakistan accorded its final approval for conversion of the Fund into an open-end scheme through its letter dated May 3, 2013. The second supplemental Trust Deed and replacement Offering Document were approved by SECP vide its letter no SCD/PRDD/AMCW/PEF/567/2013 dated May 31, 2013 and letter no SCD/PRDD/AMCW/PEF/606/2013 dated June 24, 2013 respectively. The conversion of the Fund from a closed end fund to an open-end fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/PRDD/AMCW/PEF/607/2013 dated June 24, 2013. The Fund converted in to an open end scheme on the effective date i.e. June 25, 2013. The certificates of the closed-end fund were cancelled on the effective date and were exchanged with the units of the open-end scheme in the swap ratio of 1:1. Each certificate holder was allotted units according to their respective holdings as at that date on the basis of a ratio of 1 certificate : 1 unit. Accordingly 100,000,000 units were issued on the date of conversion.

Since the effective date of conversion, the certificates of the closed-end scheme were de-listed from Karachi, Lahore and Islamabad Stock Exchanges. Units of the open-end scheme are listed on the Islamabad Stock Exchange. The units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. With effect from January 21, 2013, the registered office of the Management Company has been relocated to 3rd floor, PNSC Building, M.T. Khan Road, Karachi, Pakistan.

The core objective of the Fund is to invest in securities of the energy sector in Pakistan so as to provide investors an access to high quality blue chip stocks in the Energy Sector. The eligible stocks comprise of investment in shares of companies engaged in the following activities:

- oil and gas exploration
- oil and gas marketing
- oil refining
- power generation and distribution

JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM2-' to the Management Company and has assigned a performance ranking at 'MFR-5 Star', 'MFR-4 Star' and 'MFR-3 Star' for one-year, two-years and three-years periods ended December 31, 2012 respectively to the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

### 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following standards, amendments and interpretations to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2012:

- Amendments to IAS 1, "Presentation of financial statements" (effective July 1, 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI and do not have any significant impact on these financial statements since no items are currently being reported under 'other comprehensive income'.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these financial statements.

### **2.3 Amendments to published approved accounting standards that are not yet effective**

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2013:

- Amendments to IFRS 7, 'Financial Instruments: Disclosures', (effective January 1, 2013). These contain new disclosure requirement for financial assets and liabilities that are offset in the balance sheet or are subject to master netting or similar arrangement. The amendments will not have any impact on the Fund's financial statements.

There are certain other new and amended standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any material effect on the Fund's operations and are, therefore, not detailed in these financial statements.

### **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are classification and valuation of investments (notes 3.2.1 and 5).

### **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

### **2.6 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. These comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

### **3.2 Financial instruments**

#### **3.2.1 Financial assets**

##### **3.2.1.1 Classification**

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The classification depends upon the purpose for which the financial assets are acquired. The financial assets of the Fund are currently categorised as follows:

**a) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

**b) Financial assets at fair value through profit or loss**

These are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

**c) Available for sale**

These are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

**3.2.1.2 Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

**3.2.1.3 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the Income Statement.

**3.2.1.4 Subsequent measurement**

**a) Financial assets 'at fair value through profit or loss' and 'available for sale'**

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

**- Basis of valuation of equity securities**

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing ask price nor lower than the closing bid price.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the Income Statement.

Net gains and losses arising on changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised. At this time, the cumulative gain or loss, previously shown under other comprehensive income, is transferred to income before taxation as capital gain / (loss).

**b) Loans and receivables**

These are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the 'income statement' through the amortisation process or when financial assets carried at amortised cost are derecognised or impaired. Impairment

### **3.2.1.5 Impairment**

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and shown as part of income before taxation. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows, discounted at original effective interest rate.

### **3.2.1.6 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

### **3.2.2 Financial liabilities**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value or subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

### **3.2.3 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

### **3.3 Derivatives**

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the Income Statement.

### **3.4 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Net asset value per unit**

The net asset value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.



### **3.7 Collateral**

Cash collateral provided by the Fund is identified in the statement of assets and liabilities as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of assets and liabilities separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

### **3.8 Taxation**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has distributed such income for the current year in order to avail this tax exemption. Accordingly, no tax liability has been recorded in these financial statements for the current year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to avail the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

### **3.9 Proposed distributions**

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

### **3.10 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### **3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) that form part of the Unit Holders' Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the income statement.

### **3.12 Revenue recognition**

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair

value through profit or loss' are included in the Income Statement in the year in which they arise.

