



PICIC
Energy
Fund

7th
Annual Report
For The Year Ended June 30, 2012

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
9th Floor, Muhammadi House, I.I. Chundrigar Road, Karachi, 74000, Pakistan.
UAN: 1111 PICIC (74242) Fax: 021-32418055-56 Toll Free: 0800 PICIC (74242)
Email: customerservice@picicamc.com, info@picicamc.com
Web: www.picicamc.com

Board of Directors of the Management Company

(As of June 30, 2012)

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

Chief Financial Officer & Company Secretary of the Management Company

Mr. Imad Zahid Nagi

Audit Committee of the Management Company

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

Investment Committee of the Management Company

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

Human Resource Committee of the Management Company

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

Trustee

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

Bankers

Bank Alfalah Limited
Habib Metropolitan Bank Limited
NIB Bank Limited

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Adviser

Bawaney & Partners

Registrar and Share Transfer Office

Noble Computer Services (Pvt) Limited
First Floor, House of Habib Building (Siddiqsons Tower)
3-Jinnah Cooperative Housing Society, Main Shakra-e-Faisal,
Karachi, 75950, Pakistan. Tel: (021) 34325482-87 Fax: (021) 34325442



Vision Statement

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



Mission Statement

TO PROVIDE RETAIL INVESTORS AN ACCESS TO HIGH QUALITY BLUE CHIP STOCKS IN THE ENERGY SECTOR SHARES HAVING THE POTENTIAL OF OFFERING HEALTHY DIVIDENDS AND GROWTH OPPORTUNITY.

DIRECTORS' REPORT

The Board of Directors of PICIC Asset Management Company Limited, the Management Company of PICIC Energy Fund is pleased to present the Seventh Annual Report of the PICIC Energy Fund.

PICIC ASSET MANAGEMENT COMPANY LIMITED

PICIC Asset Management Company Limited (PICIC AMC) is a wholly owned subsidiary of NIB Bank Limited (NIB). NIB is a subsidiary of Fullerton Financial Holdings Limited which is a wholly owned by Temasek Holdings, the investment arm of the Government of Singapore.

FINANCIAL RESULTS

The financial results of PICIC Energy Fund for the year under review are summarized as under:

	(Rupees in '000')
Un-appropriated profit brought forward	59,643
Profit after taxation for the year	83,144
Profit available for appropriation	<u>142,787</u>
Appropriation:	
Final Dividend for the year ended June 30, 2011 @ 15% (Distributed on September 09, 2011)	150,000
Accumulated loss carried forward	(7,213)
Earning per certificate (Rupee)	<u>0.83</u>

MARKET REVIEW

In the Fiscal Year 2012, the KSE-100 Index appreciated by 10.45% from 12,496 to 13,801 relative to an increase of 28.53% during FY 2011.

During the period under review the KSE-100 Index reached a high of 14,618 in the first week of May 2012 whilst touching its low of 10,842 in August 2011. The bulk of the index gains were generated in the third quarter of FY12 (21%). On a cumulative basis average daily volumes displayed significant improvement, growing by 37% to 130 million shares traded per day, versus 95 million shares traded per day recorded in FY11.

The KSE-All Share recorded average volumes of 60 million shares in 1HFY12, whereas it rose to 196 million shares traded daily in 2HFY12, a mammoth half year-on-half year increase of 230%. It is important to note that as participation in the local bourse rose, the KSE-100 index level likewise increased. In the second half of FY12, the KSE-100 appreciated by 21.62% relative to -9.19% for the first half of FY12.

Foreign Portfolio Investment (FPI) flows were weak in FY12, with an outflow of USD 189 million. However, an outflow of USD 157 million occurred in 1HFY12, whilst the 2HFY12 outflow of USD 32 million indicates a significant reduction in the outflows. The FY12 compares unfavorably to the flows documented in FY11, which had a positive inflow of USD 280 million.

ECONOMIC REVIEW

Pakistan's economy was marred by challenges on domestic and external front which restricted GDP growth. External sector lost gains made in FY11, on account of adverse movement in commodity prices. Oil prices went up 20% Y/Y in FY12 resulting in widening of trade deficit by 46% Y/Y. Worker's remittances grew 18% Y/Y providing some breathing space, however restricted financial inflows and IMF repayments in 2HFY12 led to foreign reserves declining by USD 2.95bn, causing rupee to depreciate by 9.7% Y/Y against the green back.

On the domestic front, exit from IMF SBA program has given the government a free hand in terms of expenditure. Although reforms taken by government such as removal of GST exemption from certain zero rated items have resulted

in 20% growth in tax revenue during FY12, untargeted subsidies to power sector due to tariff differential and one-off conversion of circular debt into government securities pushed fiscal deficit to 8% of GDP against initial government target of 4%. Limited sources of financing on the external front shifted the burden of deficit financing to domestic commercial banks, thus crowding out private sector credit.

Inflation for FY12 averaged 11% compared to 14.16% in FY11. The State Bank, taking comfort from declining inflation and retirement of government borrowing during late FY11, slashed policy rate by 200bps during 1HFY12 to support economic growth and encourage private sector lending. GDP posted a growth of 3.7% in FY12 compared to 2.4% during FY11 with the services sector being the major driver, supported by healthy overseas remittances fueling private consumption.

FUTURE OUTLOOK

In terms of future outlook, the focal point remains on continuing domestic sequential macro-economic improvement being transmitted onto the corporate sector, and thereby boosting forward earnings. In order for these to be realized, much depends on the Government's ability to resolve underlying issues, particularly with respect to election year. Further progress in the energy sector (circular debt resolution) remains pivotal as well as bringing about tax reforms in order to meet fiscal targets going forward.

The Fund Management team will remain vigilant in the wake of the global economic and political uncertainty, particularly with the upheaval in the Middle East, the European debt crisis and subsequent slow down in global economic growth.

OPERATING RESULTS

During the period under review total income stood at Rs 114 million including unrealized gain of Rs 4 million (2011: unrealized gain of Rs 21 million) as compared to total income of Rs 327 million reported for the corresponding period.

Realized capital gain during the period stood at Rs 28 million as compared to Rs 207 million in the corresponding period. The dividend income during the period stood at Rs 77 million as compared to Rs 89 million in the corresponding period.

Total expenditure during the period stood at Rs 31 million as compared to Rs 43 million during the corresponding period.

Tax provision for the current year amounted to Nil due to tax exemption under Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 and Regulation 63 of NBFC & NE Regulations, 2008.

The net profit for the period stood at Rs 83 million as compared to a net profit of Rs 284 million reported for the corresponding period. This translates into earnings per certificate of Re 0.83 for the period as compared to Rs 2.84 in the corresponding period.

The net assets decreased from Rs 1,060 million as on June 30, 2011 to Rs 993 million as on June 30, 2012 and accordingly the net asset value per certificate decreased from Rs 10.60 per certificate as on June 30, 2011 to Rs 9.93 per certificate as on June 30, 2012.

WITH RESPECT TO AUDITORS' OBSERVATION IN THEIR INDEPENDENT REPORT TO THE CERTIFICATE HOLDERS

Pursuant to the clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an asset management company managing a closed-end fund shall, upon expiry of every five years from November 21, 2007 or the date of launch of the fund whichever is later, hold, within one month of such period, a meeting of the certificate holders of a closed-end scheme to seek the approval of the certificate holders (by special resolution) to convert the fund into an open-end scheme or revoke the closed-end scheme, subject to applicable provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Accordingly, the meeting of the certificate holders is expected to be convened within the time stipulated in the Regulation 65. Further, Management Company is confident that the Fund would not be revoked as is the market trend and, therefore, this annual financial information has been prepared on a 'going concern' basis.

DIVIDEND

The Board of Directors of PICIC Asset Management Company Limited (the Management Company) has declared final cash dividend of 15% (i.e Rs. 1.5 per certificate) in PICIC Energy Fund for the year ended June 30, 2011 during this year resulting in total cash payout of Rs. 150 million.

PERFORMANCE RANKING OF THE FUND

In August 16, 2012, JCR-VIS Credit Rating Company Limited has assessed the fund performance ranking of PICIC Energy Fund at 'MFR-2 Star' for the one year, 'MFR-4 Star' for two year and 'MFR-3 Star' for three year periods ended June 30, 2012.

