

PICIC Investment Fund



QUARTERLY REPORT

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

Managed By



AMC Rating: AM2- by JCR-VIS

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

CONTENTS

Scheme's Information	01
Directors' Report	02
Condensed Interim Statement of Assets and Liabilities	04
Condensed Interim Income Statement	05
Condensed Interim Statement of Movement in Equity & Reserves	06
Condensed Interim Cash Flow Statement	07
Notes to the Financial Statements	08

SCHEME'S INFORMATION

Management Company

PICIC Asset Management Company Limited
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Toll Free: 0800-PICIC (74242)
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Board of Directors of the Management Company

(As of September 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 Shahra-e-Faisal, Karachi-74400

Bankers

Bank AlFalah Limited
Habib Metropolitan Bank Limited
NIB Bank Limited

Auditors

BDO Ebrahim & 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 Shahra-e-Faisal, Karachi-75950
Tel: (021) 34325482-87 Fax: (021) 34325442

DIRECTORS' REPORT

The Board of Directors of PICIC Asset Management Company Limited, the Management Company of PICIC Investment Fund, is pleased to present herewith the un-audited condensed interim financial statements of PICIC Investment Fund for the three months period ended September 30, 2012.

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 Ltd. which is wholly owned by Temasek Holdings, the investment arm of the Government of Singapore.

MARKET REVIEW

In Q1FY13 the KSE-100 Index rallied by 11.91% from 13,801 to 15,444; an increase of 1,643 index points. Correspondingly market capitalization during the period under review increased by 10.82% from Rs. 3.52 trillion to Rs. 3.90 trillion. Average daily volumes for the KSE All share index for the period under review were 128.5 million shares traded per day; a 34.60% reduction from the 196.50 million shares recorded in the previous quarter.

Foreign market participants invested to the tune of USD 92.05 million during the period under review as compared to an outflow of USD 47.85 million during 4QFY12. This was largely due to attractive relative valuations, improved global liquidity and strong corporate earnings and payouts.

International markets continued to recover from the global recession, with the advent of further round of quantitative easing (QE3), coupled with favorable economic data emerging from Europe and the United States. MSCI world, MSCI Emerging Markets, MSCI Emerging Markets Asia ex-Japan and MSCI Frontier Markets have posted positive returns of 6.13%, 6.97%, 8.45% and 6.98% respectively versus a positive growth of 11.91% in the benchmark KSE-100 index. Hence, the Pakistani equity bourses outperformed the main global indices by a substantive margin.

KSE 100 index's strong performance was led by the Personal Goods segment which outperformed the market by 12.80%. Likewise, Construction & Building Materials segment outperformed by 8.17% and Electricity outperformed by 7.33%. In contrast Chemicals underperformed by 10.51% and the Banking sector lagged the index by 8.73%, due to ongoing gas allocation issues and the reduction in the key policy rate leading to a compression in yields.

Q1FY13 saw improving macroeconomic indicators on both the domestic and external front. Of which, the declining headline inflation statistics were the most prominent. Inflation has contracted to single digit during the period; averaging 9.15% Y/Y and has fallen to a 35 month low of 8.79% Y/Y in the month of September. The two major contributing factors for the decline in inflation were the slow down in food price appreciation and reduction of government administered fuel and energy prices. With inflation dipping below consensus estimates coupled with net retirement of government borrowing from the State Bank of Pakistan (SBP) has improved the macroeconomic outlook going forward; and hence provided the SBP with the scope to continue policy easing. SBP has slashed the policy rate by 150 basis points during Q1FY13 in order to restore declining investment/GDP ratio and drive economic growth. Furthermore the SBP has expressed confidence in the possibility of meeting government's stated inflation target of 9.5% Y/Y for FY13.