- Dividend income from equity securities is recognised when the right to receive dividend is established.
- Profit on bank deposits is recognised on an accrual basis.

### 3.13 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee and annual fee payable to the SECP) are recognised in the Income Statement on an accrual basis.

### 3.14 Foreign currency translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

## 4 BANK BALANCES

June 30, 2013      June 30, 2012

Rupee in '000'

In saving accounts

96,248

12,943

4.1 These carry a rate of return ranging between 6.00% and 8.38% (2012: 5.00% and 12.26%) per annum.

## 5 INVESTMENTS

Note

June 30, 2013

June 30, 2012

Rupee in '000'

Financial assets 'at fair value through profit or loss' - held for trading  
Listed equity securities

5.1

1,344,949

847,714

## 5.1 Investment in listed equity securities - financial assets 'at fair value through profit or loss'

Shares of listed companies - Fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of Shares				Balance as at June 30, 2013			Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital Investee Company	
	As at July 1, 2012	Purchases during the period	Bonus/Rights issue	Sales during the period	As at June 30, 2013	Carrying value	Market value				Unrealised appreciation/ (diminution) on re-measurement
Rupee in '000'											
<b>Oil and Gas</b>											
Attock Petroleum Limited	174,740	270,200	-	66,000	378,940	187,701	212,631	24,930	15.81%	15.08%	0.55%
Oil and Gas Development Company Ltd.	1,237,192	865,800	-	1,108,200	994,792	193,675	227,559	33,883	16.92%	16.14%	0.02%
Pakistan Oilfields Limited	420,745	478,200	-	361,500	537,445	237,967	267,309	29,342	19.88%	18.96%	0.23%
Pakistan Petroleum Limited	643,874	471,800	167,218	307,700	975,192	166,664	206,331	39,667	15.34%	14.64%	0.06%
Pakistan State Oil Company Limited	605,202	401,000	263,256	552,200	717,258	133,721	229,795	96,074	17.09%	16.30%	0.29%
						919,728	1,143,625	223,896	85.02%	81.13%	
<b>Electricity</b>											
The Hub Power Company Limited	35,245	4,180,000	-	950,000	3,265,245	139,343	201,302	61,959	14.98%	14.28%	0.28%
Kohinoor Energy Limited	19,720	2,475,000	-	2,494,720	-	-	-	-	-	-	-
Kot Addu Power Company Limited	1,442,353	-	-	1,442,000	353	16	22	6	0.00%	0.00%	0.00%
Nishat Chunian Power Limited	3,500,000	200,000	-	3,700,000	-	-	-	-	-	-	-
						139,359	201,324	61,965	14.98%	14.28%	
<b>Multitiilities (Gas and Water)</b>											
Sui Northern Gas Pipeline Limited	1,732,500	-	173,250	1,905,750	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>TOTAL - As at June 30, 2013</b>						1,059,087	1,344,949	285,861	100.00%	95.41%	
<b>TOTAL - As at June 30, 2012</b>						844,185	847,714	3,529	100.00%	85.39%	

5.1.1 Shares with market value aggregating to Rs 89.783 million (2012: Rs 244.540 million) of the following companies have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange:

- 300,000 shares of Oil and Gas Development Company Limited;
- 100,000 shares of Pakistan Petroleum Limited (2012: 100,000 shares); and
- Nil shares of Kot Addu Power Company Limited (2012: 1,250,000 shares).

	Note	June 30, 2013	June 30, 2012
Rupee in '000'			
<b>6</b>	<b>DIVIDEND AND PROFIT RECEIVABLE</b>		
	Dividend receivable	1,493	3,490
	Profit receivable on bank deposits	428	2
		<u>1,921</u>	<u>3,492</u>
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Management fee	2,353	1,654
	Sales tax on management fee	376	265
		<u>2,729</u>	<u>1,919</u>

**7.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and, thereafter, of an amount equal to two percent of such assets of the Fund. Management fee is currently being charged at the rate of two percent of the average annual net assets per annum for the year and is paid to the Management Company monthly in arrears.