MANAGEMENT QUALITY RATING OF THE MANAGEMENT COMPANY

In August 13, 2012 JCR-VIS Credit Rating Company Limited has upgraded the Management Quality rating of PICIC Asset Management Company Limited from 'AM3+' to 'AM2-'.

TRANSACTION WITH CONNECTED PERSONS

Transactions between the Fund and its connected persons are carried out on an arm's length basis. The Fund has fully complied with the best practices on transfer pricing as contained in the Listing Regulation No.35 of the Karachi Stock Exchange.

CORPORATE GOVERNANCE

PICIC Energy Fund is listed on all three Stock Exchanges and the Management Company is committed to observing Code of Corporate Governance prescribed for listed companies.

DIRECTORS' DECLARATION ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a. 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 equity & reserves and distribution.
- b. The Fund has maintained proper books of accounts.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting 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 applied 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. There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations.
- h. Key operating and financial data of last six years is summarized (Annexure-A)
- i. All trades during the year in the certificates 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).
- j. There is no statutory payment on account of taxes, duties, levies and charges outstanding.
- k. The statement as to the value of investments of provident, gratuity and pension funds is not applicable in case of Fund as the Fund has no employees.
- l. A statement showing the number of Board and Committees' meetings held during the year and attendance by each director has been annexed (Annexure-C).
- m. The Board has arranged Pakistan Institute of Corporate Governance (PICG) training program for one Board member.
- n. The detailed pattern of certificate-holding as required by the Companies Ordinance, 1984 and the Code of Corporate Governance is annexed (Annexure-D).

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, 2013. 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, 2013.

ACKNOWLEDGEMENT

Finally, we once again avail this opportunity to thank all our valued certificate holders and correspondents for their continuing patronage and support. We would also like to thank the Ministry of Finance, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee), National Clearing Company of Pakistan Limited and 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 certificate-holders for the trust and confidence reposed in us.

For and behalf of the board

Mir Adil Rashid
Chief Executive Officer

Karachi
August 30, 2012

PICIC ENERGY FUND

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

Year Ended	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
----- Rupee in ' 000' -----							
STATEMENT OF ASSETS & LIABILITIES							
Net Assets:							
Investment in quoted shares	847,714	994,036	897,464	811,465	939,203	617,107	481,326
Other Assets	164,625	84,737	40,887	59,821	143,396	517,426	605,765
Liabilities	(19,552)	(19,130)	(12,738)	(12,127)	(12,036)	(57,523)	(67,970)
Total	992,787	1,059,643	925,613	859,159	1,070,563	1,077,010	1,019,121
Financed By:							
Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unappropriated profit/(loss)	(7,213)	59,643	(74,387)	(140,841)	70,563	77,010	19,121
Total	992,787	1,059,643	925,613	859,159	1,070,563	1,077,010	1,019,121
Net Asset Value per Certificate (Rupees)	9.93	10.60	9.26	8.59	10.71	10.77	10.19
INCOME STATEMENT							
Income:							
Gain/(Loss) on Sale of Investments -net	28,373	206,564	171,086	(148,277)	182,949	37,224	57,018
Diminution on remeasurement of investment - net	3,529	20,660	(71,109)	(39,530)	(128,877)	(12,086)	(60,687)
Dividend	76,528	88,847	46,631	69,072	46,258	30,330	14,280
Other Income	5,543	10,600	13,551	7,136	13,595	54,314	31,610
	113,973	326,671	160,159	(111,599)	113,925	109,782	42,221
Expenditure:							
Management Fee	19,118	27,079	29,382	21,525	33,571	31,684	14,293
Auditors' Remuneration	446	382	368	335	305	280	200
Other Expenses	9,568	9,383	11,578	7,947	11,496	19,930	8,607
	29,132	36,844	41,328	29,807	45,372	51,894	23,100
Net income/(Loss) from operating activities	84,841	289,827	118,831	(141,406)	68,553	57,888	19,121
Worker Welfare Fund (WWF)	(1,697)	(5,797)	(2,377)	-	-	-	-
Profit/(Loss) Before Taxation	83,144	284,030	116,454	141,406	-	-	19,121
Taxation	-	-	-	-	-	-	-
Profit/(Loss) After Taxation	83,144	284,030	116,454	(141,406)	68,553	57,888	19,121
Earnings/(Loss) per Certificate (Rupees)	0.83	2.84	1.16	(1.41)	0.69	0.58	0.19

PICIC ENERGY FUND

STATEMENT SHOWING CERTIFICATES 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 YEAR ENDED JUNE 30, 2012

S. No.	Names	Designation	Begining Certificates	Certificates Purchased	Certificates Sold	Bonus Certificates	Closing Certificates
1	Mr. Asadullah Khawaja	Chairman	50,000	-	-	-	50,000
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	Mir Adil Rashid	CEO	-	-	-	-	-
8	Mr. Imad Zahid Nagi	Chief Financial Officer & Company Secretary	-	-	-	-	-

PICIC ENERGY FUND

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, 2011 TO JUNE 30, 2012

S. No.	Name of Directors	Designation	Number of Meetings			Meetings not attended
			Held	Attended	Leave Granted	
1	Mr. Asadullah Khawaja	Chairman	9	7	2	48th and 52nd
2	Mr. Imran R. Ibrahim		9	9	-	
3	Mr. Muhammad Faraz Haider*		2	2	-	
4	Mr. Nauman Hussain*		2	2	-	
5	Mr. Habib Yousuf Habib**		4	3	1	51st
6	Mr. Badar Kazmi***		3	2	1	52nd
7	Mr. Shahid Sattar****		7	5	2	50th and 52nd
8	Mr. Yameen Kerai		9	7	2	46th and 54th
9	Mr. Shah Miftah -ul - Azim****		7	7	-	
10	Mir Adil Rashid	CEO	9	9	-	

* Mr. Muhammad Faraz Haider and Mr. Nauman Hussain have completed their tenure as director on September 21, 2011

** Mr. Habib Yousuf Habib was elected on September 22, 2011 and resigned on February 15, 2012

*** Mr Badar Kazmi was appointed in March 28, 2012

**** Mr. Shahid Sattar and Mr. Shah Miftah-ul- Azim were elected on Septemeber 22, 2011

PICIC ENERGY FUND

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, 2011 TO JUNE 30, 2012

S. No.	Name of Directors	Held	Attended	Leave Granted	Meetings not attended
1	Mr. Imran R. Ibrahim - Chairman	5	5	-	-
2	Mr. Yameen Kerai	5	5	-	-
3	Mr. Muhammad Faraz Haider*	1	1	-	-
4	Mr. Habib Yousuf Habib**	3	2	1	34th
5	Mr. Shah Miftah-ul-Azim***	-	-	-	-

* Mr. Muhammad Faraz Haider has completed his tenure as Director on September 21, 2011

** Mr. Habib Yousuf was appointed as member Audit Committee on September 29, 2011 in 48th Board meeting and resigned on February 15, 2012

*** Mr. Shah Miftah-ul-Azim was appointed as member Audit Committee on April 23, 2012 in 53rd Board meeting.

PICIC ENERGY FUND

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, 2011 TO JUNE 30, 2012

S. No.	Name of Directors	Held	Attended	Leave Granted	Meetings not attended
1	Mr. Asadullah Khawaja - Chairman	6	6	-	-
2	Mr. Yameen Kerai	6	6	-	-
3	Mr. Imran R. Ibrahim	6	6	-	-
4	Mir Adil Rashid - CEO	6	6	-	-

PICIC ENERGY FUND

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, 2011 TO JUNE 30, 2012

S. No.	Name of Directors	Held	Attended	Leave Granted	Meetings not attended
1	Mr. Asadullah Khawaja - Chairman	5	4	1	18th
2	Mr. Imran R. Ibrahim	5	5	-	
3	Mr. Nauman Hussain*	1	1	-	
4	Mr. Shahid Sattar **	4	2	2	21st and 22nd
5	Mir Adil Rashid - CEO	5	5	-	

* Mr. Nauman Hussain retired from the office of director on the expiry of the term of three years on September 21, 2011.

