

"ہم۔۔۔ عموماً اور نوجوان خصوصاً بچت کی اہمیت سے واقف نہیں۔ اگر آج ہم ایک پیسہ بچائیں تو کل یہ دو پیسہ اور اس کے بعد چار پیسہ ہو جائیگا، اور یہ سلسلہ یوں ہی جاری رہے گا۔ اپنی بساط سے زیادہ خرچ کرنے اور قرض لینے کی عادت نے ہمیں برصغیر میں اپنی خود مختاری سے محروم کر دیا۔"  
محمد علی جناح  
بانی پاکستان  
(زیارت 1948)

*Translation:*

People, generally, and the younger generation, in particular, are not aware of the importance of saving. If we save one paisa today, it will become two paises tomorrow, and four paises thereafter, and this process will continue on an ongoing basis. The habit of spending beyond our means and taking on debt has made us lose our sovereignty in the sub-continent.

### Vision

To have collective investment schemes as the preferred investment solution for investors and financial intermediaries.

### Mission

The Association is engaged in five core missions: contributing to a strong national economy by encouraging savings and improving the opportunities for achieving personal financial independence; encouraging adherence to high ethical standards by all industry participants; providing services that improve the regulatory framework; advancing the interest of funds and the fund managers; and promoting public understanding of mutual funds and pension funds.



We are pleased to present the Seventh publication of MUFAP Yearbook for the financial year 2016.

The outgoing year FY 2016 turned to be quite eventful with respect to multiple developments for the capital markets. Pakistan has entered into a new era of equity trading after merger of all the three stock exchanges i.e. Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange into a single Pakistan Stock Exchange (PSX) during current fiscal year. Also Morgan Stanley Capital International announced the reclassification of Pakistan into MSCI Emerging Markets Index (effective from May 2017) which was taken positively by the capital markets. During the year PSX 100 - Index reached 38,777 on June 17, 2016, the highest level in Pakistan stock market history (at that point in time). While continuing its upward momentum from the past three months, the benchmark KSE-100 Index gained 4.8% during June 2016 translating into a gain of 9.8% for the year.

On the economic front, Pakistan's economy grew by 4.71% in FY16 the highest rate in the past eight years. The growth was mainly driven by industrial sector, including automobile, fertilizers, chemicals, pharmaceuticals, rubber and cement. On the other hand positive factors such as greater energy availability, CPEC projects and other development projects are expected to boost the economy. Inflation averaged 2.85% during FY16 as opposed to 4.56% the previous year due to impact of low fuel cost on food and beverages and other product prices. The economic growth remained broad based. According to provisional estimates the GDP growth during 2015-16 remained at 4.24% as compared to last year's revised estimates of 4.03%. The total investment to GDP during FY 2015-16 declined to 5.8% (Provisional Estimate) as compared to last year revised 15.12% during current fiscal year. Savings slightly improved to 14.6% of the GDP as compared to revised rate of savings to GDP of 14.5%.

The State Bank of Pakistan (SBP) borrowing requirements also remained relatively subdued compared to the last couple of years so the focus of investment managers and banks remained on booking higher yields in order to support their fixed income portfolio. Given the outlook of subdued inflation in the short term and slightly high CPI growth towards the end of 2016 and start of 2017 it is expected that monetary policy rate will remain stable with a medium to low probability of rising by the mid of FY17.

The financial year 2015-2016 remained challenging for the Mutual Funds Industry. The assets under management slightly increased from PKR 443 billion on June 30, 2015 to PKR 490 billion as on June 30, 2016. During the year, 34 new open-end funds were launched up to June 30, 2016. Equity funds (both Conventional and Shariah Compliant) dominated the AUMs of the industry with the largest share i.e. 39.35%. Income funds (both Conventional and Shariah Compliant) held the second largest market share i.e. 28.21%, followed by Money Market funds (both Conventional and Shariah Compliant) with market share of 12.28%.

The Securities and Exchange Commission of Pakistan (SECP) notified the amendments in the Non Banking Finance Companies & Notified Entities Regulations on November 21, 2015. In light of strong determination of the SECP to promote "ease of doing business" in all the areas under its ambit, SECP also amended the Nonbanking Finance Companies (Establishment & Regulation) Rules, 2003 allowing asset management companies to obtain licenses to manage Real Estate Investment Trusts (REITS) and Private Equity Funds.

MUFAP has been proactively involved in bringing transparency and good governance in the industry and we hope to continue this process with great vigour.

We would like to thank Mr. Shahid Ghaffar, Chairman, Ms. Mashmooma Zehra Majeed, CEO, Board of Directors and our colleagues at MUFAP, for their ongoing support and commitment and our colleagues in our member AMCs without which a quality publication wouldn't have been possible. We would like to especially thank Ms. Umber T. Ansari for her hard work and dedication in designing the cover for our year's yearbook and her continued support and hours of her personal time into the designing and aesthetics of our publications over the years.

Quratulain Ali and Shiraz Ahmed  
Editorial Team



**Quratulain Ali  
Shiraz Ahmed**

Editors, MUFAP Yearbook



# A Brief History Of Events That Have Gotten Pakistan's

## 1962

National Investment Trust Limited (NIT) established and launched its first open-end mutual fund National Investment (Unit) Trust in Pakistan on November 12, 1962.

## 1966

Investment Corporation of Pakistan (ICP) established to broaden investment base and develop capital markets in the country. From 1966 onwards, ICP floated twenty-six closed-end mutual funds.

## 1971

Investment Companies and Investment Advisers Rules were notified. Private sector was allowed to float closed-end funds under these Rules.

## 1983

First closed-end fund (Golden Arrow Selected Stock Fund) in the private sector was launched on May 1, 1983.

## 1995

Asset Management Companies Rules were notified allowing launching of open-end funds by the private sector.

## 1996

First meeting of investment advisors / asset management companies held for the establishment of Mutual Funds Association of Pakistan (MUFAP).

## 1997

Unit Trust of Pakistan, first private sector open-end fund launched by JS Investments Limited (formerly ABAMCO Limited) on October 27, 1997.

## 1999

SECP was established under the Securities and Exchange Commission of Pakistan Act 1997 and became functional as a body corporate on January 1, 1999. SECP replaced the Corporate Law Authority.

## 2000

National Savings Scheme revisited; rate of return was reduced, income from NSS was subjected to income tax and limit was placed on institutional investment. This helped the mutual fund industry growth.

SECP gave more asset management companies' licenses. These were to Arif Habib Investment, Al-Meezan Investment and UBL Funds.

## 2001

MUFAP officially registered and recognized as representative body of asset management companies in the country.

## 2002

Government sold the management rights of closed-end ICP mutual funds, through open bidding to private sector asset management companies. Lot-A comprising of 12 funds was acquired by ABAMCO, now JSIL, whereas Lot-B comprising of 13 funds was acquired by PICIC.

First fixed income securities fund (Pakistan Income Fund) was launched on March 11, 2002 and first open-end Shariah Compliant Fund (UTP – Islamic Fund now JS Islamic Fund) was launched on December 27, 2002.

## 2003

Non-Banking Finance Company (NBFC) Rules, 2003 were notified, terminating the previously applicable Asset Management Companies Rules, 1995 and Investment Companies and Investment Adviser (IA) Rules, 1971. NBFC Rules, enabled both closed-end and open-end funds to be governed under same rules and removed many anomalies.

NBFC Rules also allowed closed-end funds to be established under trust structure in addition to company structure.

The management rights of ICP State Enterprise Mutual Fund (SEMF) were sold through open bidding. This was acquired by PICIC.

## 2004

MUFAP secures membership of International Investment Funds Association (IIFA).

## 2005

Voluntary Pension System Rules, 2005 notified.

## 2007

SECP issued licenses to four Pension Fund Managers to launch individualized pension schemes. To date five more licenses were issued raising the number of pension fund managers to nine.

MUFAP hosts 12th Asia Oceania Regional Meeting of IIFA, attended by heads of respective associations of Japan, Australia, Philippines, Taiwan, China, Hong Kong, Bangladesh and India.

## 2008

Non-Banking Finance Company (NBFC) & Notified Entity (NE) Regulations, 2008 were notified.



# Asset Management Industry To Where It Is Today

## 2009

MUFAP developed a model for TFC pricing, based on transactions and matrix that took into consideration various factors, like rating, maturity and rate of profit. The pricing methodology was implemented after SECP approval.

SECP in consultation with MUFAP introduced the proper categorization of funds through Circular 7 of 2009 where investment avenues are defined for each category in terms of their risk profile.

Subsequently, Money Market Funds were introduced, designed to manage short term liquidity and are considered to be the least risky amongst the different types of mutual funds.

## 2010

MUFAP and Karachi Stock Exchange worked together to launch Bond Automated Trading System (BATS) for trading of Corporate Debt Securities.

Performance in respect of return of all mutual funds and pension funds was added as new feature on MUFAP Website. The daily returns, as well as return for various periods up to previous three hundred sixty five days are daily updated on MUFAP's website.

MUFAP started printing Yearbook and Quarterly Newsletter. These publications include important information about industry, including ten years data and industry's issues.

## 2011

MUFAP, in consultation with its members, developed and submitted a Five Year Comprehensive Plan for the development of Mutual Funds to SECP.

MUFAP launched a public awareness campaign to educate the investors about the benefits of money market funds.

SECP mandated Distributors of Mutual Funds to register with MUFAP as Registered Service Providers.

## 2012

MUFAP issues Code of Conduct and Qualification for Registered Service Providers.

SECP issues directive which included restricting Management Fee sharing with Unit Holders.

SECP issues Debt Trustee Regulations, 2012.

SECP approves regulations for Exchange Traded Funds for KSE.

## 2013

SECP notified "Commodity Scheme" as a new asset class/category for Collective Investment Schemes. Investments in commodities were also allowed in Balanced and Asset Allocation funds. Subsequently, a new sub-fund for voluntary pension schemes 'gold sub-fund' was also launched.

Four Closed-end funds were converted to Open-end and five closed-end funds were converted / wound up in the following year as per the Regulation 65.

## 2014

SECP issues Advertisement Guidelines for all forms of advertisements whether electronic or print material.

Cash Distribution made mandatory by Government for Mutual Funds.

## 2015

First formal REIT Management Company came into existence this year. With reference to regulatory requirement for RMCs, SECP issued Real Estate Investment Trust Regulations, 2015.

Through the amendments in the Finance Act 2015, Mutual funds and collective investment schemes including National Investment (Unit) Trust or REIT Scheme, have been excluded from the definition of 'industrial establishment' subject to Workers' Welfare Fund (WWF) under the Workers' Welfare Fund Ordinance, 1971 (WWFO).