On the external front, improvement in Pakistan-USA relations has paved the way for much needed Coalition Support Funds (CSF) amounting to USD 1.1 billion. Slowdown in imports owing to the laggard impact of declining international oil prices in combination with CSF flows and healthy remittances growth resulted in a current account surplus of USD 919 million during the first two months of FY13. However, IMF repayment of USD 400 million depleted SBP's reserve from USD 10.79 billion to USD 10.36 billion and contributed to Rupee depreciation of 0.4% during the period.

The fund management team remains committed to ensuring that its certificate holder's funds are prudently invested across a wide range of blue chip equities with appropriate sector diversification. The companies selected by the fund management team depict both fundamental growth and market liquidity. The liquid nature of these investments, coupled with the blue chip nature of the stocks enhances the ability of the fund to easily reallocate its portfolio as per the changing market fundamentals. The collective investment schemes are being continuously monitored to ensure that any new potential opportunities are duly availed for the

benefit of the fund's investors and to that end we aim to retain sufficient cash to benefit from such opportunities.

OPERATING RESULTS OF PICIC INVESTMENT FUND

During the period under review total income stood at Rs 224 million including unrealized gain of Rs. 87 million (2011: unrealized loss of Rs 27 million) as compared to a total income of Rs. 21 million reported for the corresponding period.

Realized capital gain during the period stood at Rs 91 million as compared to Rs 14 million in the corresponding period. The dividend income during the period stood at Rs 41 million as compared to Rs 28 million in the corresponding period.

Total expenditure during the period stood at Rs 32 million as compared to Rs 24 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 192 million as compared to a net loss of Rs 4 million reported for the corresponding period. This translates into earning per certificate of Rs 0.68 for the period as compared to loss per certificate of Rs 0.01 in the corresponding period.

The net assets increased from Rs 3,345 million as on June 30, 2012 to Rs 3,411 million as on September 30, 2012 and accordingly the net asset value per certificate increased from Rs 11.77 per certificate as on June 30, 2012 to Rs 12.01 per certificate as on September 30, 2012.

PERFORMANCE RANKING OF THE FUND

JCR-VIS Credit Rating Company Limited has assigned the fund performance ranking of PICIC Investment Fund at 'MFR-2 Star' for the one year, two year and three year period ended June 30, 2012.

MANAGEMENT QUALITY RATING OF THE MANAGEMENT COMPANY

JCR-VIS Credit Rating Company Limited has assigned the Management Quality rating of PICIC Asset Management Company Limited at 'AM2-'.

ACKNOWLEDGEMENT

Finally, we avail this opportunity to thank all our valued certificate-holders and correspondents for their continuing patronage and support, the Ministry of Finance, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee), National Clearing Company of Pakistan Limited, 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 on behalf of the Board

Karachi
October 24, 2012

Mir Adil Rashid
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2012

	Note	Un-audited September 30, 2012	Audited June 30, 2012
Rupee in '000'			
ASSETS			
Bank balances		543,789	160,891
Investments	4	3,289,082	3,267,605
Receivable against sale of investments		-	91,101
Dividend receivable		27,755	13,153
Accrued income on bank deposits		7	6
Taxation - net		6,473	6,474
Security deposits		2,700	2,700
Total Assets		3,869,806	3,541,930
LIABILITIES			
Payable to the Management Company		6,596	6,467
Payable to Central Depository Company of Pakistan Limited-Trustee		244	484
Payable to Securities and Exchange Commission of Pakistan		835	3,083
Payable against purchase of investment		127,915	94,008
Accrued expenses and other liabilities		30,972	28,151
Dividend payable		291,801	64,630
Total Liabilities		458,363	196,823
Net Assets		3,411,443	3,345,107
CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		2,841,250	2,841,250
Premium on issue of certificates		984,688	984,688
General Reserve		225	225
Accumulated loss		(918,444)	(883,509)
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'		503,724	402,453
Total Certificate Holders' Fund		3,411,443	3,345,107
Net Assets Value per Certificate (Rupees)		12.01	11.77

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

For PICIC Asset Management Company Limited (Management Company)