** Mr. Shahid Sattar was appointed as member HR Committee on September 29, 2011 in 48th Board meeting.

PICIC ENERGY FUND

STATEMENT SHOWING PATTERN OF CERTIFICATES HELD BY
THE CERTIFICATE-HOLDERS OF PICIC ENERGY FUND

AS AT JUNE 30, 2012

Certificates		Number of Certificate- holders	Holdings
From	To		
1	100	74	1,577
101	500	3,889	1,938,689
501	1,000	841	839,408
1,001	5,000	1,091	3,135,768
5,001	10,000	268	2,284,874
10,001	15,000	78	1,003,583
15,001	20,000	70	1,318,511
20,001	25,000	39	946,100
25,001	30,000	30	864,898
30,001	35,000	14	478,924
35,001	40,000	16	629,100
40,001	45,000	13	550,269
45,001	50,000	45	2,236,783
50,001	55,000	5	264,600
55,001	60,000	6	355,500
60,001	65,000	9	565,000
65,001	70,000	7	480,000
70,001	75,000	6	442,000
75,001	80,000	3	237,000
80,001	85,000	3	246,900
85,001	90,000	3	269,000
90,001	95,000	1	95,000
95,001	100,000	13	1,296,000
100,001	200,000	37	5,739,663
200,001	1,000,000	24	12,415,035
1,000,001	100,000,000	16	61,365,818
TOTAL		<u>6601</u>	<u>100,000,000</u>

PICIC ENERGY FUND

STATEMENT SHOWING CATEGORY OF CERTIFICATE-HOLDERS OF PICIC ENERGY FUND

AS AT JUNE 30, 2012

Category Description	Number of Certificate- holders	Holdings	%
INDIVIDUALS	6516	44,236,499	44.24
FINANCIAL INSTITUTION	5	6,942,259	6.94
INSURANCE COMPANIES	4	632,764	0.63
INVESTMENT BANKS/COMPANIES	1	1,000	0.00
JOINT STOCK COMPANIES	38	7,349,517	7.35
MODARABA COMPANIES	1	1,000	0.00
CHARITABLE TRUST	5	420,000	0.42
LEASING COMPANIES	1	1,000,000	1.00
ICP	-	-	-
NITL	1	799,095	0.80
NIUT	1	1,477,772	1.48
NIB BANK LIMITED	1	11,130,160	11.13
PICIC AMC	1	16,042,000	16.04
FOREIGNERS	10	780,943	0.78
CO-OPERATIVE SOCIETY	1	100,000	0.10
OTHERS	15	9,086,991	9.09
TOTAL	<u>6601</u>	<u>100,000,000</u>	<u>100.00</u>

PICIC ENERGY FUND

PATTERN OF CERTIFICATE-HOLDING OF PICIC ENERGY FUND AS PER REQUIREMENT OF THE CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2012

Category Description	Certificate Held
Individuals	44,223,499
Associated Company NIB Bank Limited	11,130,160
Management Company PICIC Asset Management Company Limited	16,042,000
National Investment Trust Limited (NITL) National Investment Unit Trust (NIUT)	799,095 1,477,772
Directors & their Spouses Mr. Asadullah Khawaja	50,000
Mutual Funds MC FSL - Trustee Atlas Fund of Funds	5,119,910
Executives	13,000
Joint Stock Companies	7,349,517
Banks	6,942,259
Non-Banking Finance Institutions	1,000
Insurance Companies	632,764
Modarabas	1,000
Foreign Investors	780,943
Others	5,437,081
Total	<u><u>100,000,000</u></u>

DETAILS OF CERTIFICATE-HOLDING FIVE PERCENT OR MORE CERTIFICATES OF PICIC ENERGY FUND

AS AT JUNE 30, 2012

PARTICULARS	Holding	%
PICIC ASSET MANAGEMENT COMPANY LIMITED	16,042,000	16.04%
NIB BANK LIMITED	11,130,160	11.13%
MC FSL - TRUSTEE ATLAS FUND OF FUNDS	5,119,910	5.12%

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme category and type

Equity / Closed-end

ii) Statement of Collective Investment Scheme's investment objective

PICIC Energy Fund (PEF) is a closed-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.

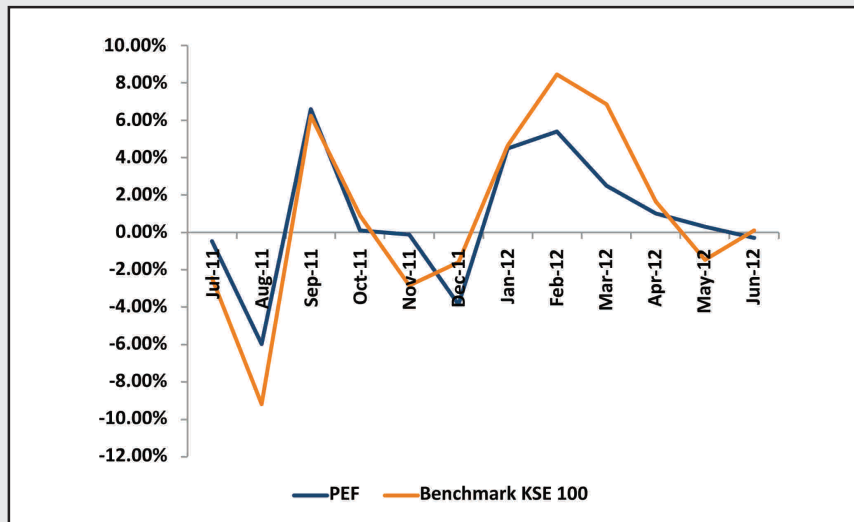
iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective

The Collective Investment Scheme achieved its stated objective.

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

The scheme benchmark is the KSE 100. PICIC Energy Fund generated a return of 9.33% has underperformed the KSE 100 Index by 1.12%.

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



PEF Monthly Yield	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
PEF	-0.47%	-5.97%	6.59%	0.11%	-0.11%	-3.86%	4.48%	5.38%	2.50%	1.02%	0.30%	-0.30%
Benchmark	-2.45%	-9.19%	6.25%	0.91%	-2.83%	-1.61%	4.65%	8.45%	6.86%	1.66%	-1.46%	0.11%

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

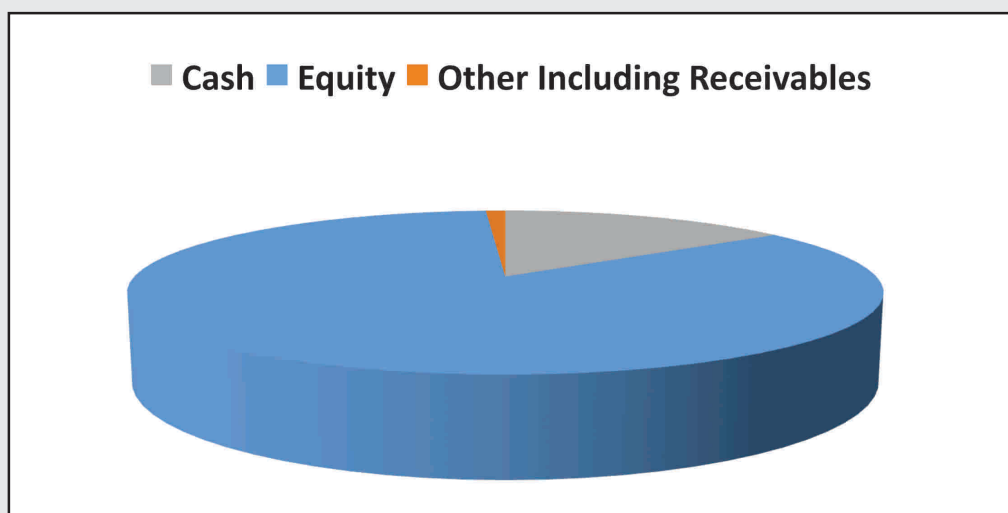
PICIC Energy Fund has underperformed the KSE 100 Index by 1.12%. The fund management team has sought to construct a research driven portfolio of energy stocks that provide an appropriate mix of both capital growth and dividend yield.