## 2016

Sindh High Court passes Judgment in the FED case filed by asset management companies down the FED federal component.

SECP introduced the standardized calculations and disclosure requirement for total expense ratio for mutual funds.

SECP introduce amendments in the NBFC Rules 2003 and NBFC & NE Regulations 2008.



*All financial information as of June 30, 2016*

**ABL Asset Management Company Limited (ABL AMC)**  
11-B, Lalazar, M. T. Khan Road,  
Karachi.  
(+92-21) 111-225-262, [www.ablamc.com](http://www.ablamc.com)

AUMs: PKR 28.54 billion  
Funds: 14  
CEO: Mr. Syed Khalid Hussain (Acting)  
(Since July 27, 2016)

**AKD Investment Management Limited (AKDIML)**  
Suite No. 216, 2nd Floor, Continental Trade Center,  
Block 8, Clifton, Karachi.  
(+92-21) 111-253-465, [www.akdinvestment.com](http://www.akdinvestment.com)

AUMs: PKR 4.87 billion  
Funds: 5  
CEO: Mr. Imran Motiwala

**Al Meezan Investment Management Limited (Al Meezan)**  
Ground Floor, Block B, Finance and Trade Centre (FTC),  
Sharah-e-Faisal, Karachi.  
(+92-21) 111-633-926 [www.almeezangroup.com](http://www.almeezangroup.com)

AUMs: PKR 83.87 billion  
Funds: 20  
CEO: Mr. Mohammad Shoaib

**Alfalah GHP Investment Management Limited (AGIM)**  
8-B, 8th Floor, Executive Tower, Dolmen City,  
Marine Drive, Block 4, Clifton, Karachi.  
(+92-21) 111-090-090, [www.alfalahghp.com](http://www.alfalahghp.com)

AUMs: PKR 22.25 billion  
Funds: 16  
CEO: Ms. Maheen Rahman

**Askari Investment Management Limited (AIM)**  
20-C, Khayaban-e-Nishat, Phase VI,  
DHA, Karachi.  
(+92-21) 35250168-72, [www.aiml.com.pk](http://www.aiml.com.pk)

AUMs: PKR 8.85 billion  
Funds: 7  
CEO: Mr. Saqib Mukhtar

**Atlas Asset Management Limited (AAML)**  
Ground Floor, Federation House, Shara-e-Firdousi,  
Clifton, Karachi.  
(+92-21) 111-688-825, [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk)

AUMs: PKR 19.73 billion  
Funds: 9  
CEO: Mr. M. Habib-ur-Rahman

**BMA Asset Management Company Limited (BMA Funds)**  
801, Uni Tower, I.I. Chundrigar Road,  
Karachi.  
(+92-21) 111-262-111, [www.bmacapital.com](http://www.bmacapital.com)

AUMs: PKR 0.42 billion  
Funds: 2  
CEO: Mr. Khaldoon Bin Latif

**Faysal Asset Management Limited (FAML)**  
8th Floor, Tower A(801-806), Saima Trade Tower,  
I.I. Chundrigar Road, Karachi.  
(+92-21) 111-329-725, [www.faysalfunds.com](http://www.faysalfunds.com)

AUMs: PKR 8.75 billion  
Funds: 9  
CEO: Mr. Enamullah Khan

**First Capital Investment Limited (FCMF)**  
2nd Floor, Pace Shopping Mall, Fortress Stadium,  
Lahore.  
(+92-42) 36623005-8, [www.fcil.com.pk](http://www.fcil.com.pk)

AUMs: PKR 0.19 billion  
Funds: 1  
CEO: Mr. Imran Hafeez  
(Since September 08, 2016)

**Habib Asset Management Limited (HAML)**  
1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road,  
Karachi.  
(+92-21) 111-342-242, [www.habibfunds.com](http://www.habibfunds.com)

AUMs: PKR 2.61 billion  
Funds: 4  
CEO: Mr. Imran Azim

**HLB Asset Management Limited (HLBAML)\***  
24-C, Khayaban-e-Hafiz, Phase VI, DHA,  
Karachi.  
(+92-21) 111-425-262, [www.hblasstet.com](http://www.hblasstet.com)

AUMs: PKR 20.87 billion  
Funds: 10  
CEO: Mr. Farid Ahmed Khan  
(Since September 01, 2016)

*All financial information as of June 30, 2016*

**JS Investments Limited (JSIL)**  
7th Floor, The Forum, G-20,  
Khayaban-e-Jami, Clifton, Karachi.  
(+92-21) 111-222-626, [www.jsil.com](http://www.jsil.com)

AUMs: PKR 8.68 billion  
Funds: 12  
CEO: Dr. Ali Akhtar Ali

**Lakson Investments Limited (LI)**  
Lakson Square Building No. 2,  
Sarwar Shaheed Road, Karachi.  
(+92-21) 111-525-766, [www.li.com.pk](http://www.li.com.pk)

AUMs: PKR 12.15 billion  
Funds: 6  
CEO: Mr. Babar Ali Lakhani

**MCB-Arif Habib Savings and Investments Limited (MCBAHIL)**  
24th Floor, Centre Point, off Shaheed-e-Millat Expressway,  
Near KPT Interchange, Karachi.  
(+92-21) 111-162-224 & (+92-21) 111-468-378, [www.mcbah.com](http://www.mcbah.com)

AUMs: PKR 42.36 billion  
Funds: 16  
CEO: Mr. Saqib Saleem

**National Investment Trust Limited (NIT)**  
6th Floor, National Bank Building,  
I. I. Chundrigar Road, Karachi.  
(+92-21) 111-648-648, [www.nit.com.pk](http://www.nit.com.pk)

AUMs: PKR 81.33 billion  
Funds: 7  
CEO: Mr. Shahid Ghaffar

**NBP Fullerton Asset Management Limited (NAFA)**  
7th Floor, Clifton Diamond, Block 4, Scheme No. 5,  
Clifton, Karachi.  
(+92-21) 111-111-632, [www.nafafunds.com](http://www.nafafunds.com)

AUMs: PKR 52.35 billion  
Funds: 25  
CEO: Dr. Amjad Waheed

**Pak Oman Asset Management Company Limited (POAMCL)**  
FTC Building, Tower A, 1st Floor,  
Sharah-e-Faisal, Karachi.  
(+92-21) 38696267, [www.pakomanfunds.com](http://www.pakomanfunds.com)

AUMs: PKR 1.20 billion  
Funds: 4  
CEO: Mr. Adeel Ahmad Khan

**PICIC Asset Management Company Limited (PICIC AMC)\***  
3rd Floor, PNSC Building,  
M.T. Khan Road, Karachi.  
(+92-21) 111-174-242, [www.picicamc.com](http://www.picicamc.com)

AUMs: PKR 23.00 billion  
Funds: 8  
CEO: Mr. Farid Ahmed Khan  
(Since September 01, 2016)

**Primus Investment Management Limited (PIML)**  
4th Floor, Horizon Vista, Commercial 10,  
Block 4, Scheme No. 5 Clifton, Karachi.  
(+92-21) 35290006-9, [www.primusinvestments.com](http://www.primusinvestments.com)

AUMs: PKR 8.96 billion  
Funds: 7  
CEO: Mr. Ahmed Ateeq

**UBL Fund Managers Limited (UBLFML)**  
8th Floor, Executive Tower, Dolmen City, Block 4,  
Clifton, Karachi.  
(+92-21) 111-825-262, [www.ublfunds.com](http://www.ublfunds.com)

AUMs: PKR 59.42 billion  
Funds: 22  
CEO: Mr. Yasir Qadri

\* PICIC AMC merged with and into HBL AMC on August 31, 2016



## Institutional Registered Service Providers

**Abbasi Securities (Pvt.) Limited**  
Room # 724-726, 7th Floor,  
Stock Exchange Building,  
Stock Exchange Road, Karachi.  
021-35845766

**Adam Securities (Pvt.) Limited**  
Room # 36-37,  
Old Stock Exchange Building,  
Stock Exchange Road, Karachi.  
021-32420909, 021-32413580

**AKD Securities Limited**  
602, Continental Trade Center,  
Block 8, Clifton,  
Karachi.  
021-111-253-111

**Akseer Research (Pvt.) Limited**  
102, 1st Floor, Aman CED Building,  
Institute Of Business Administration,  
Karachi.  
021-111-422-422

**Al Ameen Islamic Financial Services (Pvt.) Limited**  
Plot # 17-E, Sifthiya Tower, Khayaban-e-Ittehad,  
Phase II, DHA,  
Karachi.  
021-35319115-30

**Al Habib Capital Markets (Pvt.) Limited**  
GF-01 Technocity,  
Hasrat Mohani Road,  
Karachi.  
021-32270808-13

**Alamut Consulting**  
Suite # 308, Business and Finance Center,  
I.I. Chundrigar Road,  
Karachi.  
021-32463280, 32463274-78

**Alliance Investment Management Limited**  
424, The Cotton Exchange,  
I.I. Chundrigar Road,  
Karachi.  
021-32466252-55

**Allied Bank Limited**  
2nd Floor, Kalma Tower, Tipu Block,  
New Garden Town,  
Lahore.  
042-35880043

**Arkad Consultants (Pvt.) Limited**  
Suite # 102, 1st Floor, Glass Tower,  
Frere Town, Clifton,  
Karachi.  
021-35639616

**Askari Securities Limited**  
512, 5th Floor, ISE Towers, 55-B,  
Jinnah Avenue,  
Islamabad.  
051-2894521-3

**Asset Care (Pvt.) Limited**  
309, Progressive Centre, 30-A, PECHS,  
Block 6, Shahrah-e- Faisal,  
Karachi.  
021-34322551

**Bank Alfalah Limited**  
73, Z Block, Phase III,  
DHA,  
Lahore.  
042-35896085

**BMA Financial Services Limited**  
Level-8, Uni Tower,  
I.I. Chundrigar Road,  
Karachi.  
021-111-262-111

**Capital Partners**  
185/II, Khayaban-E-Hilal,  
Phase VI, DHA,  
Karachi.  
021- 35244043, 0300-8243850

**Concordia Securities (Pvt.) Limited**  
Room # 642, 6th Floor,  
Stock Exchange Building,  
Karachi.  
021-32410420

**Dubai Islamic Bank Limited**  
3rd Floor, Hassan Chambers,  
DC-7, Block 7, Clifton Road,  
Karachi.  
021-35368755

**Elixir Securities Pakistan (Pvt.) Limited**  
8th Floor, Dawood Centre,  
M.T. Khan Road,  
Karachi.  
021-111-354-947, 35634070-75