	Note	June 30, 2013	June 30, 2012
Rupee in '000'			
<b>8</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee	150	212
	CDS charges payable	18	18
		<u>168</u>	<u>230</u>

**8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund upto June 24, 2013 was as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rs 250 million	0.20% per annum
On amount exceeding Rs 250 million and upto Rs 500 million	Rs 0.50 million plus 0.15% per annum on amount exceeding Rs 250 million
On amount exceeding Rs 500 million and upto Rs 2,000 million	Rs 0.875 million plus 0.08% per annum on amount exceeding Rs 500 million
On amount exceeding Rs 2,000 million and upto Rs 5,000 million	Rs 2.075 million plus 0.06% per annum on amount exceeding Rs 2,000 million
On amount exceeding Rs 5,000 million	Rs 3.875 million plus 0.05% per annum on amount exceeding Rs 5,000 million

Based on the Trust Deed, the tariff structure applicable to the Fund with effect from June 25, 2013 is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rupees 250 million	Rs 0.7 million or 0.20% per annum of net assets value whichever is higher
Rs 1,000 million and above	Rs 2.0 million plus 0.10% per annum of net assets value exceeding Rs 1,000 million

The fee is paid to the Trustee monthly in arrears.

	Note	June 30, 2013	June 30, 2012
Rupee in '000'			
<b>9</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee	9.1	1,100

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as an equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Workers' Welfare Fund	10.1	19,910	9,870
Auditors' remuneration		299	225
Brokerage		234	528
Legal and professional charges		50	40
Others		627	948
Federal Excise Duty and additional sales tax on remuneration of the Management Company	10.2	263	-
Conversion expenses payable	10.3	4,826	-
		26,209	11,611

### 10.1 Provision For Workers' Welfare Fund

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh ("the Court", "SHC"), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

### 10.2 Federal Excise Duty and additional sales tax on remuneration of the Management Company

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been imposed effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Funds Association of Pakistan where various options are being considered. As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs 0.263 million.

10.3 This includes Rs 2.771 million (2012: Rs Nil) paid by the Management Company on behalf of the Fund for the year end.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2013 and June 30, 2012.

	Note	June 30, 2013	June 30, 2012
Rupee in '000'			
<b>12</b>	<b>AUDITORS' REMUNERATION</b>		
	Annual statutory audit fee	248	225
	Fee for half yearly review	113	100
	Fee for reporting on compliance with the Code of Corporate Governance	50	50
	Other certifications	-	30
	Out of pocket expenses	49	41
		<u>460</u>	<u>446</u>

<b>13</b>	<b>OTHER EXPENSES</b>		
	Central Depository System charges	178	140
	NCCPL transaction charges	241	219
	Postage expenses	(131)	-
	Conversion expenses	4,826	-
		<u>5,114</u>	<u>359</u>

**13.1 Conversion expenses**

Conversion cost represent expenditure incurred in connection with the conversion of the Fund into an open-end fund and includes fee paid to the Securities and Exchange Commission of Pakistan (SECP), CDC charges for transfer of closed end certificates into open-end units, professional charges for revision of constitutive documents and other expenses. These costs have been charged immediately as expense in the year of conversion in accordance with the conditions notified by SECP vide its letter no. SCD/AMCW/PEF/513/2013 dated May 3, 2013.

	Note	June 30, 2013	June 30, 2012
Rupee in '000'			
<b>14</b>	<b>SECURITIES TRANSACTION COST</b>		
	Transaction costs associated with initial recognition of financial assets	906	897
	Transaction costs associated with derecognition of financial assets	1,173	1,114
	Federal excise duty on initial recognition / derecognition	429	342
		<u>2,508</u>	<u>2,353</u>

**15 TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether (realised or unrealised), is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed more than 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

**16 EARNINGS PER UNIT**

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating earnings per unit is not practicable.

**17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include PICIC Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, NIB Bank Limited being the holding company of the Management Company, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and term determined in accordance with the market rates.

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them, as at year end, (other than those disclosed elsewhere in these financial statements) are as follows:

	2013	2012
	Rupe in ' 000'	
<b>Transactions during the year</b>		
<b>PICIC Asset Management Company Limited</b>		
Remuneration of the Management Company	23,166	19,118
Sindh sales tax on remuneration of the Management Company	3,707	3,059
Issue of 16,042,000 units in lieu of 16,042,000 certificates on conversion	-	-
Issue of 2,747,423 bonus units	32,886	-
	<u>32,886</u>	<u>-</u>
<b>NIB Bank Limited</b>		
Profit on savings account	5,768	5,475
Bank charges	7	4
Issue of 11,130,160 units in lieu of 11,130,160 certificates on conversion	-	-
Issue of 1,906,200 bonus units	22,817	-
	<u>22,817</u>	<u>-</u>
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee	1,423	1,240
Central Depository System charges	178	140
	<u>1,423</u>	<u>1,240</u>
<b>Global Securities Pakistan Limited*</b>		
Brokerage	-	217
	<u>-</u>	<u>217</u>
<b>Directors and Executives of the Management Company</b>		
Issue of 50,000 units in lieu of 50,000 certificates on conversion	-	-
Issue of 8,563 bonus units	102	-
	<u>102</u>	<u>-</u>
<b>Amount outstanding as at year end</b>		
<b>PICIC Asset Management Company Limited</b>		
Management fee payable	2,353	1,919
Sindh Sales Tax on Management Company's remuneration payable	376	265
Conversion costs payable to the Management Company	2,771	-
Outstanding: 18,789,423 units (2012: 16,042,000 certificates)	203,527	160,420
	<u>203,527</u>	<u>160,420</u>
<b>NIB Bank Limited</b>		
Bank balances	96,248	12,622
Outstanding 13,036,360 units ( 2012: 11,130,600 certificates)	142,637	111,302
	<u>142,637</u>	<u>111,302</u>
<b>Central Depository Company of Pakistan Limited</b>		
Trustee fee payable	150	212
Security deposit kept	200	200
CDS charges payable	18	18
	<u>150</u>	<u>212</u>
<b>Global Securities Pakistan Limited*</b>		
Brokerage payable	-	90
	<u>-</u>	<u>90</u>
<b>Directors and Executives of the Management Company</b>		
Outstanding 58,563 units (2012: 50,000 certificates)	634	500
	<u>634</u>	<u>500</u>

\*With effect from October 2, 2013 Global Securities Pakistan Limited ceased to be an associated company of the Management Company. Therefore, transactions with the Company only upto that date are reported as transactions with connected persons.

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2013

	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
Rupee in ' 000'				
<b>Assets</b>				
Bank balances	96,248	-	-	96,248
Investments	-	1,344,949	-	1,344,949
Dividend and profit receivable	1,921	-	-	1,921
Security deposits	2,700	-	-	2,700
	<u>100,869</u>	<u>1,344,949</u>	<u>-</u>	<u>1,445,818</u>

As at June 30, 2013

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Rupee in ' 000'			
<b>Liabilities</b>			
Payable to the Management Company	-	2,729	2,729
Payable to the Trustee	-	168	168
Accrued expenses and other liabilities	-	6,036	6,036
	<u>-</u>	<u>8,933</u>	<u>8,933</u>

As at June 30, 2012

	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
Rupee in ' 000'				
<b>Assets</b>				
Bank balances	12,943	-	-	12,943
Investments	-	847,714	-	847,714
Dividend and profit receivable	3,492	-	-	3,492
Receivable against sale of investments	145,490	-	-	145,490
Security deposits	2,700	-	-	2,700
	<u>164,625</u>	<u>847,714</u>	<u>-</u>	<u>1,012,339</u>

As at June 30, 2012

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Rupee in ' 000'			
<b>Liabilities</b>			
Payable to the Management Company	-	1,919	1,919
Payable to the Trustee	-	230	230
Accrued expenses and other liabilities	-	1,741	1,741
	<u>-</u>	<u>3,890</u>	<u>3,890</u>



## 19 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

#### 19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Fund has no significant interest-bearing assets, the Fund's income and operating cash flows are substantially independent of changes in market interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of the contractual repricing or maturity date and for off-balance sheet instruments is based on settlement date.

	As at June 30, 2013				Total
	Exposed to yield/interest rate risk			Not exposed to yield / interest rate risk	
	Upto three months	More than three months and upto one year	More than one year		
	Rupee in ' 000'				
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	96,248	-	-	-	96,248
Investments	-	-	-	1,344,949	1,344,949
Dividend and profit receivable	-	-	-	1,921	1,921
Security deposits	-	-	-	2,700	2,700
	<u>96,248</u>	<u>-</u>	<u>-</u>	<u>1,349,570</u>	<u>1,445,818</u>
<b>Financial liabilities</b>					
Payable to the Management Company	-	-	-	2,729	2,729
Payable to the Trustee	-	-	-	168	168
Accrued expenses and other liabilities	-	-	-	6,036	6,036
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,933</u>	<u>8,933</u>
<b>On-balance sheet gap (a)</b>	<u>96,248</u>	<u>-</u>	<u>-</u>	<u>1,340,637</u>	<u>1,436,885</u>
<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
<b>Off-balance sheet gap (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total interest rate sensitivity gap (a+b)</b>	<u>96,248</u>	<u>-</u>	<u>-</u>		
<b>Cumulative interest rate sensitivity gap</b>	<u>96,248</u>	<u>96,248</u>	<u>96,248</u>		