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 (% of NAV)	Jun'12	Jun'11
Equities	84	92
Cash	15	7
others including receivables	1	1

ASSET ALLOCATION

Fund's asset allocation as on June 30, 2012 is as follows:



viii) Analysis of the Collective Investment Scheme's performance

The Fund has achieved a return of 9.33%, underperforming the KSE100 index by 1.12% due to the stocks in the energy sector underperforming the broader market.

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 2012	30 June 2011	Change
Rupees (000)		%
992,787	1,059,643	(6.31)

NAV per unit		
30 June 2012	30 June 2011	Change
Rupees (000)		%
9.93	10.60	(6.32)

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

In the Fiscal Year 2012, the KSE-100 Index appreciated by 10.45% from 12,496 to 13,801 relative to an increase of 28.53% during FY 2011.

During the period under review the KSE-100 Index reached a high of 14,618 in the first week of May 2012 whilst touching its low of 10,842 in August 2011. The bulk of the index gains were generated in the third quarter of FY12 (21%). On a cumulative basis average daily volumes displayed significant improvement, growing by 37% to 130 million shares traded per day, versus 95 million shares traded per day recorded in FY11.

The KSE-All Share recorded average volumes of 60 million shares in 1HFY12, whereas it rose to 196 million shares traded daily in 2HFY12, a mammoth half year-on-half year increase of 230%. It is important to note that as participation in the local bourse rose, the KSE-100 index level likewise increased. In the second half of FY12, the KSE-100 appreciated by 21.62% relative to -9.19% for the first half of FY12.

Foreign Portfolio Investment (FPI) flows were weak in FY12, with an outflow of USD 189 million. However, an outflow of USD 157 million occurred in 1HFY12, whilst the 2HFY12 outflow of USD 32 million indicates a significant reduction in the outflows. The FY12 compares unfavorably to the flows documented in FY11, which had a positive inflow of USD 280 million.

During the year under review PEF recorded a return of 9.33%; underperforming the Benchmark KSE-100 by 1.12%. The overall performance of the Fund remained constrained primarily due to the limited scope of the Energy fund to track the overall index whereas the energy sector did not perform at all.

On a sector perspective, the Construction and Materials segment out performed the Benchmark KSE-100 Index by 63% followed by Electricity sector with 18%. Travel and Leisure under performed the benchmark by 24%, whilst Oil & Gas producers, which constitute a 36.71% market weight, underperformed the KSE100 by 3%.

In absolute terms, the biggest index gainers during the fiscal year were, Bank Al Falah (101%), Bestway Cement, (102%), Jehangir Siddiqui Corporation Limited (92%), Pakistan International Container Terminal (106%) and E.F.U General Insurance (108%), whilst the principal losers were Media Times (-77%), Pakistan Tobacco (-43%), NETSOL (-33%) and Siemens (-30%). From the energy chain, KESC, was the top performing script with 55% return, whilst National Refinery (-40%) and Shell Pakistan (-39%) were the major losers.

The fund management team maintains that whilst faced with challenges that are both structural and market based in nature, it has built a portfolio of energy stocks that consists of strong companies with sound fundamentals. We are confident that the quality of the portfolio, as every script is carefully selected to ensure adequate market diversification, will yield positive, consistent returns over time. We also feel that it is about time that the whole Energy chain will start performing as not only the year-end financial results are due but a partial resolution of circular debt crisis is also on the cards.

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 Certificate		
Declared on	Bonus	Cash	Per Certificate	Cum NAV	Ex NAV
	Rupees (000)		----- Rupees -----		
09 September 2011	-	150,000	1.50	10.51	8.98

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.

There were no significant changes in the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

xiii) Breakdown of certificate holdings by size

Refer Annexure "D" of Director's Report

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.



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, 2012

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 Best Practices of Code of Corporate Governance (CCG) contained in Regulation No. 35, Chapter XI of Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

PICIC Asset Management Company Limited, though an un-listed Public Limited Company complies with the CCG as the Fund under its management is listed on all three Stock Exchanges.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. The 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. Shahid Sattar Mr. Shah Miftah-ul-Azim

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the 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 in the Board on February 15, 2012 was filled up by the director within seven days.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the 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 CEO have been taken by the Board. There is no other executive-director of the Company besides CEO.
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. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors with necessary justification for non arm's length transactions and pricing methods for transaction that were made on terms equivalent to those that prevail in the arm's length transactions only if such term can be substantiated.
10. The Board arranged Pakistan Institute of Corporate Governance (PICG) training program for its director during

the year.

11. The Board has approved appointment of CFO and Company Secretary and designated Head of Internal Audit, including their remuneration and terms and conditions of employment.
12. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and executives do not hold any interest in the Certificates of the Fund other than that disclosed in the pattern of certificate-holding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
16. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an independent director.
17. 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 CCG. The revised terms of reference of the committee have been formed and advised to the committee for compliance.
18. The Board has formed an HR Committee. It comprises of four members, of whom two are non-executive directors and the chairman of the committee is an independent director.
19. 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, 2012, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund.
20. 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 Certificates 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 ICAP.
21. 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.
22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Fund's certificates, was determined and intimated to directors, employees and stock exchange(s).
23. Material / price sensitive information has been disseminated amongst all market participants at once through stock exchange(s).
24. We confirm that all other material principles contained in the CCG have been complied with.

For and behalf of the board

Karachi
August 30, 2012

Mir Adil Rashid
Chief Executive Officer

REVIEW REPORT TO THE CERTIFICATE 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 Karachi, Lahore and Islamabad Stock Exchanges 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 Company'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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35 (x) of the listing regulations notified by the Stock Exchanges on which the Fund is listed requires the 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, 2012.

Karachi
August 30, 2012

A. F. Ferguson & Co.
Chartered Accountants

TRUSTEE REPORT TO THE CERTIFICATE 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

We, Central Depository Company of Pakistan Limited, being the Trustee of PICIC Energy Fund (the Fund) are of the opinion that PICIC Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2012 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 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 10, 2012

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

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **PICIC Energy Fund**, which comprise the statement of assets and liabilities as at June 30, 2012, and the related income statement, distribution statement, statement of movement in certificate holders' fund - per certificate, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's responsibility for the financial statements

The Management Company of the Fund 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.

Auditors' 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, 2012, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of matter paragraph

We draw attention to note 1.3 to the accompanying financial statements which, inter-alia, states that the management company has to hold a meeting of the certificate holders of the Fund within one month of November 21, 2012 to seek their approval to convert the fund into an open-end scheme or revoke the closed-end scheme in accordance with clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Our conclusion is not qualified in respect of this matter.

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
October 09, 2012

A. F. Ferguson & Co.
Chartered Accountants
Rashid A. Jafer
Engagement Partner

PICIC ENERGY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2012

	Note	2012	2011
----- Rupee in ' 000' -----			
ASSETS			
Bank balances	4	12,943	77,090
Investments	5	847,714	994,036
Dividend and profit receivable	6	3,492	4,947
Receivable against sale of investments		145,490	-
Security deposits		2,700	2,700
Total assets		1,012,339	1,078,773
LIABILITIES			
Payable to the Management Company	7	1,919	1,850
Payable to Central Depository Company of Pakistan Limited - Trustee	8	230	125
Payable to the Securities and Exchange Commission of Pakistan	9	908	1,006
Payable against purchase of investments		-	2,692
Accrued expenses and other liabilities	10	11,611	9,451
Unclaimed dividend		4,884	4,006
Total liabilities		19,552	19,130
NET ASSETS		992,787	1,059,643
CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	11	1,000,000	1,000,000
(Accumulated loss) / Unappropriated profit		(7,213)	59,643
TOTAL CERTIFICATE HOLDERS' FUNDS		992,787	1,059,643
CONTINGENCIES AND COMMITMENTS			
	12	----- Rupees -----	
NET ASSETS VALUE PER CERTIFICATE	13	9.93	10.60

The annexed notes from 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012	2011
----- Rupee in ' 000' -----			
INCOME			
Capital gain on sale of investments - net		28,373	206,564
Dividend income		76,528	88,847
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		3,529	20,660
Profit on bank deposits		5,543	10,600
Total income		<u>113,973</u>	<u>326,671</u>
EXPENSES			
Remuneration of the Management Company		19,118	27,079
Sindh Sales Tax on Management Company's remuneration		3,059	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,240	1,323
Annual fee - Securities and Exchange Commission of Pakistan		908	1,006
Amortisation of preliminary expenses and floatation costs		-	1,000
Securities transaction costs	14	2,353	3,634
Auditors' remuneration	15	446	382
Legal and professional charges		180	175
Bank charges		7	2
Printing charges		1,029	1,330
Listing fee		433	275
Fees and subscription		-	130
Other expenses	16	359	508
Total expenses		<u>29,132</u>	<u>36,844</u>
Net income from operating activities		<u>84,841</u>	<u>289,827</u>
Provision for Workers' Welfare Fund	17	(1,697)	(5,797)
Net income for the year before taxation		<u>83,144</u>	<u>284,030</u>
Taxation	18	-	-
Net income for the year after taxation		<u>83,144</u>	<u>284,030</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>83,144</u>	<u>284,030</u>
Earnings per certificate	19	----- Rupees -----	
With net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		<u>0.83</u>	<u>2.84</u>
Without net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		<u>0.80</u>	<u>2.63</u>
The annexed notes from 1 to 31 form an integral part of these financial statements.			