**Finox (Pvt.) Limited**  
2nd Floor, Plot # 195,  
Block A, S.M.C.H,  
Karachi.  
021-35250741-46

**First Street Capital (Pvt.) Limited**  
43- A/S, Justice Sardar Iqbal Road,  
Gulberg-5,  
Lahore.  
042-35791291

**Fortune Islamic Services**  
3rd Floor, Razi Tower, BC-13, Block 9,  
KDA Scheme No.5 Clifton,  
Karachi.  
021-35309101-09

**Foundation Securities (Pvt.) Limited.**  
Ground Floor, Bahria Complex-II,  
M.T. Khan Road,  
Karachi.  
021-35612255

**Habib Bank Limited**  
14th Floor, Habib Bank Plaza, Zone-B,  
I.I.Chundrigar Road,  
Karachi.  
021-32418000

**Icon Securities (Pvt.) Limited**  
83C, 12th Commercial Street,  
Phase II Extension, DHA,  
Karachi.  
021-35880150-3

**IGI Investment Bank Limited**  
7th Floor, The Forum Suite # 701-713,  
G-20, Block 9, Khayaban-e-Jami, Clifton,  
Karachi.  
021-111-234-234

**Integrated Equities (Pvt.) Limited**  
202-Y, Commercial 1st Floor,  
DHA,  
Lahore.  
042-35694618

**Invest & Finance Securities Limited**  
12th Floor, Corporate Tower,  
Techno City Building, Hasrat Mohani Road,  
OFF I.I. Chundrigar Road, Karachi  
021-32276932-35

**Invest Capital Markets Limited**  
C3C, 12th Lane, Ittehad Commercial,  
Phase II Extension, DHA,  
Karachi.  
021-35313887

**Ismail Iqbal Securities (Pvt.) Limited**  
17, Bangalore Town,  
Shahrah-e-Faisal,  
Karachi.  
021-34302181

**JS Bank Limited**  
Shaheen Commercial Complex,  
Dr. Ziauddin Ahmed Road,  
Karachi.  
021-111-572-265

**JS Global Capital Limited**  
6th Floor, Faysal House,  
Main Shahrah-e-Faisal,  
Karachi.  
021-111-574-111

**JSK Securities Limited**  
Office # 11, Floor 11,  
Islamabad Stock Exchange Towers,  
Blue Area, Islamabad.  
051-8489100

**KASB Securities Limited**  
5th Floor, Trade Centre,  
I.I. Chundrigar Road,  
Karachi.  
021-111-222-000

**Magenta Capital (Pvt.) Limited**  
801-802, QM House Building,  
Ellender Road,  
Karachi.  
021-32623622

**Magnus Investment Advisors Limited**  
Suite # 101, First Floor, Glass Tower Building,  
Frere Town Clifton,  
Karachi.  
021-35639616-7

**Market 786 (Pvt.) Limited**  
Ground Floor, P & O Plaza,  
I.I. Chundrigar Road,  
Karachi.  
021-32402046

**MCB Bank Limited**  
18th Floor, MCB Tower,  
I.I. Chundrigar Road,  
Karachi.  
021-35814023

**Meezan Bank Limited**  
Meezan House,  
C-25 Estate Avenue, S.I.T.E,  
Karachi.  
021-38103500

**Metro Securities (Pvt.) Limited**  
36-F, Block 6,  
P.E.C.H.S.,  
Karachi.  
021-34530702-04

**National Bank of Pakistan**  
National Bank Building,  
I.I. Chundrigar Road,  
Karachi.  
021-99212700

**NIB Bank Limited**  
8th Floor, PNSC Building,  
M.T. Khan Road,  
Karachi.  
021-111-333-111

**Pearl Securities Limited**  
Room # 204, 2nd Floor,  
Business & Finance Centre,  
I.I. Chundrigar Road, Karachi.  
021-32461468-7

**Pyramid Financial Consultants (Pvt.) Limited**  
518, Progressive Plaza,  
Beaumont Road,  
Karachi.  
021-35638266-67

**Reliance Financial Products (Pvt.) Limited**  
96/I, Street 13, Khayaban-e-Sehar,  
Phase VI, DHA,  
Karachi.  
021-35846233

**Samba Bank Limited**  
Head Office, 6th Floor, Cideo Avenue Center,  
M.D.M. Wafai Road,  
Karachi.  
021-38136370

**Savings Lounge (Pvt.) Limited**  
80-C, 13th Commercial Street,  
Phase II Extension, DHA,  
Karachi.  
021-35391181-82

**Standard Chartered Bank Pakistan Limited**  
Standard Chartered Bank Pakistan Limited,  
P.O Box 5556, I.I. Chundrigar Road,  
Karachi.  
021-32452070

**Summit Bank Limited**  
Summit Bank Limited, Arif Habib Center,  
23, M.T. Khan Road,  
Karachi.  
021-32463568



## Institutional Registered Service Providers (Continued)

**Sunrise Capital (Pvt.) Limited**  
Office # 119, 3rd Floor, KSE Building,  
Stock Road,  
Karachi.  
021-111-786-772

**The Indus Hospital**  
Plot # C-76, Sector 31/5,  
Opposite Darussalam Society, Korangi Crossing,  
Karachi.  
021-35112709-17

**Topline Securities (Pvt.) Limited**  
508, Continental Trade Center,  
Block 8, Main Clifton Road,  
Karachi.  
021-35303330-32

**TPL Direct Finance (Pvt.) Limited**  
39/K, Block 6,  
P.E.C.H.S.,  
Karachi.  
021-34390300

**United Bank Limited**  
UBL, Head Office, State Life Building # 1,  
7th Floor, I.I. Chundrigar Road,  
Karachi.  
021-111-825-111 Ext. 2975

**Vector Capital (Pvt.) Limited**  
10th Floor, Tower B, Saima Trade Tower,  
I.I. Chundrigar Road,  
Karachi.  
021-32277350

**4 Sight Investments**  
M-1, Plot # C-25, 13th Commercial Street,  
DHA, Phase II,  
Karachi.  
0346-8202104

## Individual Registered Service Providers

**Aamir Noorani**  
9A-8th Central Street ,  
DHA , Phase II ,  
Karachi.  
0307-2224500

**Abdul Rehman Warraich**  
House # 71-M,  
DHA, Phase I ,  
Lahore.  
0345-4044000

**Agha Ali Hassan**  
House # 3, Street 87,  
Sector G-6/3,  
Islamabad.  
0321-9500406

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## Board Of Directors

*Seated (left to right):*

**Maheen Rahman**

Chief Executive Officer  
Alfalah GHP Investment Management Limited

**Shahid Ghaffar**

Chairman  
Mutual Funds Association of Pakistan and  
Management Director  
National Investment Trust Limited

**Mashmooma Zehra Majeed**

Chief Executive Officer  
Mutual Funds Association of Pakistan

*Standing (left to right):*

**Imran Motiwala**

Chief Executive Officer  
AKD Investment Management Limited

**Mir Muhammad Ali**

Senior Vice Chairman  
Mutual Funds Association of Pakistan and  
Chief Executive Officer  
UBL Fund Managers Limited  
(resigned on February 12, 2016)

**Mohammad Shoaib**

Chief Executive Officer  
Al Meezan Investment Management Limited

**Rehan N. Shaikh**

Chief Executive Officer  
HBL Asset Management Limited  
(resigned on August 31, 2016)

**Imran Azim**

Chief Executive Officer  
Habib Asset Management Limited

**Shahzad Jawahar**

Chief Executive Officer  
First Capital Investments Limited  
(resigned on July 18, 2016)

**Dr. Ali Akhtar Ali**

Chief Executive Officer  
JS Investments Limited

*Not in Picture*

**Yasir Qadri**

Senior Vice Chairman\*  
Mutual Funds Association of Pakistan and  
Chief Executive Officer  
UBL Fund Managers Limited  
\*(co-opted from February 12, 2016)

**Farid Ahmed Khan**

Chief Executive Officer  
HBL Asset Management Limited  
(co-opted from September 02, 2016)

**Babar Ali Lakhani**

Chief Executive Officer  
Lakson Investments Limited



## *Management Team*

*Seated (left to right):*

**Rhonda Lobo**  
Executive Assistant to CEO

**Mashmooma Zehra Majeed**  
Chief Executive Officer

**Misbah Wahid**  
Manager Operations & Company Secretary

**Quratulain Ali**  
Research Analyst

*Standing (left to right):*

**Mukesh Laloo**  
Administrative Assistant

**Raheel Nabi**  
Manager  
Accounts and Administration

**Shiraz Ahmed**  
Research Analyst

**Siraj Ali**  
Assistant Manager Operations & IT

**Mahesh Arjun**  
Administrative Assistant



# Directors' Profiles

## Mr. Shahid Ghaffar – Chairman

Mr. Shahid Ghaffar is Managing Director of National Investment Trust Limited (NITL). Mr. Ghaffar has held key positions in the area of Asset Management, Capital Market Regulations and Governance. Prior to joining NIT, he was working as Head of Investor Relations and Corporate Representation as well as member of Management Forum at Habib Bank Limited (HBL). Prior to that he served as Chief Executive Officer of HBL Asset Management Limited for over six years (2005-2012) and was instrumental in the establishment and growth of the company. At Securities and Exchange Commission of Pakistan (SECP) he served as Executive Director & Commissioner (2000-2005) and played a vital role towards implementation of wide ranging reforms in the Capital Markets and capacity building of Security Market Division in SECP. He has earlier worked in NIT in different capacities in (1977-1998) and was responsible for managing equity market portfolio, debt/fixed income portfolio and trading desk. Mr. Ghaffar holds Master Degree in Business Administration from Gomal University D.I.Khan, Khyber Pakhtunkhwa, Pakistan. He has attended several courses on Securities Regulations and Securities Markets Development and portfolio management including the prestigious course conducted by Securities and Exchange Commission, in Washington, DC. (United States).



## Mr. Yasir Qadri – Senior Vice Chairman

Mr. Yasir Qadri is the Chief Executive Officer of UBL Fund Managers since February 2016. Mr. Qadri has been associated with the asset management industry for the past 17 years, last serving as CEO of MCB-Arif Habib Savings & Investment Management Ltd., where he led the merger that brought together two leading asset managers established by two of the largest local business houses. Prior to MCB he was at Arif Habib Investments for over 6 years. Mr. Qadri has been member of two founding teams in the industry and has experience in business development, investment management, product development, and human resource management. Mr. Qadri has also been visiting faculty for graduate and undergraduate classes with leading educational institutions of Pakistan and served on pan-industry committees set up by regulators and industry players. He has earned an M.B.A. and a B.B.A. degree from the University of Central Oklahoma, USA.