As at June 30, 2012					
	Exposed to yield/interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Rupee in ' 000'					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	12,943	-	-		12,943
Investments	-	-	-	847,714	847,714
Dividend and profit receivable	-	-	-	3,492	3,492
Receivable against sale of investments	-	-	-	145,490	145,490
Security deposits	-	-	-	2,700	2,700
	<u>12,943</u>	<u>-</u>	<u>-</u>	<u>999,396</u>	<u>1,012,339</u>
<b>Financial liabilities</b>					
Payable to the Management Company	-	-	-	1,919	1,919
Payable to the Trustee	-	-	-	230	230
Accrued expenses and other liabilities	-	-	-	1,741	1,741
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,890</u>	<u>3,890</u>
<b>On-balance sheet gap (a)</b>	<u>12,943</u>	<u>-</u>	<u>-</u>	<u>995,506</u>	<u>1,008,449</u>
<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
<b>Off-balance sheet gap (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total interest rate sensitivity gap (a+b)</b>	<u>12,943</u>	<u>-</u>	<u>-</u>		
<b>Cumulative interest rate sensitivity gap</b>	<u>12,943</u>	<u>12,943</u>	<u>12,943</u>		

	Percentage per annum	
	2013	2012
The rates of return on financial instruments are as follows:		
Bank balances - in saving accounts	<u>6.00% to 8.38%</u>	<u>5.00% to 12.26%</u>

### 19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities as available for sale and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed.

In case of 5% increase / decrease in prices of all shares held by Fund at the year end, net income of the Fund for the year would increase / decrease by Rs 67.247 million (2012: 15.597 million) and the net assets would increase / decrease by the same amount, as a result of gains / losses on equity securities at fair value through profit or loss.

### 19.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and accrued income on bank deposits. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2013.

Name of the bank	As at June 30, 2013			Percentage of total bank balances
	Rupees in '000'	Rating agency	Published rating	
<b>Savings accounts</b>				
NIB Bank Limited	<u>96,248</u>	PACRA	A1+	<u>100.00%</u>

The credit quality of the Fund's bank balances as at June 30, 2012 was as follows:

Name of the bank	As at June 30, 2012			Percentage of total bank balances
	Rupees in '000'	Rating agency	Published rating	
<b>Savings accounts</b>				
NIB Bank Limited	12,622	PACRA	A1+	97.52%
Bank Alfalah Limited	115	PACRA	A1+	0.89%
Habib Metropolitan Bank Limited	206	PACRA	A1+	1.59%
Total	<u>12,943</u>			<u>100.00%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2013 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

#### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

### 19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund has a policy to invest the majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund's listed securities are considered readily realisable, as they are listed on the Karachi Stock Exchange.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through other facilities. The Fund manages the liquidity risk by maintaining sufficient cash balance with banks and marketable securities.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2013			
	Total	Upto three months	More than three months and upto one year	More than one year
	Rupee in ' 000'			
Payable to the Management Company	2,729	2,729	-	-
Payable to the Trustee	168	168	-	-
Accrued expenses and other liabilities	6,036	6,036	-	-
	<u>8,933</u>	<u>8,933</u>	<u>-</u>	<u>-</u>

	As at June 30, 2012			
	Total	Upto three months	More than three months and upto one year	More than one year
	Rupee in ' 000'			
Payable to the Management Company	1,919	1,919	-	-
Payable to the Trustee	230	230	-	-
Accrued expenses and other liabilities	1,741	1,741	-	-
	<u>3,890</u>	<u>3,890</u>	<u>-</u>	<u>-</u>

## 20 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments : Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Investments of the Fund carried at fair value are categorised as follows:

Investments of the Fund carried at fair value are categorised as follows:

	As at June 30, 2013			
	Level 1	Level 2	Level 3	Total
Assets	Rupee in ' 000'			
Investments in listed equity securities	1,344,949	-	-	1,344,949

	As at June 30, 2012			
	Level 1	Level 2	Level 3	Total
Assets	Rupee in ' 000'			
Investments in listed equity securities	847,714	-	-	847,714

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the Statement of Movement in Unit Holders' Fund. The Fund has no restrictions on the subscription and redemption of units except for maintaining minimum fund size of Rs100 million at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, which would be augmented by short-term borrowings or disposal of investments where necessary.