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND
DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012	2011
----- Rupee in ' 000' -----			
Unappropriated profit / (Accumulated loss) brought forward		59,643	(74,387)
Net income for the year		83,144	284,030
Final cash dividend @ 5% for the year ended June 30, 2010 (Re. 0.50 per certificate declared on October 19, 2010)		-	(50,000)
Interim cash dividend @ 10% for the year ended June 30, 2011 (Re. 1.00 per certificate declared on February 11, 2011)		-	(100,000)
Final cash dividend @ 15% for the year ended June 30, 2011 (Re. 1.50 per certificate declared on September 09, 2011)		(150,000)	-
(Accumulated loss) / Unappropriated profit carried forward		<u>(7,213)</u>	<u>59,643</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND

STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS' FUND - PER CERTIFICATE

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012	2011
		Rupee	
Net assets value at the beginning of the year		10.60	9.26
Movement in net assets value from operating activities			
Capital gain on sale of investments - net		0.28	2.07
Dividend income		0.76	0.88
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		0.04	0.21
Profit on bank deposits		0.06	0.11
		1.14	3.27
Operating expenses		(0.29)	(0.37)
Net increase in net assets value from operating activities		0.85	2.90
Provision for Workers' Welfare Fund		(0.02)	(0.06)
Net decrease in net assets value from financing and investing activities			
Dividend paid		(1.50)	(1.50)
Net assets value at the end of the year	13	9.93	10.60
The annexed notes from 1 to 31 form an integral part of these financial statements.			

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

	Issued, subscribed & paid-up capital	Undistributed income / (accumulated loss)	Total
	----- Rupee in ' 000' -----		
Balance as at June 30, 2010	1,000,000	(74,387)	925,613
Total comprehensive income for the year ended June 30, 2010	-	284,030	284,030
Final cash dividend @ 5% for the year ended June 30, 2010 (Re. 0.50 per certificate declared on October 19, 2010)	-	(50,000)	(50,000)
Interim cash dividend @ 10% for the year ended June 30, 2011 (Re. 1.00 per certificate declared on February 11, 2011)		(100,000)	(100,000)
Balance as at June 30, 2011	<u>1,000,000</u>	<u>59,643</u>	<u>1,059,643</u>
Total comprehensive income for the year ended June 30, 2012	-	83,144	83,144
Final cash dividend @ 15% for the year ended June 30, 2011 (Re. 1.50 per certificate declared on September 09, 2011)	-	(150,000)	(150,000)
Balance as at June 30, 2012	<u>1,000,000</u>	<u>(7,213)</u>	<u>992,787</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND
CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012	2011
..... Rupee in ' 000'.....			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		83,144	284,030
Adjustments:			
Capital gain on sale of investments - net		(28,373)	(206,564)
Dividend income		(76,528)	(88,847)
Net unrealised (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		(3,529)	(20,660)
Amortisation of preliminary expenses and floatation costs		-	1,000
Profit on bank deposits		(5,543)	(10,600)
Remuneration of the Management Company		19,118	27,079
Sindh Sales Tax on Management Company's remuneration		3,059	-
		<u>(8,652)</u>	<u>(14,562)</u>
Decrease / (increase) in assets			
Investments - net		178,224	130,652
Receivable against sale of investments		(145,490)	-
		32,734	130,652
Increase / (decrease) in liabilities			
Payable to Central Depository Company of Pakistan Limited - Trustee		105	8
Payable to the Securities and Exchange Commission of Pakistan		(98)	76
Payable against purchase of investments		(2,692)	2,692
Accrued expenses and other liabilities		2,160	5,767
		(525)	8,543
Dividends received		77,982	83,903
Profit received on bank deposits		5,544	10,605
Remuneration paid to the Management Company		(22,108)	(30,543)
Net cash inflow from operating activities		<u>84,975</u>	<u>188,598</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(149,122)	(148,687)
Net cash used in financing activities		<u>(149,122)</u>	<u>(148,687)</u>
Net (decrease) / increase in cash and cash equivalents during the year		(64,147)	39,911
Cash and cash equivalents at the beginning of the year		77,090	37,179
Cash and cash equivalents at the end of the year		<u>12,943</u>	<u>77,090</u>
The annexed notes from 1 to 31 form an integral part of these financial statements.			

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ENERGY FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 PICIC Energy Fund (the Fund) is a closed-end scheme established in 2006 under a Trust Deed executed between PICIC Asset Management Company as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The registered office of the Management Company is situated at 9th floor, Mohammadi House, I.I Chundrigar Road, Karachi. The certificates of the Fund are listed on all the Stock Exchanges of Pakistan.

1.2 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 of 'MFR-2 Star', 'MFR-4 Star' and 'MFR-3 Star' for one-year, two-year and three-year periods ended June 30, 2012 respectively to the Fund.

1.3 In accordance with clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an asset management company managing a closed-end fund shall, upon expiry of every five years from November 21, 2007 or the date of launch of the fund whichever is later, hold, within one month of such period, a meeting of the certificate holders of a closed-end scheme to seek the approval of the certificate holders (by special resolution) to convert the fund into an open-end scheme or revoke the closed-end scheme, subject to applicable provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Accordingly, the Management Company has to hold a meeting of the certificate holders of the Fund within one month of November 21, 2012 as aforesaid. In this regard the meeting has been tentatively fixed on December 13, 2012. Further, the Management Company is confident that the Fund would not be revoked but continued as an open-ended scheme as is the market trend and, therefore, these financial statements have been prepared on a 'going concern' basis.

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 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, 2011:

- a) IFRS 7, 'Financial Instruments: Disclosures'. This amendment is effective from January 1, 2011. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment does not have any impact on the Fund's financial statements during the current year.

- b) IFRS 7, 'Financial instruments: Disclosures'. This amendment is effective from July 1, 2011. The amendment aims to promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendment does not have any impact on the Fund's financial statements during the current year.
- c) IAS 1, 'Presentation of financial statements' (effective January 1, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendment does not have any impact on the Fund's financial statements.
- d) IAS 24 (revised), 'Related party disclosures', issued in November 2009. It superseded IAS 24, 'Related Party Disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The revised standard does not have any impact on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 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 New and amended standards and interpretations that are not yet effective and have not been early adopted

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012:

- a) IAS 1, 'Financial statement presentation' (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. The amendment will not have any significant effect on the Fund's financial statements.
- b) IAS 32, 'Financial instruments: Presentation', (effective January 1, 2014). This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The management of the Fund is in the process of assessing the impact of this amendment on the Fund's financial statements.

There are other amendments to the standards and new 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.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value 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 & cash equivalents are carried in the statement of assets & liabilities at cost. Cash & cash equivalents include demand deposits with banks and other short term investments having original maturities of three months or less and which are subject to insignificant changes in value.

3.2 Financial Assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of cash and bank balances, receivable against sale of investments, deposits, dividend and profit receivable.

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

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

3.2.2 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.

3.2.3 Initial recognition and measurement

Financial assets 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 are expensed in the Income Statement.

3.2.4 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.