## Mr. Imran Azim – Vice Chairman

Mr. Azim is the Chief Executive Officer of Habib Asset Management Ltd. and has over two decades of experience in Mutual Funds Industry. He started his career with National Investment Trust Ltd. (NIT) where he has been associated in several Departments including Investments, Marketing, Business Development and Accounts. He has also worked as Director Corporate Finance with Khalid Majid Hussain Rehman & Co., Chartered Accountants. He was previously the CEO of Haroon Oils Limited. He served as Vice Chairman of MUFAP in the 2009-2010 and Chairman of MUFAP in the 2011-2012. He holds an MBA Degree in Finance.



## Ms. Mashmooma Zehra Majeed, CFA, FRM Chief Executive Officer

Ms. Majeed has been associated with asset management in Pakistan for over 14 years. She has played an instrumental role in launching the first Islamic open-end mutual fund in Pakistan as well as the launch of the voluntary pension scheme in Pakistan under the Voluntary Pension System Rules. She has previously worked in the industry at Atlas Asset Management Ltd., JS Investments Ltd. and Crosby Asset Management (Pakistan) Ltd. She is a Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM).



## Dr. Ali Akhtar Ali – Director

Dr. Ali is the Chief Executive Officer of JS Investments Limited since 2014. He has over 16 years of active experience in both Fixed Income and Equity markets of Pakistan. Prior to becoming Chief Executive Officer, Dr. Ali was serving in JS Investments as Chief Investment Officer for about 3 years. Dr. Ali brings with himself a wide scope of experience acquired over his role as a Chief Dealer at KASB Capital's Treasury Department where he was responsible for heading the Money Market, Foreign Exchange and Financial Advisory Services at KASB Capital. His diverse expertise equips him with a compelling skill-set that has materially benefited his clients in the form of highest ethical standards, compelling returns and hence, trust of valuable clients. He also worked at Jahangir Siddiqui Capital Markets as Senior Dealer Fixed Income Desk and was later promoted to the position of Head of Fixed Income and in BMA Capital Management as a Senior Dealer on the Fixed Income Desk. He earned his MBBS from Baqai Medical College and MBA with majors in Finance from PAF-KIET.



#### **Mr. Mohammad Shoaib, CFA – Director**

Mr. Mohammad Shoaib, CFA is the Chief Executive of Al Meezan Investment Management Limited since its inception in 1995. He is a highly qualified and seasoned professional with over 24 years experience in capital markets and fund management business in Pakistan. He has to his credit many accolades and awards, the most significant of them being the “Most Influential CFA charter holder” awarded by CFA Institute in 2006.

Mr. Shoaib holds MBA degree from IBA besides being a Chartered Financial Analyst (CFA) charter holder. He has to his credit being the founder and first president of CFA Association of Pakistan, a member society of CFA Institute. He has also had the honor to represent over 16,000 charter holders in Asia Pacific Region as their representative on the Presidents' Council of CFA Institute.



#### **Ms. Maheen Rahman – Director**

Ms. Rahman is the Chief Executive of Alfalfah GHP Investment Management Ltd., and has over 15 years of experience in investment banking, research and asset management. Prior to Alfalah she was Chief Executive of IGI Funds since 2009. Ms. Rahman started her career with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. Post Merrill Lynch, she joined ABN Amro Bank in Singapore in the Corporate Finance department. She has also served as Head of Research for BMA Capital. Ms. Rahman holds a Bachelors of Science (B.Sc. Hons) degree in Economics from the Lahore University of Management Sciences and a Master's of Science (M.Sc.) in Finance and Economics from Warwick Business School in the UK. She also holds a Series 7 qualification from the New York Stock Exchange.



#### **Mr. Rehan Nabi Shaikh - Director**

Mr. Rehan N. Shaikh is the Chief Executive Officer of HBL Asset Management Limited since 2014. He has 18 years of experience in the Mutual Funds industry both locally and internationally. He joined HBL Asset Management at its inception as Chief Operating Officer in January 2006. Prior to joining HBL Asset Management, Mr. Shaikh worked at State Street Corporation in Boston, USA. During his 10 years at State Street, Mr. Shaikh managed several operational groups including fund accounting, custody, security pricing and financial reporting for multiple institutional clients, including Federated Investors, MFS Investment Management and Wachovia Bank. Mr. Shaikh lead several mergers and back office conversions and also helped establish an operational department servicing State Street's largest client, migrating over 250 funds and over \$111 billion in assets to State Street.



#### **Mr. Imran Motiwala - Director**

Mr. Imran Motiwala is the Chief Executive Officer of AKD Investment Management Limited. With a career spanning almost 20 years in the capital markets, Mr. Motiwala is a seasoned finance professional with experience ranging from stock broking to asset management. He has previously worked in JP Morgan as an institutional securities sales broker, in ABAMCO Limited (now JS Investments Ltd.) as Fund Manager and in Crosby Asset Management Limited as Head of Fund Management. Mr. Imran Motiwala is a marketing graduate from Southeastern University.



#### **Mr. Shahzad Jawahar - Director**

Mr. Shahzad Jawahar has more than 17 years of diversified experience in areas of management, accounts, finance, business development, corporate finance, tax, legal, corporate & secretarial matters and asset management including 9 years of managerial experience. He joined First Capital/Pace Group in 1997 and has served on various key positions in the Group including Manager Finance & Corporate affairs, Senior Manager Group Corporate Affairs, DGM and General Manager Group Corporate Affairs. Mr. Jawahar was promoted to the position of CEO of First Capital Investments Limited in February 2012. Mr. Jawahar is MBA in Finance and Accounts and Chartered Secretary.



#### **Mr. Babar Lakhani - Director**

Mr. Babar Lakhani is the CEO of Lakson Investments Ltd. and has over 13 years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani previously served as the Chief Investment Officer of Century Insurance Ltd. and an Investment Associate at High Street Advisors and as a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.





## September 2015

### Extra Ordinary General Meeting

Announcement of Election results to elect Directors of MUFAP/ Executive Committee members of the term 2015-2016.

### SECP

Meeting of MUFAP Board with SECP held in Islamabad on September 10, 2015 in Islamabad, where key issues related to AMCs were discussed including Sales Load, classes of unit Institution & Retail, Sindh WWF Act 2015 applicability on mutual funds, Tax on Return of Capital.

## October 2015

### New Board of Directors

MUFAP's new Board of Directors takes charge. Mr. Shahid Ghaffar is elected as the Chairman, Mr. Mir Muhammad Ali as the Senior Vice Chairman and Mr. Imran Azim as the Vice Chairman.

### Annual General Meeting (AGM)

The AGM was held to consider and approve the audited Financial Statements of MUFAP for the year ended June 30, 2015.



## November 2015

### Abbottabad Sarmayakari Markaz Launch

The Abbottabad Sarmayakari Markaz was inaugurated by SECP Chairman Mr. Zafar ul Haq Hijazi on November 12, 2015. The country's first capital market Hub, this Hub will serve as central location with presence of all major capital market entities at a single point greatly enhancing outreach and accessibility in second tier cities.



## December 2015

### Article on Mutual Funds' importance & contribution

In December 2015, Ms. Mashmooma Zehra Majeed, CEO MUFAP, gave interview to the Magazine "Evolve" in Pakistan, in which she elaborated mutual funds' importance, its contribution to the economy, comparison of investment through Mutual funds with direct investment, and greatest challenges being faced by the Asset Management Companies.

An awareness Program was conducted in Agha Khan University Hospital for AKU's Staff and Doctors. Ms. Mashmooma Zehra Majeed, CEO MUFAP, presented on "Savings and Investment with Mutual Funds and Voluntary Pension Schemes" on December 15, 2015.





## December 2015 (Contd.)

An awareness seminar on the launch of Pakistan Stock Exchange was organized by CDC in Multan. Ms. Mashmooma Zehra Majeed, CEO MUFAP, presented on “Savings and Investment through Mutual Funds and Voluntary Pension Schemes” on December 19, 2015.



## February 2016

### CDC Investor Awareness Workshop

Orientation to Mutual Funds on Saturday, 27th February, 2016. Ms. Mashmooma Zehra Majeed conducted an awareness workshop arranged by Central Depository Company of Pakistan Limited (CDC) at CDC House.



## May 2016

### CDC Investor Awareness Workshop

Orientation to Mutual Funds on Saturday May 28, 2016. Ms. Mashmooma Zehra Majeed conducted an awareness workshop arranged by CDC at CDC House.





## *Chairman Review*

**Mr. Shahid Ghaffar**

Chairman, Mutual Funds Association of Pakistan

### **Industry Review**

This year has been very challenging for the mutual fund industry with continued changes in the tax laws adversely affecting institutional investment in mutual funds. Declining interest rates and mostly bearish market conditions during the year under review further hindered growth of the mutual fund industry.

The mutual fund industry closed the financial year at PKR 490.37 billion up 10.57% over last year. The Equity Funds category (both Conventional and Shariah Compliant) constituted of PKR 178.17 billion up 12.17% from last year followed by income fund category at PKR 127.73 billion up 25.83% and Money Market category at PKR 55.58 billion which was down 30.67% from the previous year.

The Shariah compliant funds category continued growing faster than the conventional category and closed the year at PKR 157.49 billion, recording the growth of 26.78% over the previous year. A variety of mutual funds are being offered in this category to suit the varied needs of investors by asset management companies.

### **Board Review**

The present Board of MUFAP started its term on October 1, 2015. The Board had identified three key areas to focus on during the year which were as follows:

#### **1. Making MUFAP independent and proactive**

During the year conscious efforts were made to make the management of MUFAP more independent by enhancing the role of the Chief Executive in running the day to day affairs and restricting the role of the Chairman and Board of Directors to policy decision making. This year various steps were taken to empower the Chief Executive, to make the institution stronger. The CEO was the sole representative of MUFAP with the SECP and various Government agencies. I am pleased to report that there has been significant improvement in the capacity building of the management team under the leadership of its Chief Executive.

## 2. Resolution of outstanding issues with FBR

Taxation issues have always been at the forefront every year and takes up majority of the time and effort of MUFAP's Board and Management. This year the two major issues taken up were charging of FED on asset management services and the taxing of return of capital included in the dividend payment.

On FED issue we had major success on two fronts, the Government finally accepted that the FED on services was leading to double taxation as the same was already being charged at the provincial level by the provinces and since it was a provincial matter after the 18th Amendment the Government withdrew the FED on Services already subject to provincial sales tax in the Finance Act 2016 effective from July 1, 2016. In addition, in July 2016, the Sindh High Court also passed a judgment in the case filed by the asset management companies, striking down the Federal FED component which was the same as the Provincial law. The FBR unfortunately is unwilling to accept this and has challenged the same in the Supreme Court even though the Federal Government's position on the same is also clear with the removal of the FED on Services which are subject to provincial sales tax. Therefore although the funds have stopped further provisioning from July 1, 2016, they will be unable to take a decision on the reversal before Supreme Court's decision in the matter.