Asadullah Khawaja
Chairman

Mir Adil Rashid
Chief Executive

Yameen Kerai
Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

	Note	Three months ended September 30	
		2012	2011
Rupee in '000'			
INCOME			
Capital gain on sale of investments-net		91,238	13,969
Dividend income		41,129	28,410
Net unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'		87,499	(26,771)
Profit on bank deposits		4,409	5,001
Total income		224,275	20,609
OPERATING EXPENSES			
Remuneration of the Management Company		17,587	16,470
Sindh sales tax on remuneration of the Management Company		2,814	2,635
Remuneration of Central Depository Company of Pakistan-Trustee		746	713
Annual fee - Securities and Exchange Commission of Pakistan		835	782
Securities transaction charges	5	5,161	2,951
Other expenses		841	834
Total expenses		27,984	24,385
Net income/(loss) before operative activities		196,291	(3,776)
Workers' Welfare Fund	6	(3,926)	-
Net income/(loss) before taxation		192,365	(3,776)
Taxation	7	-	-
Net income/(loss) after taxation		192,365	(3,776)
Other comprehensive income/(loss)			
Unrealised appreciation on remeasurement of investments classified as 'available for sale'		101,271	(37,215)
Total comprehensive income/(loss) for the period		293,636	(40,991)
Earnings/(Loss) per certificate (Rupees)			
With unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		0.68	(0.01)
Without unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		0.37	0.08

The annexed notes from 1 to 11 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Asadullah Khawaja
Chairman

Mir Adil Rashid
Chief Executive

Yameen Kerai
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

Three months ended
September 30
2012 2011

	Rupee in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(Loss) before taxation	192,365	(3,776)
Adjustments for:		
Capital gain on sale of investments - net	(91,238)	(13,969)
Dividend income	(41,129)	(28,410)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(87,499)	26,771
Operating cash outflows before working capital changes	(27,501)	(19,384)
Decrease / (increase) in assets		
Investments - net	258,531	126,740
Receivable against sale of investments	91,101	(93,272)
Share Subscription money	-	4,000
Other receivables	(1)	28
	349,631	37,496
Increase / (Decrease) in liabilities		
Remuneration payable to Management Company	129	(5,735)
Remuneration payable to Trustee	(240)	(20)
Fee payable to Securities Exchange Commission of Pakistan	(2,248)	(2,633)
Payable against purchase of investments	33,907	10,916
Accrued expenses and other liabilities	2,821	993
	34,369	3,521
Cash generated from operations	356,499	21,633
Dividend received	26,527	20,265
Net cash generated from operating activities	383,026	41,898
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(128)	(356)
Net cash used in financing activities	(128)	(356)
Net increase in cash and cash equivalents	382,898	41,542
Bank balances at the beginning of the period	160,891	238,064
Bank balances at the end of the period	543,789	279,606

The annexed notes from 1 to 11 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Asadullah Khawaja
Chairman

Mir Adil Rashid
Chief Executive

Yameen Kerai
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

	Issued subscribed and paid up capital	Premium on issue of certificates	General Reserve	Accumulated loss	Net unrealised appreciation/(d iminution) of investments classified as available for sale	Total
	Rupee in '000'					
Balance as at June 30, 2011	2,841,250	984,688	225	(768,481)	514,612	3,572,294
Final cash dividend for the year ended June 30, 2011 @ 12.5% (Re. 1.25 per certificate)				(355,156)		(355,156)
Total comprehensive loss for the three months ended September 30, 2011	-	-	-	(3,776)	(37,215)	(40,991)
Balance as at September 30, 2011	<u>2,841,250</u>	<u>984,688</u>	<u>225</u>	<u>(1,127,413)</u>	<u>477,397</u>	<u>3,176,147</u>
Total comprehensive loss for the nine months ended June 30, 2012	-	-	-	243,904	(74,944)	168,960
Balance as at June 30, 2012	<u>2,841,250</u>	<u>984,688</u>	<u>225</u>	<u>(883,509)</u>	<u>402,453</u>	<u>3,345,107</u>
Final cash dividend for the year ended June 30, 2012 @ 8% (Re. 0.80 per certificate)				(227,300)	-	(227,300)
Total comprehensive profit for the three months ended September 30, 2012	-	-	-	192,365	101,271	293,636
Balance as at September 30, 2012	<u>2,841,250</u>	<u>984,688</u>	<u>225</u>	<u>(918,444)</u>	<u>503,724</u>	<u>3,411,443</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