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 from changes in fair value of 'available for sale' financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in other comprehensive income is transferred to income before taxation.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The carrying amounts of the Fund's assets are revalued at each reporting date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement. If any impairment evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is reclassified from other comprehensive income and recognised in income before taxation.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is 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 determined based on the provisioning criteria specified by SECP.

3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities only 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 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to management company, payable to trustee and other liabilities.

3.5 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 being 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.

3.6 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Proposed distributions

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

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 certificate holders.

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 continue availing 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 certificate holders.

3.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised capital gains / (losses) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income is recognised in the Income Statement when the right to receive the dividend is established.
- Profit on bank deposits is recognised on an accrual basis.

4 BANK BALANCES

	June 30, 2012	June 30, 2011
	Rupee in ' 000'	
In deposit accounts	12,943	77,090
	<u>12,943</u>	<u>77,090</u>

4.1 These carry a rate of return ranging from 5.00% to 12.26% (2011: 5.00% - 12.13%) per annum.

5 INVESTMENTS

	June 30, 2012	June 30, 2011
	Rupee in ' 000'	
Financial assets 'at fair value through profit or loss' - held for trading 5.1	847,714	994,036
Listed equity securities	<u>847,714</u>	<u>994,036</u>

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 Rupees 10 each unless stated otherwise

Name of Investee Company	Number of Shares					Balance as at June 30, 2012			Percentage in relation to		
	As at July 1, 2011	Purchases during the year	Bonus/Rights issue During the year	Sales during the year	As at June 30, 2012	Carrying value	Market value	Appreciation/ (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets	Investee paid-up capital
Oil & Gas											
Attock Petroleum Limited	-	174,740	-	-	174,740	79,531	82,892	3,361	9.78%	8.3494%	0.2528%
Oil and Gas Development Company Ltd.	1,176,504	785,000	-	724,312	1,237,192	192,682	198,495	5,813	23.42%	19.9937%	0.0288%
Pakistan Oilfields Limited	453,863	395,000	-	428,118	420,745	152,388	154,388	2,000	18.21%	15.5510%	0.1779%
Pakistan Petroleum Limited	635,788	353,889	71,078	416,881	643,874	118,372	121,235	2,863	14.30%	12.2116%	0.0490%
Pakistan State Oil Company Limited	720,344	307,869	-	423,011	605,202	153,640	142,731	(10,909)	16.84%	14.3768%	0.3528%
Shell Pakistan Limited	162,027	5,200	21,993	189,220	-	-	-	-	-	-	0.0000%
	3,148,526	2,021,698	93,071	2,181,542	3,081,753	696,613	699,741	3,128	82.54%	70.4825%	0.0506%
Electricity											
Hub Power Company Limited	5,132,541	850,000	-	5,947,296	35,245	1,306	1,476	170	0.17%	0.1487%	0.0030%
Kohinoor Energy Limited	550,198	1,169,522	-	1,700,000	19,720	347	424	77	0.05%	0.0427%	0.0116%
Kot Addu Power Company Limited	1,360,854	550,000	-	468,501	1,442,353	61,251	64,906	3,655	7.66%	6.5378%	0.1639%
Nishat Chunian Power Limited	-	6,599,607	-	3,099,607	3,500,000	51,800	51,905	105	6.12%	5.2282%	0.9528%
	7,043,593	9,169,129	-	11,215,404	4,997,318	114,704	118,711	4,007	14.00%	11.9573%	0.1941%
Gas, Water and Multiutilities											
Sui Northern Gas Pipeline Limited	1,650,000	-	82,500	-	1,732,500	32,868	29,262	(3,606)	3.45%	2.95%	0.3005%
	1,650,000	-	82,500	-	1,732,500	32,868	29,262	(3,606)	3.45%	2.9475%	0.3005%
TOTAL	11,842,119	11,190,827	175,571	13,396,946	9,811,571	844,185	847,714	3,529	100.00%	85.39%	

5.1.1 Shares with market value aggregating to Rs 244.540 million (2011: 110.621 million) of following companies have been pledged with National Clearing

Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange:

- 1,250,000 shares of Kot Addu Power Company Limited
- 100,000 shares of Pakistan Petroleum Limited

6 DIVIDEND AND PROFIT RECEIVABLE

	Note	June 30, 2012	June 30, 2011
		----- Rupee in ' 000' -----	
Dividend receivable		3,490	4,944
Profit receivable on bank deposits		<u>2</u>	<u>3</u>
		<u>3,492</u>	<u>4,947</u>

7 PAYABLE TO THE MANAGEMENT COMPANY

	Note	June 30, 2012	June 30, 2011
Management Company's remuneration	7.1	1,654	1,850
Sindh Sales Tax on Management Company's remuneration	7.2	<u>265</u>	<u>-</u>
		<u>1,919</u>	<u>1,850</u>

7.1 Under the provisions of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non Banking Finance Companies and Notified Entities Regulation, 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.

7.2 During the current year, the Provincial Government of Sindh levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011 effective from July 1, 2011.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	June 30, 2012	June 30, 2011
		----- Rupee in ' 000' -----	
Trustee fee		212	111
CDS Charges Payable		<u>18</u>	<u>14</u>
		<u>230</u>	<u>125</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 average net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2012 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rupees 250 million	0.20% per annum
On amount exceeding Rupees 250 million upto Rupees 500 million	Rupees 500,000 plus 0.15% per annum on amount exceeding Rupees 250 million
On amount exceeding Rupees 500 million upto Rupees 2,000 million	Rupees 875,000 plus 0.08% per annum on amount exceeding Rupees 500 million
On amount exceeding Rupees 2,000 million upto Rupees 5,000 million	Rupees 2,075,000 plus 0.06% per annum on amount exceeding Rupees 2,000 million
On amount exceeding Rupees 5,000 million	Rupees 3,875,000 plus 0.05% per annum on amount exceeding Rupees 5,000 million

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	June 30, 2012	June 30, 2011
----- Rupee in ' 000' -----			
Annual fee		908	1,006

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 , a collective investment scheme categorised as Equity Scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the average annual net assets of the scheme. The Fund has been classified as an Equity Scheme by the Management Company.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	June 30, 2012	June 30, 2011
----- Rupee in ' 000' -----			
Provision for Workers' Welfare Fund		9,870	8,174
Auditor's Remuneration		225	260
Brokerage		528	153
Legal and professional charges		40	40
Others		948	824
		<u>11,611</u>	<u>9,451</u>

11 CAPITAL

11.1 Issued, subscribed and paid-up capital

2012	2011		June 30, 2012	June 30, 2011
"Number of Certificates in '000'"			----- Rupee in ' 000' -----	
<u>100,000</u>	<u>100,000</u>	Fully paid ordinary certificates of Rs. 10/- each issued for cash	<u>1,000,000</u>	<u>1,000,000</u>

11.2 PICIC Asset Management Company Limited (the Management Company) and NIB Bank Limited hold 16,042,000 certificates (June 30, 2011: 16,042,000 certificates) and 11,130,160 certificates (June 30, 2011: 11,130,160 certificates) respectively as at June 30, 2012.

11.3 NIB Bank Limited owns 100% shareholding in the Management Company.

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

Category	Certificate holding		
	Number of certificate holders	Certificates held	Percentage
Individuals	6,516	44,236,499	44.24%
Associated Companies / Directors	3	27,222,160	27.22%
Insurance Companies	4	632,764	0.63%
Banks / DFIs	5	6,942,259	6.94%
NBFCs	1	1,000	0.00%
Retirement Funds	9	1,537,000	1.54%
Public Limited Companies	38	7,349,517	7.35%
Others	25	12,078,801	12.08%
	<u>6,601</u>	<u>100,000,000</u>	<u>100.00%</u>

11.5 Pattern of certificate holding as at June 30, 2011 was as follows:

Category	Certificate holding		
	Number of certificate holders	Certificates held	Percentage
Individuals	6,775	44,006,020	44.01%
Associated Companies / Directors	3	27,222,160	27.22%
Insurance Companies	4	537,764	0.54%
Banks / DFIs	4	6,738,760	6.74%
NBFCs	1	1,000	0.00%
Retirement Funds	9	1,537,000	1.54%
Public Limited Companies	43	8,195,697	8.20%
Others	25	11,761,599	11.76%
	<u>6,864</u>	<u>100,000,000</u>	<u>100.00%</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2012 and June 30, 2011.