## 22 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	2013	2012
	Percentage	
1 First Capital Equities Limited	11.74%	5.31%
2 Invest and Finance Securities Limited	10.78%	11.36%
3 Fortune Securities Limited	10.60%	6.98%
4 WE Financial Services Limited	8.90%	5.73%
5 Elixir Securities Pakistan (Private) Limited	5.26%	N/A
6 KASB Securities Limited	5.11%	N/A
7 Habib Metropolitan Financial Services Limited	4.88%	N/A
8 Cassim Investments (Private) Limited	4.79%	N/A
9 JS Global Capital Limited	4.67%	N/A
10 Bhayani Securities (Private) Limited	3.99%	N/A
11 Global Securities Pakistan Limited	N/A	10.81%
12 Burj Capital Pakistan (Private) Limited	N/A	7.62%
13 AKD Securities Limited	N/A	6.19%
14 Ismail Iqbal Securities (Private) Limited	N/A	4.44%
15 ACE Securities (Private) Limited	N/A	3.87%
16 Moonaco Securities (Private) Limited	N/A	3.67%

## 23 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the investment committee of the Fund as at June 30, 2013 are as follow:

S. No.	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive	BSc.	16
2	Suleman Chhagla	Chief Operating Officer	FCA & FCMA	23
3	Khashe Lodhi	Chief Investment Officer	MBA	20
4	Umer Pervez	Head of Research	CFA	6
5	Murtaza Jafri*	Fund Manager	BSc.	8

\* Mr. Murtaza Jafri is currently the fund manager of PICIC Energy Fund. He is also managing PICIC Stock Fund.

## 24 PATTERN OF UNITHOLDING / CERTIFICATE HOLDING

Pattern of units holding as at June 30, 2013 is as follows:

Category	Number of unit holders	units held	Unitholding or investment amount	Percentage
Individuals	5,819	50,083,378	602,784	42.76%
Associated Companies / Directors	3	31,884,346	383,747	27.22%
Insurance Companies	4	1,228,966	14,791	1.05%
Banks / DFIs	3	350,108	4,214	0.30%
NBFCs	1	1,171	14	0.00%
Retirement Funds	11	1,964,029	23,638	1.68%
Public Limited Companies	41	16,065,784	193,361	13.72%
Others	33	15,548,653	187,131	13.27%
	<u>5,915</u>	<u>117,126,435</u>	<u>1,409,681</u>	<u>100.00%</u>

Pattern of certificate holding as at June 30, 2012 was as follows:

Category	Number of certificate holders	Certificates held	Certificate holding or investment amount	Percentage
Individuals	6,516	44,236,499	439,268	44.25%
Associated Companies / Directors	3	27,222,160	270,316	27.23%
Insurance Companies	4	632,764	6,283	0.63%
Banks / DFIs	5	6,942,259	68,937	6.94%
NBFCs	1	1,000	10	0.00%
Retirement Funds	9	1,537,000	15,262	1.54%
Public Limited Companies	38	7,349,517	72,981	7.35%
Others	25	12,078,801	119,729	12.06%
	<u>6,601</u>	<u>100,000,000</u>	<u>992,787</u>	<u>100.00%</u>

## 25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd and 64th meetings were held on July 5, 2012, August 30, 2012, September 28, 2012, October 24, 2012, December 27, 2012, January 17, 2013, February 14, 2013, March 26, 2013, April 29, 2013 and June 26, 2013 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Mr. Asadullah Khawaja	10	10	-	
Mr. Imran R. Ibrahim	10	10	-	
Mr. Badar Kazmi	10	5	5	56th, 57th, 58th, 59th and 63rd
Mr. Yameen Kerai	10	8	2	58th and 64th
Mr. Shahid Sattar*	7	3	4	58th, 59th, 60th and 61st
Mr. Shah Miftah -ul - Azim	10	8	2	62nd and 64th
Mr. Adil Rashid**	1	1	-	
Mir Adil Rashid	10	10	-	

\*Mr. Shahid Sattar resigned on February 14, 2013

\*\*Mr. Adil Rashid was appointed on May 21, 2013

## 26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 04, 2013 by the Board of Directors of the Management Company.

## 27 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of comparison and better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

## 28 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director



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