For PICIC Asset Management Company Limited (Management Company)

Asadullah Khawaja
Chairman

Mir Adil Rashid
Chief Executive

Yameen Kerai
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

1 STATUS AND NATURE OF BUSINESS

- 1.1 PICIC Investment Fund (the Fund) is a closed end scheme. The registered office of the Fund is situated at Karachi, Pakistan. The certificates of the Fund are listed on all Stock Exchanges of Pakistan. The principal business of the Fund is to invest in listed equity securities with an objective to generate capital growth.
- 1.2 The Fund is being managed by PICIC Asset Management Company Limited which is the Management Company. Central Depository Company of Pakistan Limited is the Trustee of the Fund.
- 1.3 JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM2-' to the Management Company and has assigned a performance ranking of 'MFR 2 Star' for the one-year, two-year and three year period ended June 30, 2012 to the Fund.
- 1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, a closed-end fund shall, upon expiry of every five years from November 21, 2007, hold a meeting of certificate holders to seek the approval of the certificate holders (by special resolution) to convert into an open-end scheme or revoke the closed-end scheme. However, as the Funds 'Available for sale' portfolio is frozen as a result of an agreement with the Privatization Commission of Pakistan and Government of Pakistan expiring on June 30, 2014. The Fund is required to hold the aforementioned meeting on the completion of one year from the date of removal of freezing of the portfolio or five years from November 21, 2007 whichever is later. Accordingly, the Fund shall continue in its present form until atleast June 30, 2013. As such, these condensed interim financial statements have been prepared on a going concern basis.

2 STATEMENT OF COMPLIANCE

- 2.1 These condensed interim 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 (IFRS) 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 Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.
- 2.2 This condensed interim financial information comprises of statement of assets and liabilities, income statement, cash flow statement and statement of movement in equity and reserves, together with the notes forming part thereof. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012. Comparative information of the condensed interim income statement, condensed interim cash flow statement and condensed interim statement of movement in equity and reserves for three months period ended September 30 2011 are un-audited and have been included to facilitate comparison.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2012.

4 INVESTMENTS

	Note	Un-audited September 30, 2012	Audited June 30, 2012
Investments in marketable securities:			
Rupee in '000'			
Financial assets at fair value through profit or loss	4.1	2,267,867	2,347,660
Available for sale	4.2	1,021,215	919,945
		3,289,082	3,267,605