13 NET ASSET VALUE PER CERTIFICATE

	June 30, 2012	June 30, 2011
	----- Rupee in ' 000' -----	
Net assets	<u>992,787</u>	<u>1,059,643</u>
Total certificates in issue	<u>100,000,000</u>	<u>100,000,000</u>
	----- Rupee in ' 000' -----	
Net assets value per certificate	<u>9.93</u>	<u>10.60</u>

14 SECURITIES TRANSACTION COSTS

	June 30, 2012	June 30, 2011
	----- Rupee in ' 000' -----	
Transaction costs associated with initial recognition of financial assets	897	1,553
Transaction costs associated with derecognition of financial assets	1,114	1,580
FED @ of 16% on initial recognition / derecognition	342	501
	<u>2,353</u>	<u>3,634</u>

14.1 List of top ten brokers by percentage of commission paid / payable for the year ended June 30, 2012 is as follows:

	Percentage
(i) Invest & Finance Securities Limited	11.36%
(ii) Global Securities Pakistan Ltd.	10.81%
(iii) Burj Capital Pakistan (Pvt) Ltd	7.62%
(iv) Fortune Securities Limited	6.98%
(v) AKD Securities Limited	6.19%
(vi) WE Financial Services Ltd	5.73%
(vii) First Capital Equities Ltd.	5.31%
(viii) Ismail Iqbal Securities (Pvt) Limited	4.44%
(ix) ACE Securities (Pvt.) Limited	3.87%
(x) Moonaco Securities (Private) Ltd.	3.67%

14.2 List of top ten brokers by percentage of commission paid / payable for the year ended June 30, 2011 is as follows:

	Percentage
(i) Global Securities Pakistan Limited	20.48%
(ii) Invest & Finance Securities Limited	10.41%
(iii) Intermarket Securities Limited	4.30%
(iv) AKD Securities Limited	4.30%
(v) Cassim Investments (Private) Limited	3.76%
(vi) Moonaco Securities (Private) Limited	3.62%
(vii) WE Financial Services Limited	3.35%
(viii) First Capital Equities Limited	3.23%
(ix) Elixir Securities Pakistan (Private) Limited	3.18%
(x) First National Equities Limited	2.86%

	June 30, 2012	June 30, 2011
	----- Rupee in ' 000' -----	
Annual statutory audit fee	225	200
Fee for half yearly review	100	75
Fee for review of the statement of compliance with the best practices of the Code of Corporate Governance	50	50
Other certifications	30	20
Out of pocket expenses	41	37
	<u>446</u>	<u>382</u>

16 OTHER EXPENSES

Central Depository System charges	140	174
NCCPL Transaction Charges	219	334
	<u>359</u>	<u>508</u>

17 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, challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, 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.

Subsequent to the year ended June 30, 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 9.870 million (including Rs. 1.697 million for the current year) in these financial statements.

18 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 certificate holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the current period as reduced by capital gains (whether realised or unrealised) to its certificate holders.

	June 30, 2012	June 30, 2011
19 EARNINGS PER CERTIFICATE	----- Rupee in ' 000' -----	
Net income for the year after taxation - with unrealised appreciation	83,144	284,030
Net income for the year after taxation - without unrealised appreciation	79,615	263,370
Weighted average number of certificates	100,000,000	100,000,000
	----- Rupee in ' 000' -----	
Basic earnings per certificate - with unrealised appreciation	0.83	2.84
Basic earnings per certificate - without unrealised appreciation	0.80	2.63

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2012			Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	
	Rupee in ' 000'			
Assets				
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			Total
		Liabilities at fair value through profit or loss	Other financial liabilities	
	Rupee in ' 000'			
Liabilities				
Payable to the Management Company		-	1,919	1,919
Payable to Central Depository Company of Pakistan Limited - Trustee		-	230	230
Accrued expenses and other liabilities		-	1,741	1,741
Unclaimed dividend		-	4,884	4,884
		<u>-</u>	<u>8,774</u>	<u>8,774</u>
	As at June 30, 2011			Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	
	Rupee in ' 000'			
Assets				
Bank balances	77,090	-	-	77,090
Investments	-	994,036	-	994,036
Dividend and profit receivable	4,947	-	-	4,947
Security deposits	2,700	-	-	2,700
	<u>84,737</u>	<u>994,036</u>	<u>-</u>	<u>1,078,773</u>
	As at June 30, 2011			Total
		Liabilities at fair value through profit or loss	Other financial liabilities	
	Rupee in ' 000'			
Liabilities				
Payable to the Management Company		-	1,850	1,850
Payable to Central Depository Company of Pakistan Limited - Trustee		-	111	111
Payable against purchase of investments		-	2,692	2,692
Accrued expenses and other liabilities		-	1,283	1,283
Unclaimed dividend		-	4,006	4,006
		<u>-</u>	<u>9,942</u>	<u>9,942</u>

21 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

21.1 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, Global Securities Pakistan Limited being the associate of the holding company of NIB Bank Limited and directors and officers of the Management Company.

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

21.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

21.5 Details of significant transactions carried out by the Fund with connected persons and balances with them, as at year end, are as follows:

	For the year ended June 30, 2012	For the year ended June 30, 2011
Transactions during the year		
----- Rupee in ' 000' -----		
PICIC Asset Management Company Limited - Management Company		
Remuneration of the Management Company	19,118	27,079
Sindh Sales Tax on Management Company's remuneration	3,059	-
	<u>19,118</u>	<u>27,079</u>
NIB Bank Limited		
Profit on savings account	5,475	10,208
Bank Charges	4	1
	<u>5,475</u>	<u>10,208</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	1,240	1,323
Central Depository System charges	140	174
	<u>1,240</u>	<u>1,323</u>
Global Securities Pakistan Limited		
Brokerage	217	524
	<u>217</u>	<u>524</u>
	June 30, 2012	June 30, 2011
Transactions outstanding at the year end		
----- Rupee in ' 000' -----		
PICIC Asset Management Company Limited - Management Company		
Fee payable to the Management Company	1,919	1,850
Preliminary expenses and floatation cost payable	-	-
Certificates issued (16,042,000 certificates; 2011: 16,042,000 certificates)	160,420	160,420
	<u>160,420</u>	<u>160,420</u>
NIB Bank Limited		
Bank Balances - In savings accounts	12,622	76,881
Certificates issued (11,130,160 certificates; 2011: 11,130,600 certificates)	111,302	111,302
	<u>111,302</u>	<u>111,302</u>
Central Depository Company of Pakistan Limited - Trustee		
Fee Payable to Trustee	212	111
Security deposit with Trustee	200	200
CDS charges payable	18	14
	<u>212</u>	<u>111</u>
Directors and Executives of the Management Company		
Certificates issued (50,000 certificates; 2011: 50,000 certificates)	500	500
	<u>500</u>	<u>500</u>
Global Securities Pakistan Limited		
Brokerage payable	90	58
	<u>90</u>	<u>58</u>

22 FINANCIAL RISK MANAGEMENT

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

22.1 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.

22.1.1 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.

22.1.2 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, 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'					
On-balance sheet financial instruments					
Financial Assets					
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
	12,943	-	-	999,396	1,012,339
Financial Liabilities					
Payable to the Management Company	-	-	-	1,919	1,919
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	230	230
Accrued expenses and other liabilities	-	-	-	1,741	1,741
Unclaimed dividend	-	-	-	4,884	4,884
	-	-	-	8,774	8,774
On-balance sheet gap	12,943	-	-	990,622	1,003,565
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-
Total interest rate sensitivity gap	12,943	-	-		
Cumulative interest rate sensitivity gap	12,943	12,943	12,943		

As at June 30, 2011					
	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'					
On-balance sheet financial instruments					
Financial Assets					
Bank balances	77,090	-	-	994,036	77,090
Investments	-	-	-	4,947	994,036
Dividend and profit receivable	-	-	-	2,700	4,947
Security deposits	-	-	-	1,001,683	2,700
	77,090	-	-	1,001,683	1,078,773
Financial Liabilities					
Payable to the Management Company	-	-	-	1,850	1,850
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	125	125
Payable against purchase of investments	-	-	-	2,692	2,692
Accrued expenses and other liabilities	-	-	-	1,283	1,283
Unclaimed dividend	-	-	-	4,006	4,006
	-	-	-	9,956	9,956
On-balance sheet gap	<u>77,090</u>	<u>-</u>	<u>-</u>	<u>991,727</u>	<u>1,068,817</u>
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total interest rate sensitivity gap	<u>77,090</u>	<u>-</u>	<u>-</u>		
Cumulative interest rate sensitivity gap	<u>77,090</u>	<u>77,090</u>	<u>77,090</u>		

The rates of returns on financial instruments are as follows :

	2012	2011
	Percentage per annum	
Bank Balances - in savings account	<u>5.00% to 12.26%</u>	<u>5.00% to 12.13%</u>

221.3 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. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of the investee company and sector exposure limit to 30% of net assets or index weight of the security whichever is higher, subject to maximum of 35% of the net assets. However, relaxation in this regard has been obtained from the SECP.