The issue pertaining to return of capital is still under discussions with SECP and FBR.

## 3. Element of income and its taxation/accounting treatment so the investors are not disadvantaged due to unjust taxes on return of their capital

Pursuant to the amendments that were brought in through the Finance Act 2014, mutual funds are now mandatorily required to make cash distribution to achieve the tax free status. Due to this change, those investors who are investing later in the year are subjected to tax also on the portion of dividend that pertains to the portion of capital being returned to them (i.e. element of income received from them at the time of investment to equalize the dividend distribution). An investor who invests nearer to June/ dividend distribution date may only receive his capital back (his dividend would comprise only of the element of income he brought in), which should not be taxed, but at time of distribution since the dividend is distributed equally for all investors as cash on which tax is required by law to be withheld, resultantly their capital portion also gets taxed. To come up for a solution for this matter so that the investors are not taxed unjustly, the MUFAP had formed a Committee to study the different jurisdictions and make recommendations accordingly to resolve this issue. Internationally in most jurisdictions including the USA, varying dividends are paid to the investors based on the period of their investment. I am pleased to report that MUFAP has worked extensively on this subject and after finalization has already submitted its recommendations to the SECP. Resolution of this issue would address the tax anomalies for the mutual fund investors and help towards the growth of the mutual fund industry.

## 4. Outstanding Issues with SECP:

SECP had introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008 on November 25, 2015 in consultation with MUFAP. Most of the amendments introduced were in consultation except the following which MUFAP has taken up with the SECP:

### I. Clause 38A. Responsibilities towards Corporate Governance and Proxy Voting.

Practically and operationally it will be very difficult for an asset management company to comply with requirements laid down in Rule 38A. Also there is inherent confidentiality conflict as the results are to be disclosed in the annual reports of the CIS. Therefore we have proposed certain amendments in this clause to make it implementable.

### II. Clause 58 (1) (k) Borrowing by CIS to meet redemption requests.

There are certain anomalies in this clause which can cause systematic risk to the Funds and MUFAP has proposed some amendments in the Regulation which are under discussion with SECP.



## Significant Developments during the Year

### CGT regime for investors of open end mutual funds

The Finance Act 2016 has changed the withholding tax regime for capital gains tax (CGT) and authorized National Clearing Company of Pakistan Limited (NCCPL) as the withholding agent for open end mutual funds as well. As a result, the unit holders of open end mutual funds would also be able to benefit from the netting regime across the capital markets, commodities and mutual fund industry. NCCPL and MUFAP representatives are working on a proposed mechanism for the determination, computation, collection and deposit of CGT in a centralized manner.

### Conversion of MUFAP into Self Regulatory Organization (SRO)

The SECP in September 2015 shared a concept paper wherein it proposed that MUFAP may be converted from trade organization to SRO, which will enhance the integrity and growth of industry. The proposed SRO will play a proactive role for the development of Mutual Funds Industry and for the protection of Investors. The SECP's concept paper had listed the following as the possible areas/functions for the SRO:

1. **Registration of members and mutual fund distributors**
  - All NBFCs holding AMC/IA license shall be registered with the proposed SRO
2. **Monitoring conduct of members and mutual fund distributors**
  - Formulate set of rules and regulations to govern the conduct;
  - Supervise to assess compliance with the rules and regulations
  - Take disciplinary measures against any misconduct and non-compliance
3. **Promote investor education and awareness program**
  - Support and sponsor educational programs, meetings and seminars to increase financial literacy and financial inclusion.
4. **Research and development**
  - Separate research and development function targeted at developing new products, improving risk management, evolving governance standards and achieving cost effective regulations.
5. **Certification programs for members and mutual fund distributors**
  - Conduct certification examinations to enhance the knowledge and educational standards of professionals

The said concept paper has been discussed in great detail in various meetings at MUFAP's Board. The matter was also discussed in detail in the EOGM of MUFAP specifically held to discuss the proposal of SECP for SRO status for MUFAP on July 15, 2016. The Members of MUFAP in the said EOGM have in principle approved the proposal of SECP for an SRO status for MUFAP subject to following conditions:

1. The member Asset Management Companies will not share any additional financial burden.
2. The Membership of SRO should be limited to mutual funds industry and the majority representation on the Board should be from AMCs. Independent directors should not be more than one third of the total composition of the Board and should have requisite knowledge of the mutual fund industry.
3. The SRO should have very well defined Terms of Reference (TORs) to be mutually agreed between SECP and MUFAP with the roles and responsibilities of SRO as front line regulator of mutual fund industry very clearly defined to ensure sufficient autonomy with SRO as well as avoid duplication of work. The SRO should be evolved in a phased manner with the TORs containing the phase wise implementation steps along with pre defined timelines of the various areas to be covered by the SRO.
4. Sufficient resources should be allocated to SRO so that it is financially and administratively viable while maintaining independence. Since SRO will assume some of the functions presently done by SECP, a portion of the fees generated by SECP from mutual fund industry should be allocated towards the SRO by amendments in the Regulations so that it has financial muscle for its capacity building and for meeting its day to day expenditure. Initial funding is required at the time of setting up the SRO for its capacity building to be generated from sources other than asset management companies.



Also the possibility of setting up an endowment fund initially through funding from SECP or international donor agencies should be considered.

Our Comments on the points mentioned in the concept paper were that monitoring of conduct of members is not an area we are ready to even consider in the first phase. Internationally also this is limited to compliance to the guidelines and standards made by the SRO and not the rules and regulations of the Regulator. The remaining points MUFAP has been doing in its existing capacity as much as possible in its limited financial capacity which conversion into an SRO may not address if adequate funding is not available.

### Future Outlook

The future of the mutual fund industry is dependent on increasing awareness about the mutual fund industry and enhancing the outreach to investors across the country. Over the past few years there has been gradual increase in the retail base which is presently around 34%. Asset management companies are offering a diversified range of mutual and pension funds to meet the risk appetite of investors, yet the awareness in the masses is lacking of the options available to them. Asset management companies have started conducting awareness & marketing campaigns/ road shows/ seminars individually as well as from MUFAP and SECP's platform. AMCs are also trying to enhance their distribution network. This will help in further enhancing the investor base of the mutual fund industry.

### Acknowledgements

I would like to thank SECP for their continued support. I am particularly grateful to, Mr. Zafar ul Haq Hijazi, Chairman SECP, Mr. Zafar Abdullah, Commissioner SECP, Mr. Imran Inayat Butt, Executive Director Specialized Companies Division, Mr. Muhammad Afzal, Director REITs & Pension and entire AMCs and VPS team for their proactive role in dealing with issues relating to mutual funds industry and VPS.

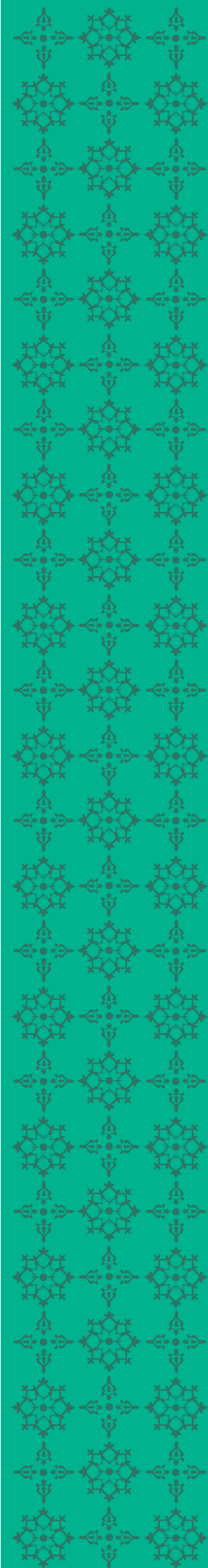
I am thankful to the Finance Ministry, SECP and CDC for their continued support to the mutual funds industry.

I would like to thank the Senior Vice Chairman Mr. Yasir Qadri, Vice Chairman Mr. Imran Azim, fellow Directors, Committees' Chairperson and Committees' Members for their dedication, teamwork and support. I would also like to place on record appreciation for Mr. Mir Muhammad Ali who was Senior Vice Chairman till February 12, 2016 for his valuable contribution and endeavors for the development of Mutual Funds Industry. Lastly, my thanks and appreciation to Ms. Mashmooma Zehra Majeed and the management team of MUFAP for their continued commitment and hard work.





# *Views and Reviews*





## *Message of SECP Chairman*

**Mr. Zafar-ul-Haq Hijazi**

Chairman, Securities and Exchange Commission of Pakistan

I would like to congratulate the Mutual Funds Association of Pakistan (MUFAP) on publishing its yearbook for 2016. MUFAP's commitment to providing timely and accurate data to industry participants and the public is indeed commendable.

The mutual fund industry has seen its share of success and failure over the period of time. However, during the past few years we have witnessed significant growth within the sector, expanding from Rs. 24 billion at the time of establishment of MUFAP in 2001 to Rs. 490 billion in total assets under management as of June 2016. This has been a result of collaboration of all industry stakeholders who have shaped the way forward for the industry. However it is important to point out that the industry still lags behind in terms of expansion of distribution networks and expansion in products' range.

Despite its strong growth, the mutual fund assets represent less than 5% of the total banking deposits. In advanced economies, the size of mutual funds exceeds banking deposits. Similarly, assets under management as a percentage of GDP are under 2% in Pakistan. I believe that we still need to do more in terms of further expanding the mutual fund industry. Compared to other parts of the world, the level of awareness of mutual funds in Pakistan is still low. Even though the industry has progressed and grown immensely over the past few years, the bulk of the assets under management come from corporate investors. The awareness at the retail level and especially the small 'grass-root' level is still very low. The total volume of mutual fund industry pretty much reflects that the retail base of mutual fund industry is growing at a snail's pace. This tardiness may be attributed to low level of efforts being made for awareness by either individual asset management companies or by their representative forum.

People need to be made to realize that investing in mutual funds is an efficient way for them to meet their financial goals and not just a means of short-term financial gain. Given the current scenario, the investors may perceive investments in the capital markets to be risky, and hesitate to channelize their savings towards mutual funds. Thus, it is the responsibility of the mutual fund industry to recognize this issue and

instill that confidence in the minds of investors by reaching out to them and creating awareness about mutual funds as financial products, clearing up confusions and myths associated with mutual funds and positioning mutual funds as a new way of saving.