4.1 Investment in marketable securities - financial assets 'at fair value through profit or loss'

SHARES OF LISTED COMPANIES - Fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of Shares					Balance as at September 30, 2012				Percentage in relation to		
	As at July 1, 2012	Purchases during the period	Bonus/Rights issue	Sales during the period	As at September 30, 2012	Cost	Carrying value	Market value	Appreciation/ (diminution)	Market value as a percentage of net assets	Investee paid up capital	Total Investment
Rupees in "000"												
Oil & Gas												
Attock Petroleum Limited	308,279	238,159	-	-	546,438	260,202	286,255	286,191	19,936	8.39%	0.79%	8.70%
Oil & Gas Development Co Limited	361,131	1,066,300	-	1,427,431	-	-	-	-	-	-	-	0.00%
Pakistan Oilfields Limited	377,370	199,500	-	524,800	52,070	19,983	20,201	22,565	2,364	0.66%	0.02%	0.69%
Pakistan Petroleum Limited	1,067,805	25,000	241,951	100,000	1,234,756	178,962	186,595	217,231	30,636	6.37%	0.08%	6.60%
Pakistan State Oil Company Limited	782,211	-	-	782,211	-	-	-	-	-	-	-	0.00%
Shell Pakistan Limited	192,023	-	-	-	192,023	32,838	24,546	24,875	328	0.73%	0.22%	0.76%
	3,088,819	1,528,959	241,951	2,834,442	2,025,287	491,984	497,597	550,862	53,265	16.15%	-	16.75%
Chemicals												
Arif Habib Corporation Limited	2,865,000	-	280,000	65,000	3,080,000	97,593	86,604	81,990	(4,614)	2.40%	0.68%	2.49%
Engro Corporation Limited	1,815,276	91,300	-	871,476	1,035,100	120,897	105,662	110,518	4,855	3.24%	0.20%	3.36%
Fauji Fertilizer Company Limited	826,000	225,000	-	500,000	551,000	66,613	61,997	61,585	(412)	1.81%	0.04%	1.87%
	5,506,276	316,300	280,000	1,436,476	4,666,100	285,102	254,264	254,092	(171)	7.45%	-	7.72%
Construction & Materials												
Attock Cement Pakistan Ltd	-	478,500	-	-	478,500	50,266	50,266	51,788	1,523	1.52%	0.48%	1.57%
Cherat Cement Company Ltd.	516,505	2,958,104	-	336,000	3,138,609	109,198	109,080	124,540	15,460	3.65%	3.28%	3.79%
D G Khan Cement Co.Ltd.	2,707,990	2,301,000	-	2,292,990	2,716,000	126,810	123,943	136,615	12,672	4.01%	0.62%	4.15%
Lafarge Pakistan Cement Ltd	-	13,308,000	-	-	13,308,000	74,870	74,870	77,852	2,982	2.28%	1.01%	2.37%
Lucky Cement Ltd	1,193,719	557,500	-	1,396,100	355,119	44,592	42,748	47,281	4,532	1.39%	0.11%	1.44%
	4,418,214	19,603,104	-	4,025,090	19,996,228	405,735	400,907	438,075	37,169	12.84%	-	13.32%
Industrial Metals & Mining												
Aisha Steel Mills Ltd	2,000,000	-	-	-	2,000,000	20,000	20,000	22,020	2,020	0.65%	0.75%	0.67%
Aisha Steel Mills Ltd - Pref. Shares	130,000	-	-	-	130,000	1,300	1,300	1,365	65	0.04%	0.17%	0.04%
International Steels Limited	1,345,669	-	-	-	1,345,669	18,934	16,094	18,826	2,732	0.55%	0.31%	0.57%
	3,475,669	-	-	-	3,475,669	40,234	37,394	42,211	4,817	1.24%	-	1.28%