In case of 5% increase / decrease in KSE 100 index on June 30, 2012, with all other variables held constant, net income of the Fund for the year would increase / decrease by Rs 15.597 million (2011: Rs 20.095 million) and the net assets would increase / decrease by the same amount, as a result of gains / losses on equity securities included in KSE 100 index classified as at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 index.

22.2 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, 2012:

Name of the bank	As at June 30, 2012			
	Balance as at June 30, 2011	Rating agency	Published rating	Percentage of total bank balances
Rupee in ' 000'				
Savings accounts				
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%
	<u>12,943</u>			<u>100.00%</u>

The credit quality of the Fund's bank balances as at June 30, 2011 was as follows:

Name of the bank	As at June 30, 2011			
	Balance as at June 30, 2010	Rating agency	Published rating	Percentage of total bank balances
Rupee in ' 000'				
Savings accounts				
NIB Bank Limited	76,881	PACRA	A1+	99.73%
Bank Alfalah Limited	109	PACRA	A1+	0.14%
Habib Metropolitan Bank Limited	100	PACRA	A1+	0.13%
	<u>77,090</u>			<u>100.00%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2012 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.

22.3 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, 2012				
Total	More than three months and upto one year	More than one year	Upto three months	
Rupee in ' 000'				
Payable to the Management Company	1,919	1,919	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	230	230	-	-
Accrued expenses and other liabilities	1,741	1,741	-	-
Unclaimed dividend	4,884	4,884	-	-
	<u>8,774</u>	<u>8,774</u>	<u>-</u>	<u>-</u>

As at June 30, 2011				
Total	More than three months and upto one year	More than one year	Upto three months	
Rupee in ' 000'				
Payable to the Management Company	1,850	1,850	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	125	125	-	-
Payable against purchase of investments	2,692	2,692	-	-
Accrued expenses and other liabilities	1,283	1,283	-	-
Unclaimed dividend	4,006	4,006	-	-
	<u>9,956</u>	<u>9,956</u>	<u>-</u>	<u>-</u>

23 FAIR VALUE OF FINANCIAL ASSETS & 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).
- 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:

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

24 CAPITAL MANAGEMENT

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and to maintain a strong capital base to meet unexpected losses or opportunities.

In order to maintain or adjust the capital structure, the Fund may adjust dividends to certificate holders or issue new certificates.

25 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Adil Rashid	Chief Executive Officer	BSC	15 Years
2	Khashe Lodhi	Chief Investment Officer	MBA	19 years
3	Humaira Qamar	Head of Equity	MBA	8 years
4	Farooq Najam	Head of Research	CFA(Finalist)	4 Years
5	Muhammad Faraz Khan	Manager Risk and Compliance	MBA, M.Com (Econ) and diploma in corporate law	8 years

*Mr. Khashe Lodhi is the Manager of the Fund. He is also the manager of PICIC Investment Fund and PICIC Growth Fund.

26 ATTENDANCE AT MEETING OF BOARD OF DIRECTORS

The 46th, 47th, 48th, 49th 50th , 51st, 52nd, 53rd and 54th Board meetings were held on July 6, 2011, September 9, 2011, September 29, 2011, October 25, 2011, December 29, 2011, February 15, 2012, March 29, 2012, April 23, 2012 and June 26, 2012 respectively. Information in respect of 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	9	7	2	48th and 52nd
Mr. Imran R. Ibrahim	9	9	-	
Mr Muhammad Faraz Haider	2	2	-	
Mr. Nauman Hussain	2	2	-	
Mr Habib Yousuf Habib	4	3	1	51st
Mr Badar Kazmi	3	2	1	52nd
Mr Shahid Sattar	7	5	2	50th and 52nd
Mr. Yameen Kerai	9	7	2	46th and 54th
Mr Shah Miftah-ul- Azam	7	7	-	
Mir Adil Rashid	9	9	-	

* Mr. Nauman Hussain and Mr. Muhammad Faraz Haider have completed their tenure as directors on September 21, 2012.

** Mr. Habib Yousuf Habib was elected on September 22, 2011 and resigned on February 15, 2012.

*** Mr. Badar Kazmi was appointed in March 28, 2012.

**** Mr. Shahid Sattar and Mr. Shah Miftah-ul-Azim were elected on September 22, 2011.

27 PERFORMANCE TABLE

	2012	2011	2010	2009
	Rupee in ' 000'			
Net Assets at June 30	992,787	1,059,643	925,613	859,159
	Rupees			
Net assets value per unit - Rupees	9.93	10.60	9.26	8.59
Distribution per certificate				
Cash dividend (Rupees)				
Interim	-	1.00	0.50	-
Final	1.50	-	-	-
	2012	2011	2010	2009
	Rupee in ' 000'			
Distribution dates:				
Cash dividend				
Interim	-	11-Feb-11	16-Dec-09	-
Final	29-Sep-11	-	19-Oct-10	-
KSE100 Index Growth Percentage	10.44%	28.54%	35.74%	-41.72%
KSE 30 Index Growth Percentage	2.90%	21.24%	28.22%	47.15%
Return of Fund as a percentage of average NAV:				
Total return	8.70%	26.71%	11.84%	-19.71%
Capital growth	-7.00%	17.30%	11.83%	-29.46%
Income distribution	15.71%	9.40%	0.01%	9.76%
Average Annual Return:				
Current year	8.70%	26.71%	11.84%	-19.71%
Last two years	18.18%	19.56%	-3.94%	-6.81%
Last three years	16.10%	28.05%	-0.59%	-2.71%

27.1 The breakdown of the Fund's investment portfolio between industry sectors has been disclosed in note 5 of the financial statements.

27.2 Past performance is not necessarily indicative of future performance and investment returns may go up or down.

28 NON - ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Management Company in its meeting held on August 30, 2012 has approved a final cash dividend of Rupees 0.75 per certificate (2011: Rupees 1.50 per certificate). The financial statements of the Fund for the year ended June 30, 2012 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2013.

29 CORRESPONDING FIGURES

No reclassifications of corresponding figures have been made during the current year.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 30, 2012 by the Board of Directors of the Management Company.

31 GENERAL

31.1 Figures have been rounded off to the nearest thousand Rupees.

31.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC regulations has not been disclosed as such bifurcation is not practicable.

For PICIC Asset Management Company Limited (Management Company)

Chairman

Chief Executive

Director

PICIC ASSET MANAGEMENT COMPANY LIMITED

INCOME STATEMENT IN RELATION TO PICIC ENERGY FUND (SCHEME)

FOR THE YEAR ENDED JUNE 30, 2012

----- Rupee in ' 000' -----

INCOME

Management fee	19,118
Capital gain on sale of investments	-
Dividend income	24,063
	43,181

EXPENSES

Salaries, allowances and other benefits	12,480
Contributions to defined contribution plan	477
Directors' fee	433
Rent, rates and taxes	955
Fees and subscription	430
Printing and stationery	188
Vehicle running and maintenance cost	762
Travelling and conveyance	123
Repairs and maintenance	330
Legal and professional charges	1,850
Telephone and utilities	869
Insurance	386
Depreciation	1,313
Others	586

(21,181)

Profit before taxation 22,000

Taxation - current (1,242)

Profit after taxation 20,758

Note: Other revenue and expenses not relating to the scheme have not been included in the above statement.



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