The need of the hour is to take the industry forward, and to really tap into the small retail investors instead of completely focusing on institutional clients who make sizeable investments in the funds with lesser efforts on asset management companies' (AMC) part. The mutual fund industry needs to realize that large number of retail investors not only result in increased assets under management but also enhance the stability of the funds and the industry in general, ultimately leading to reduction in the systemic risk. It is imperative that all AMCs come together and work towards creating awareness about mutual funds and their benefits for the investors. There is no doubt that mutual funds offer a great investment opportunity for individual investors and have a lot of potential in the Pakistani market.

If the industry wants to brand mutual funds as an efficient savings vehicle then it should be focused to deliver superior performance, introduce new products and give priority to the interests of the investor before its own. I encourage all the AMCs to consider expanding their networks both physically and digitally to gain access to retail investors. It is imperative for the AMCs to expand its outreach across the country and increase retail penetration within the sector, making it mandatory for the AMCs to establish its own distribution/branch network across Pakistan.

With new developments in the capital market, global integration and evolving regulatory environment, it is imperative that we keep pace with these changes by preparing ourselves for future challenges. Realizing its role for the development of the industry, SECP during the year has introduced a more conducive regulatory regime to facilitate sustained growth of the fund management industry in Pakistan. In collaboration with the MUFAP and other industry stakeholders, the SECP has taken a number of specific initiatives, which are aimed at strengthening the mutual funds industry and safeguarding investor interests. These measures include ban on management fee sharing with investors by the AMCs, ban on charging of sales load to investors who directly approach AMCs or make online investment using the website of AMCs, capping the maximum limit of sales load at 3% from 5% and reducing the management fee. Moreover with a view to encourage AMCs to increase retail participation in funds, SECP has allowed reduction in SECP annual fee for mutual funds that have at least 1,000 retail investors and more than 50% of its net assets are held by individual investors. Furthermore, as an effort towards increasing retail penetration SECP is considering to take measures for promoting independent distributors network with minimum equity and regulatory requirements.

One of the significant distinguishing features of mutual funds is disclosure, not only of the value of investment on a daily basis through NAV, rather disclosure of a whole range of information at periodical frequencies, be it portfolio composition or expense ratio. In fact, transparency and disclosure are the foundation of mutual funds. It is on the basis of information, provided as transparently as possible through offering documents and other reports, that investors place their savings with mutual funds. It is therefore necessary that the industry develop the culture of sharing information not just to comply with regulatory requirements but also to enhance the level of transparency and credibility. Hence, the collaboration of all industry stakeholders is essential to achieve this objective and the SECP is committed to provide every possible support in this regard.

The SECP looks forward to working closely with the MUFAP to ensure a fair, transparent and efficient mutual funds and pension funds industry which efficiently mobilizes and channelizes the savings and investments of households and public at large.





## *CEO Review*

**Ms. Mashmooma Zehra Majeed, CFA, FRM**

Chief Executive Officer, Mutual Funds Association of Pakistan

The financial year 2015-2016 continued to be very challenging for the mutual fund industry. With the continued changes in the tax laws affecting institutional investments in mutual funds over the past few years coupled with interest rates continuing in their declining trend and the stock market also remaining depressed most of the year, a major portion of industry remained affected by low returns and stagnant assets under management. The assets under management increased from PKR 443 billion on June 30, 2015 to PKR 490 billion as on June 30, 2016.

## **Economic Review**

Pakistan's GDP growth recorded a growth of 4.71% in 2015-16 against 4.24% the last year. Inflation rate measured by the changes in CPI, averaged at 2.8% during July-April, FY 2016 against 4.8% in the comparable period last year. Core inflation during July-April FY 2016 recorded at 4.1% as against 6.9% during the same period last year.

## **Savings and Investments:**

National Savings nominally increased to 14.6% of the GDP as compared to savings to GDP of 14.5% last year. Domestic savings were 8.3% of GDP in this fiscal year as compared to 8.4% of GDP last year. This is extremely low as compared to the region and the world and indicates that rigorous steps are required to promote savings and investments with major focus on investors' awareness and education as well as removing the taxation anomalies and regulatory issues hampering the growth. The Government should encourage long term investments and take measures to incentivize the long term savings.

## **Capital Markets Review**

### **Equity:**

The KSE-100 Index closed at 37,783.54 points up 9.84% from the last year. During the year, KSE-100 achieved a then all time high level of 38,777 points on June 17, 2016.



Also during current financial year, as a second phase of the Stock Exchanges Demutualization and Integration Act 2012, the three stock exchanges of the country i.e Karachi Stock Exchange (KSE), Islamabad Stock Exchange (ISE) and Lahore Stock Exchange (LSE) formally merged into single stock exchange on January 11, 2016 to become the Pakistan Stock Exchange (PSX). This is a vital step towards demutualization of the shares market in the country.

### Debt:

The interest rates continued on its downward trajectory with the policy rate being reduced to 5.75%.

The growth of the economy is directly linked with the well developed corporate bond market which serves as an additional avenue for raising funds to meet their financing requirements. This avenue however remains majorly untapped with not many significant issues being introduced during the year.

### Mutual Funds Industry Review

The assets under management increased from PKR 443 billion on June 30, 2015 to PKR 490 billion as on June 30, 2016 up 10.57% over last year. Due to low interest rates continuing, substantial outflow was witnessed in the money market category with majority of it being shifted towards the income categories during the fiscal year. Asset Allocation and Fund of Funds (with Allocation Plans) were the upcoming categories which witnessed a number of funds being launched and majority of the inflows in the year.

The equity fund category (both Conventional and Shariah Compliant) constituted of PKR 178.17 billion up 12.17% from last year followed by income fund category at PKR 127.73 billion up 25.83% and Money Market category at PKR 55.58 billion which was down 30.67% from the previous year.

Shariah Compliant funds category continued to remain the investors preferred mode of investment as this category received net inflows of PKR 25 billion during the year predominantly in the Fund of Funds and Asset Allocation category.

Voluntary Pension Schemes (VPS) registered net inflows of PKR 4 billion during the year with the total size of the VPS growing to PKR 18 billion (PKR 7 billion in Conventional and PKR 11 billion in Shariah Compliant Schemes).

Around Eighteen Thousand individual investors' accounts were added during the year. Due to unavailability of the unique identification data, it is difficult to determine the actual numbers that were added. In percentage terms, the holding of individuals in open-end mutual funds in terms of AUMs now stands at 34%.

### Taxation Anomalies affecting the growth of the Mutual Fund Industry

It had been very unfortunate that the mutual fund industry has been plagued by various taxation anomalies and issues that have been growing every year rather than reaching any resolution. It is also unfortunate that the petitions filed in the Honourable Courts have been pending for years now with no progress. These are adding to the cost of management and affecting the return of the investor. The Government instead of facilitating savings and investments in the country has been hampering the same through taxation and other anomalies. MUFAP is persistently engaged with the SECP and the Government towards addressing these industry issues.

1. **Federal Excise Duty (FED):** FED was one of the biggest anomaly for the industry as FED is double taxation and is not tax neutral as the investors in mutual funds are already subject to provincial sales tax on services at 16%. Through the Finance Act 2016 the Government announced that the removal of FED on those services which are subject to provincial sales tax which included asset management services with effect July 1, 2016. Additionally in July 2016, the Honourable Sindh High Court also passed a judgment in our favour in the case that had been filed by the asset management companies, striking down the Federal FED component which was the same as the Provincial law. Federal Board of Revenue (FBR) unfortunately is unwilling to accept this and has challenged the same in the Supreme Court. Therefore although the funds have stopped further provisioning, they will be unable to reverse the provisioning till the Supreme Court's decision in the matter. We are hopeful that the Supreme Court will uphold the Sindh High Court's decision as with the recent amendments in the Finance Act 2016, the position of asset management companies is even more strengthened.





2. **Provincial Sales Tax on Services – Provincial Jurisdictions Issue:** The provinces have started claiming their share on the same service due to difference in the wordings of their respective laws and instead of resolving the issue by developing a sharing formula amongst themselves, are harassing the asset management companies. This matter should be settled directly between Provincial Governments or the Council of Common Interest should determine the formula for each province to settle the dispute between the provinces.
3. **Taxing Return of Capital:** Principal Component should be removed from dividend paid by mutual fund when withholding dividend tax. The amount invested by an investor includes a principal (capital) component in the price at which he invests. The cash dividend received by him may have been paid out of his principal amount, which will result in extra payment of tax. This tax anomaly should be removed so that the principal component of investment is not taxed as capital is not taxable.
4. **Imposing withholding tax on Mutual Funds and Approved Pension Fund whose income is exempt:** With effect from May 11, 2015, Federal Board of Revenue has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned commissioner of income tax otherwise its tax will be withheld at source and they would thereby need to file refund claims at year end. Collective Investment Schemes, Voluntary Pension Schemes, REIT Schemes, private equity and venture capital funds Modarabas, and all recognized provident, superannuation and gratuity funds have been affected by this move. This move has only created operational difficulties and departmental inefficiencies. The process of grant of exemption certificates is cumbersome and often the applications are rejected without a proper reason or are delayed. There is no tax revenue for the Government as the income of these entities is exempt from tax yet tax is being withheld and refunds are not made thereby affecting the investors.
5. **Super Tax Demands:** During the Financial Year some funds received notices from the Federal Board of Revenue (FBR) claiming Super Tax on income of those mutual funds. Preamble of Second Schedule provides that "incomes or classes of income, or persons or classes of persons, enumerated in Second Schedule shall be exempt from Tax, subject to conditions and to the extent specified therein". Therefore under Clause 99 of Part 1 to the Second Schedule, income of mutual fund has been exempted from tax. In the definition of tax, Super Tax is also included. We are of the view, which is also concurred by our tax consultants, that Super Tax proposed to be imposed under section 4B would not be applicable to a Mutual Fund which distributes ninety (90) percent of its income, other than realized and unrealized capital gains, in cash, to qualify for exemption under Clause 99 of Part 1 of Second Schedule to the Income Tax Ordinance. Currently the matter is being contested at the Income Tax Tribunal Level while a stay against recovery has been obtained from the Sindh High Court.

A level playing field between mutual funds and other savings and investment avenues is must for mutual funds and pension funds industry to grow and promote savings and investments in the country which is currently at the lowest in the region. MUFAP understands the significance of these taxation issues for investors and industry interest and is actively following up its resolution through the Courts and Government of Pakistan.