Name of the Investee Company	Number of Shares				Balance as at September 30, 2012				Percentage in relation to			
	As at July 1, 2012	Purchases during the period	Bonus/Rights issue	Sales during the period	As at September 30, 2012	Cost	Carrying value	Market value	Appreciation/(diminution)	Market value as a percentage of net assets	Investee paid up capital	Total Investment
Rupees in "000".....												
Pharma & Bio Tech												
Abbott Laboratories (Pak) Ltd	-	608,737	-	-	608,737	109,467	109,467	128,827	19,360	3.78%	0.62%	3.92%
The Searle Company Ltd	825,171	-	-	825,171	-	-	-	-	-	-	-	0.00%
	825,171	608,737	-	825,171	608,737	109,467	109,467	128,827	19,360	3.78%	-	3.92%
Personal Goods												
Nishat Mills Ltd	-	1,491,000	-	-	1,491,000	85,225	85,225	84,480	(745)	2.48%	0.42%	2.57%
	-	1,491,000	-	-	1,491,000	85,225	85,225	84,480	(745)	2.48%	-	2.57%
Fixed Line Telecommunication												
Wateen Telecom Limited	8,490,037	-	-	2,170,000	6,320,037	32,531	12,640	16,053	3,413	0.47%	1.02%	0.49%
	8,490,037	-	-	2,170,000	6,320,037	32,531	12,640	16,053	3,413	0.47%	-	0.49%
Electricity												
The Hub Power Company Limited	72,420	2,550,000	-	750,000	1,872,420	82,651	82,879	87,779	4,900	2.57%	0.16%	2.67%
Kot Addu Power Company Limited	3,993,449	-	-	1,350,000	2,643,449	116,185	118,955	127,705	8,750	3.74%	0.30%	3.88%
Nishat Chunion Power Ltd	-	2,190,084	-	2,190,084	-	-	-	-	-	-	-	0.00%
	4,065,869	4,740,084	-	4,290,084	4,515,869	198,836	201,834	215,484	13,650	6.32%	-	6.55%
Banks												
Bank Al-Falah Limited	16,000,000	-	-	-	16,000,000	246,739	273,600	248,960	(24,640)	7.30%	1.19%	7.57%
Habib Bank Limited	2,136,176	54,201	-	198,780	1,991,597	191,511	224,810	212,523	(12,286)	6.23%	0.16%	6.46%
MCB Bank Limited	433,932	-	-	433,932	-	-	-	-	-	-	-	0.00%
Soneri Bank Limited	9,864,994	175,000	-	1,137,000	8,902,994	72,011	65,808	61,520	(4,288)	1.80%	0.99%	1.87%
	28,435,102	229,201	-	1,769,712	26,894,591	510,261	564,218	523,003	(41,215)	15.33%	-	15.90%
Non Life Insurance												
Cyan Limited	239,991	-	-	239,991	-	-	-	-	-	-	-	-
	239,991	-	-	239,991	-	-	-	-	-	-	-	-

Name of the Investee Company	Number of Shares					Balance as at September 30, 2012				Percentage in relation to		
	As at July 1, 2012	Purchases during the period	Bonus/ Rights issue	Sales during the period	As at September 30, 2012	Cost	Carrying value	Market value	Appreciation/ (diminution)	Market value as a percentage of net assets	Investee paid up capital	Total Investment
Rupees in "000".....												
Financial Services												
Next Capital Limited	200,000	-	-	-	200,000	2,000	1,822	1,400	(422)	0.04%	1.00%	0.04%
	200,000	-	-	-	200,000	2,000	1,822	1,400	(422)	0.04%		0.04%
Technology Hardware & Equipment												
TPL Trakker Limited	1,500,000	-	-	-	1,500,000	15,000	15,000	13,380	(1,620)	0.39%	0.69%	0.41%
	1,500,000	-	-	-	1,500,000	15,000	15,000	13,380	(1,620)	0.39%		0.41%
Suspended / Delisted Companies												
Mohib Textile	40,820	-	-	-	40,820	-	-	-	-	-	-	-
Sunshine Cloth	50,000	-	-	-	50,000	-	-	-	-	-	-	-
	90,820	-	-	-	90,820	-	-	-	-	-	-	-
TOTAL	60,335,968	28,517,385	521,951	17,590,966	71,784,338	2,176,376	2,180,368	2,267,867	87,499	66.49%		68.95%

4.1.1 The shares of following companies have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the Stock Exchange:

- 950,000 shares of Habib Bank Limited.
- 1,400,000 shares of Kot Addu Power Company Limited

4.2 Investment in marketable securities - 'available for sale'

SHARES OF LISTED COMPANIES - Fully paid up ordinary shares of Rs. 10 each unless otherwise stated.

Name of the Investee Company	Number of Shares				Balance as at September 30, 2012			Percentage in relation to				
	As at July 1, 2012	Purchases during the period	Bonus/Rights issue	Sales during the period	As at September 30, 2012	Cost	Carrying value	Market value	Appreciation/ (diminution)	Market value as a percentage of net assets	Investee paid up capital	Total Investment
Rupees in "000"												
Oil & Gas												
Pakistan State Oil Company Limited	3,738,731	-	747,746	-	4,486,477	484,439	484,439	974,463	490,024	28.57%	2.18%	29.63%
	3,738,731	-	747,746	-	4,486,477	484,439	484,439	974,463	490,024	28.57%	2.18%	29.63%
Gas Water & Multiutilities												
Sui Northern Gas Pipelines Limited	2,261,840	-	-	-	2,261,840	33,054	33,053	46,752	13,699	1.37%	0.39%	1.42%
	2,261,840	-	-	-	2,261,840	33,054	33,053	46,752	13,699	1.37%	0.39%	1.42%
Total	6,000,571	-	747,746	-	6,748,317	517,492	517,491	1,021,215	503,724	29.94%		31.05%

4.2.1 The above mentioned shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC & NE Regulations does not apply to the above frozen shares.

5 SECURITIES TRANSACTION COSTS

	Three months ended September 30	
	2012	2011
	Rupee in '000'	
Transaction costs associated with - initial recognition of financial assets	2,278	1,196
Transaction costs associated with - derecognition of financial assets	2,069	1,348
FED / CVT Charges	814	407
	<u>5,161</u>	<u>2,951</u>

6 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund (WWF) Ordinance, 1971. 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 Honorable 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 retain the provision for WWF amounting to Rs.27.048 million (including Rs. 3.926 million for the current period) in these condensed interim financial statements.

7 TAXATION

The Fund is exempt from tax under clause 99 of Part 1 to Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its certificate holders. The management intends to avail the tax benefit at the year end.

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

8 Transactions outstanding at period end

Transactions outstanding at period end

8.1 Transactions outstanding at period end	Un-audited September 30, 2012	Audited June 30, 2012
	Rupee in '000'	
PICIC Asset Management Company Limited		
Payable to the Management Company	6,596	6,467
Certificates issued (No. of certificates 55,159,172)	551,592	551,592
NIB Bank Limited		
Deposit accounts	535,453	159,342
Certificates issued (No. of certificates 41,894,845)	418,948	418,948
Central Depository Company of Pakistan Limited		
Trustee fee payable	244	484
Security deposit	200	200
CDS charges payable	41	33
Directors/Executive of the Management Company		
Certificates issued (No. of Certificates : 31,032)	310	310
Global Securities Pakistan Limited		
Brokerage payable	200	683

8.2 Transactions during the period

Three months ended
September 30
2012 2011

	Rupee in '000'	
	2012	2011
PICIC Asset Management Company Limited		
- Management Company		
Remuneration to Management Company	17,587	16,470
Sindh sales tax on remuneration of the Management Company	2,814	2,635
NIB Bank Limited		
Return on bank deposit accounts	4,375	4,972
Bank Charges	6	1
Central Depository Company of Pakistan Limited		
Fee to Trustee	746	713
CDS charges	116	63
Global Securities Pakistan Limited		
Brokerage expense	644	364

9 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Fund has determined the operating segments based on the reports reviewed by the Investment Committee, which are used to make strategic decisions.

The Investment Committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The Fund trades in listed Pakistani equity securities with an objective to generate capital growth.

The internal reporting provided to the Investment Committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no changes in the reportable segments during the period.

The Fund is domiciled in Pakistan. All of the Fund's income is from investments in entities incorporated in Pakistan.

The Fund has a highly diversified portfolio of investments and no single investment accounts for more than 10% of the net assets of the Fund.

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 24, 2012 by the Board of Directors of the Management Company.

11 FIGURES

Figures have been rounded off to the nearest thousand rupees.

For PICIC Asset Management Company Limited (Management Company)

Asadullah Khawaja
Chairman

Mir Adil Rashid
Chief Executive

Yameen Kerai
Director



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