### **Amendments in the Non Banking Finance Companies and Notified Entities Regulations 2008**

SECP introduced amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008 on November 25, 2015 in consultation with MUFAP. Some of the significant amendments are as follows:

1. Concept of Total Expense ratio has been introduced which includes introduction of category wise upper caps of Management Fee and Total Expense Ratio (TER). This aims to cap the maximum expenses that can be charged to the mutual funds. In addition a recent circular has introduced that any amount in excess to the TER would be reimbursed by the AMC to the Fund. This remains a double edge sword as on one hand it would bring in discipline and reduce unnecessary transactions and churning in the portfolio, on the other hand it can also potentially discourage the Fund Managers to transact in fear of exceeding the TER even if those transactions are in the interest of the Fund's unit holders. It also remains ambiguous as to whether the AMC have to reimburse the management fee charged or the entire excess amount which could severely limit an AMC's capacity to expand.

2. Asset Management Companies (AMCs) have been allowed to undertake other fund management activities including REIT management services and management of private pool of funds (private equity) after meeting the additional equity requirements. Earlier separate companies had to be formed which had been one of the deterrents in launching Real Estate Investment Trusts (REITs) and Private Equity Funds.
3. Registration of Distributors would now be done by the SECP wherein the Distributors would be issued investment advisory licenses by SECP to distribute mutual funds as well. The regulatory framework for registration with the SECP as a distributor is in process of finalization and the SECP has advised that MUFAP to continue registration/ renewal of registration of RSPs till such time that the new framework comes into force.

The final notification also included certain amendments that were not in the original draft shared for public comments and therefore were not discussed before the notification with MUFAP and other stakeholders. We have raised this issue with SECP and proposed some amendments in the same.

### Board Meetings/ Attendance

MUFAP's Directors have been extremely generous in giving their time and expertise for industry issues. During 2015/2016 tenure of the Board, seventeen meetings were held of the Board of Directors. The attendance recorded at the meetings of the Board of Directors for 2015/2016 is summarized as below:

S.No	Name of Directors	No. of Meetings Attended (17)
1	Mr. Shahid Ghaffar - Chairman	17
2	Mr. Yasir Qadri* - Senior Vice Chairman	10 out of 12
3	Mr. Imran Azim - Vice Chairman	17
4	Ms. Mashmooma Z. Majeed - Chief Executive Officer	17
5	Dr. Ali Akhtar Ali	14
6	Mr. Mohammad Shoaib	13
7	Ms. Maheen Rahman	9
8	Mr. Rehan Nabi Shaikh***	6 out of 15
9	Mr. Mir Muhammad Ali*	5 out of 6
10	Mr. Imran Motiwala	5
11	Mr. Shahzad Jawahar**	2 out of 13
12	Mr. Babar Ali Lakhani	0
13	Mr. Farid Ahmed Khan***	0 out of 1
<p>* Mr. Mir Muhammad Ali was director and Senior Vice Chairman till February 12, 2016. The Board co-opted his successor Mr. Yasir Qadri as the Director and Senior Vice Chairman from February 12, 2016.</p> <p>** Mr. Shahzad Jawahar resigned from the Board with effect from July 18, 2016. The Board co-opted his successor Mr. Imran Hafeez as a Director from October 3, 2016.</p> <p>*** Mr. Rehan Nabi Shaikh resigned from the Board with effect from August 31, 2016. The Board co-opted his successor Mr. Farid Ahmed Khan as a Director from September 2, 2016.</p>		

We would like to place on record appreciation for Mr. Mir Muhammad Ali and Mr. Rehan Nabi Shaikh for their valuable contributions and endeavours towards MUFAP and the development of Mutual Funds Industry throughout their association with the industry.



## 21st Asia Oceania Investment Fund Association (AOIFA)

MUFAP was scheduled to be hosting the 21st Asia Oceania Investment Fund Association (AOIFA) in April 2016. Extensive preparations were underway however due to the uncertainty in the country's law and order situation around that time we unfortunately had to cancel the conference at the eleventh hour and are hopeful to host the one in 2019.

## Public Awareness and Education to expand the Retail Investor Base

It is imperative for long term sustainable growth of the mutual funds industry that the retail investor base increases. Asset Management Industry vis-a-vis the Banking Sector presents a bleak picture, not only in terms of assets under management, but also with regard to participation and outreach to the general public. Currently, asset management companies are offering a diversified range of mutual and pension funds to meet the risk appetite of investors, yet the awareness in the masses is lacking of the options available to them. We hope to receive continued support from asset management companies to conducting public awareness marketing campaigns as well as awareness road shows/seminars from MUFAP's platform to bring across to the attention of the individual investors, the diverse investment features and benefits that mutual funds and voluntary pension schemes offer to them. The Government and SECP are also requested to facilitate asset managers to promote, educate and encourage investors to save.

### Public Awareness/ Campaign

MUFAP is developing an awareness campaign on 'what is Mutual Funds' on Electronic Media (Television and Radio). Presently majority of the public is not even aware that mutual funds are an option for savings and investments and the purpose of this to simply introduce to the general public what are mutual funds so that the mutual fund as a viable saving option can be established.

MUFAP is also working on a press advertisement as a part of the Jama Punji Campaign with SECP.

## Capital Market Hub/ Sarmayakari Markaz

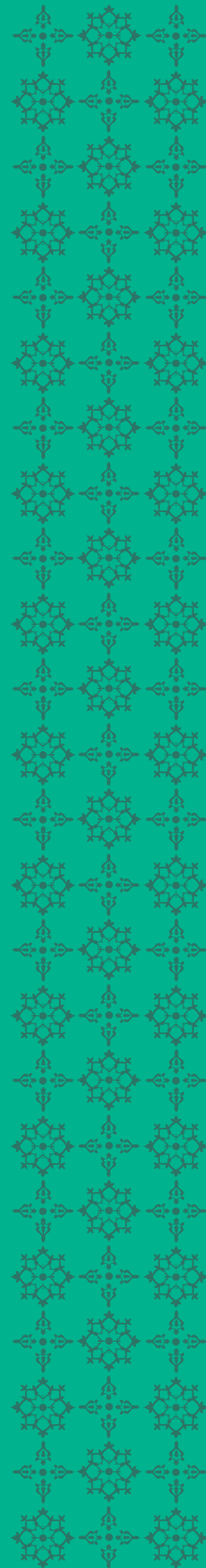
The Chairman SECP Mr. Zafar ul Haq Hijazi inaugurated the Abbottabad Sarmayakari Markaz on November 12, 2015. The Abbottabad Sarmayakari Markaz is the country's first capital market business hub. The hub will serve as a central location with presence of all major capital market entities at a single point. Six asset management companies are part of this Hub. The establishment of Abbottabad Sarmayakari Markaz will provide opportunity of saving and investments to the people of Abbottabad.

## Acknowledgement

I would like to thank SECP for their continued support. I am particularly grateful to Mr. Zafar-ul-Haq Hijazi, Chairman SECP, Mr. Zafar Abdullah, Commissioner SECP, Mr. Akif Saeed, Commissioner SECP, Mr. Imran Inayat Butt, Executive Director Specialized Companies Division, Mr. Muhammad Afzal, Director REITs & Pension and the entire AMCs, Pensions and Strategy, Development, Investor Education Teams for their proactive role in dealing with issues relating to mutual funds and VPS.

I would especially like to thank the Chairman MUFAP Mr. Shahid Ghaffar for his continued support and guidance in strengthening MUFAP. I would like to thank Senior Vice Chairman Mr. Yasir Qadri, Vice Chairman Mr. Imran Azim and Board of Directors and Committees' Members for their guidance, dedication, teamwork and support. Lastly, my thanks and appreciation for the management team of MUFAP for their continued hard work and commitment.

# *Committee Reports*



# Accounts And Taxation Committee

(1 Meeting Held In The Year October 1, 2015 – September 30, 2016)

Member	Meetings Attended	Member	Meetings Attended
Mr. M. Habib ur Rahman (Chairman)	1 of 1	Mr. Zeeshan Quddus	1 of 1
Ms. Maleeha Bangash	1 of 1	Mr. Muhammad Irshad Iqbal	1 of 1
Ms. Mashmooma Z. Majeed	1 of 1	Mr. Muhammad Khawar Iqbal	1 of 1
Mr. Muhammad Murtaza Ali	1 of 1	Mr. Mansoor Wahid Bux	1 of 1
Mr. Noman Ahmed Soomro	1 of 1	Mr. Shoaib Umar Farooq	1 of 1

## TERMS OF REFERENCE

- Taking up any matter relating to accounts/audit with Auditors, ICAP and SECP or any other authority as and when they arise;
- Making of Proposals for Federal and Provincial Budgets;
- Drafting of a long term tax policy of MUFAP;
- Examining and resolving any tax related issues; and
- Any other matter connected with Audit, Accounts and Taxation;

## ACTIVITIES' REPORT

### Tax treatment of element of income and capital gains at the time to dividend distribution:

Pursuant to the amendments that were brought in through Finance Act 2014, bonus units were no longer allowed and mutual funds were mandatory required to make cash distribution to their unit holders to meet compliance with Clause 99 of the Second Schedule of the Income Tax Ordinance, 2001. Due to this change, investors who are investing later in the year are subjected to tax at an unfair rate as their capital is also taxed. An investor who invests nearer to June/ dividend distribution date may only receive his capital back (his dividend would comprise only of the element of income he brought in), which should not be taxed, but at time of distribution the dividend is distributed with equally for all

investors as cash on which tax is required by law to be withheld, resultantly their capital portion is also taxed.

A working group of the committee looked into international jurisdictions; mainly the USA and UK laws in this regard. In UK they have element of income and therefore the same dividend is distributed to all investors. At the time of dividend distribution it is separately marked in their dividend warrant what amount was received as element of income from investor and the investor can file for a refund and gets that within two weeks. In Pakistan since the process of refund is not feasible, and while both MUFAP and SECP have been taking this matter up with FBR for the past three years that the tax deducted should exclude the portion of the element of income, the same has not been introduced. In the USA they don't have element of income as they have varying prices and varying dividends, in which the dividend will be what they have earned since investor joined the fund, hence there is no element of income booked. However introducing a variable pricing based on USA Model will be too difficult to understand by the investors in Pakistan at this point in time and hence the price should remain the same but varying dividend should be introduced.

Based on the above, the working group developed three separate cases:

- Case 1- Equal distribution to all unit holders (based on UK's model)
- Case 2- Variable dividend and variable pricing (based on USA's model)
- Case 3- Variable dividend but same pricing (based on USA but modified for our jurisdiction)

These were then discussed and shared with Board along with the Committee's recommendation that Case 1 or Case 3 may be proposed to SECP for adoption along with the standardized methodology for calculation of element of income for adoption across in the industry.

### Separate Tax Schedules for Mutual Funds, VPS and REITs

The SECP had suggested to MUFAP to develop separate Tax Schedules for Mutual Funds, REITs and Voluntary Pension Schemes (VPS) so that any amendments introduced for normal companies do not end up affecting mutual funds as mutual funds have a pass through status. In this regards, Committee developed the draft schedules and then the Board engaged the services of A.F. Ferguson & Co. to finalize the drafts. The tax schedules cover both the Fund and the investors and their respective taxation. The same were shared with the Board for their consideration and onward submission to SECP.



## Budget Proposals for FY 2016/2017

The Committee also worked on the proposals for the Budget 2016/2017 which were as follows:

### Introduction of Separate tax Schedules for Mutual Funds , REITs and VPS

100D should be inserted via Finance Bill to incorporate the Tenth Schedule for mutual funds which is read as 'rules for the computation of the income, profits and gains of mutual fund and collective investment scheme and related matters'

100F should be inserted via Finance Bill to incorporate the Eleventh Schedule for REIT Schemes which is read as 'rules for the computation of the income, profits and gains of REIT schemes and related matters'

100F should be inserted via Finance Bill to incorporate the Twelfth Schedule for Voluntary Pension Schemes which is read as 'rules for the computation of the income of participants of Approved Pension Fund and related matter'

### Tax Credit for VPS Contributions

The committee proposed that the additional tax credit in VPS for persons joining the pension fund at the age of forty-one years or above on additional contribution of 2% per annum for each year of age exceeding forty years should be extended for another five years.

### Taxation on Management Company

All service provider companies were required to pay a minimum tax of 1%. Under Finance Act 2015, it was changed to a minimum tax of 8% (12% for non-filer). This is an exorbitantly high rate of withholding tax for AMC. Due to low AUMs in Pakistan and requirement of high expenditure on marketing and distribution expenses, the industry is working at breakeven point. Any excess tax paid is adjustable against future tax liability. As most of the industry is working at low margins it is unlikely that excess tax will ever be adjusted. The flaw in tax law is that the tax authorities are treating all service industries as having same rate of profitability and hence same rate of withholding tax. The proposal was to reduce the rate back to 1% for AMCs.

### Removal of FED

The committee again proposed that FED should be withdrawn on Asset Management Services. As the AMC's are already subject to provincial sales tax on services, levy of FED is un-constitutional and causing double taxation.

### Taxation of bonus shares under section 236 M and 236 N in the withholding section for Mutual Funds and Pension Funds

According to Sections 236M and 236N Bonus shares are taxable @ 5 percent of the specified value under FTR and the company issuing bonus shares is obliged to withhold tax from the shareholders. Since Mutual Funds and Pension Funds are exempt through Clause 47B from withholding from Dividend, Profit on Debt, Brokerage and Commission, it was proposed that Mutual Funds and VPS should also be exempted from withholding of tax under Sections 236M and 236N, so Sections 236M and 236N need to be added to Clause 47B, Part IV of the Second Schedule of the Income Tax Ordinance.



# Technical Committee – Mutual Funds

(4 Meetings Held In The Year October 1, 2015 – September 30, 2016)

Member	Meetings Attended	Member	Meetings Attended
Mr. Yasir Qadri (Chairman)	4 of 4	Ms. Rida Jiواني	2 of 4
Mr. Imran Azim (Vice-Chairman)	3 of 4	Mr. Humbal Katia	1 of 4
Mr. Ali Alvi	1 of 4	Ms. Mashmooma Z. Majeed	4 of 4
Mr. Muhammad Imran	2 of 4	Mr. Muhammad Sohail Qadri	2 of 4
Mr. Muhammad Murtaza Ali	1 of 4	Mr. Mansoor Bux	3 of 4
Mr. Muhammad Asad	2 of 4	Mr. Shoaib Umar Farooq	3 of 4

## TERMS OF REFERENCE

- To review Acts, Ordinances, Rules and Regulations, Circulars pertaining to mutual funds and VPS on an ongoing basis and making recommendations to the SECP;
- Periodic and ad hoc review of standardized trust deed and offering document (at least Annual)
- To research on investment products in international markets
- Drafting regulations for new product development

## ACTIVITIES' REPORT

The technical committee over the year worked on the following issues/items:

### a) Expense ratio Limits for VPS funds:

The Technical Committee invited all the VPS managers to obtain their feedback on the SECP suggestion that MUFAP should propose expense ratios for VPS on similar lines as collective investment scheme. The VPS managers were of the view that VPS funds are too small right now and would have high expense ratio which will reduce once large fund sizes are achieved however agreed to propose to the Board that the same limits as introduced in the NBFC Regulations for Mutual Funds may be introduced for VPS as follows:

Management fee limit of VPS Sub-Fund should be

- Equity Fund should be increased from 1.5% to 2%
- Money market fund reduced to 1% from 1.5%
- Income fund should remain at 1.5%
- For cash settled gold sub fund is 1.5% and 1% deliverable gold sub- fund

The Expense ratio limit should be again same as CIS

- Equity up to 4%
- Debt up to 2.5%
- Money Market up to 2%
- Gold contract based upon 2.5% and deliverable up to 3.5%

This limit will exclude all government levies and taxes and SECP fee

- And also allow the reimbursement of 0.1% from funds in respect of accounting and valuation services.
- Shariah advisory fee should be chargeable to the VPS as allowed in CIS

### b) Review of Companies Act 2016

The Committee had initiated review of the draft Companies Act 2015 shared by the SECP for public comments however the same was not completed.

### c) Standardized KYC Policy

The Committee proposed a minimum standardized KYC Policy to be adopted by the mutual funds industry. The same divided the investors into three categories and defined minimum KYC standards for each category, namely:

#### 1. Low Risk (Level I)

Individuals and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile as per KYC form may be categorized as low risk.

## 2. Medium Risk (Level II):

Customers those who are likely to pose a higher than average risk to AMC may be categorized as medium or high risk depending on customers background, nature and location of activity, country of origin, sources of funds etc

## 3. High Risk (Level III):

The sales staff / distributor / facilitator may apply enhanced due diligence measures based on the risk assessment, there by requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources for funds are not clear.

### **d) Review of Draft NCCPL Rules and working papers of CGT collected for mutual Funds**

Pursuant to the amendments introduced in the Finance Act 2016, NCCPL has now been made the withholding agent for Capital Gains Tax (CGT) for mutual funds as well. This would enable the unit holders of mutual funds to get benefit from netting with the capital market transactions. In this regards the Committee reviewed in detail the draft working paper outlining the operational flow of information between NCCPL and AMCs with regards to the withholding of CGT at the time of redemption and draft Rules shared by NCCPL along with the comments received from the members on the same. The Committee finalized the comments and shared the same with the Board.

### **e) Comments on draft requirement for Active Allocation plans Offered under Collective Investment Scheme**

The Committee reviewed the draft shared by SECP on the Active Asset Allocation Plans (AAAP) offered under Collective Investment Schemes. The main observations were that capping of number of AAAP under Fund of Funds (FOF) or Asset Allocation funds (AAF) to five would result in unreasonable delays in relation to launch of new plans that otherwise could be expeditiously attached to an existing FOF or AAF. By placing a limit would also result in higher expenses due to extensive documentation besides number of approvals separately required from Commission and other Regulatory authorities to launch new Fund with proposed allocation plan. Furthermore placing cumulative exposure limit of 20% in a single underlying equity CIS would negatively impact AAAP as FOF/AAF would be compelled to reduce exposure from well performing underlying existing equity CIS thus translating subsequently into lower returns earned by the respective FOF/AAF by virtue of 20% aggregate exposure limit. Frequent redemptions due to this condition would also keep Fund Manager of underlying equity CIS uncertain to allocate surplus cash in equity stocks in case if such underlying CIS has more FOF/AAF investors. This would also indirectly compromise the interest of unit holders of the underlying equity CIS. Proposed limit of 20% would clip the flexibility of taking further exposure into single underlying Equity CIS consequently resulting in further shrinkage of multiplier being used by CPPI based Scheme(s). Presently, the Commission already prescribed the multiplier band to be maintained by such scheme(s) from compliance perspective. The Committee recommended to the Board to recommend to SECP that there was no benefit of introducing such a circular and the same should not be introduced.

### **f) Peer Group Index Methodology**

The Committee initiated work on developing a peer group index for money market category. The same is in development stage.



# Technical Committee – Shariah Committee

(1 Meeting Held In The Year October 1, 2015 – September 30, 2016)

Member	Meetings Attended	Member	Meetings Attended
Mr. Muhammad Shoaib (Chairman)	1 of 1	Ms. Mashmooma Z. Majeed	1 of 1
Mr. Yasir Qadri	1 of 1	Mr. Mansoor Bux	1 of 1
Mr. Muhammad Asim	0 of 1	Mr. Shoaib Umar Farooq	1 of 1
Ms. Maleeha Bangash	1 of 1		

## TERMS OF REFERENCE

- To view the concerns, obstacles and challenges and new development facing the Shariah Compliant (Islamic) Mutual Funds in Pakistan;
- Periodic and ad hoc review of standardized trust deed and offering document (at least Annual);
- To discuss the challenges faced by any Shariah compliant Mutual funds scheme or Shariah Compliant Asset Management Company;
- Committee shall include matters related to Product Development, Investment, Marketing, Operations and any other aspect of business having relevance from Shariah perspective as is relates to such Mutual Funds;
- To reach consensus across Managers of Shariah Compliant Mutual Funds, with a view to reach standardization of practice; To work towards standardization of code of conduct and practice for Shariah Compliant (Islamic) Mutual Funds in all areas including constitutive documents, SOPs etc.

## ACTIVITIES' REPORT

The Committee discussed the following three main areas where issues were being faced by Shariah compliant funds:

### a) Drafting of Standardized constitutive documents for Shariah compliant funds in agreement by the Shariah advisors (including the newly created Islamic finance division of SECP):

The Committee discussed that MUFAP and CDC with SECP approval had drafted the standardized constitutive documents which are being used by all new mutual funds however the Shariah advisor have concerns in the standardized document that they were drafted without input from Islamic scholars and tend to introduce amendments in same which delay the process. The committee therefore decided to draft the standardized consecutive documents for Shariah compliant funds in consultation with Shariah Advisors and trustees and same shall be approved with SECP after input from SECP's Islamic finance division, so that process of approval of documents becomes easy and efficient going forward.

### b) Fixed Income/ Money Market Funds:

The Committee discussed that there are few issues with respect to fixed income funds which have been taken up to SECP from time to time and recently SECP suggested taking up these matters together in one document so the Committee recommended to the Board to send the following recommendations to SECP as follows:

- In the definition of cash and cash equivalent T-bills are mentioned however Sukuks are not mentioned for which our recommendation is that Sukuks should be included in cash and cash equivalent and the maturity time should be increased from 90 days to 180 days.
- There is requirement for Shariah compliant sovereign funds to maintain minimum investment in government securities of 70% which due to lack of new auctions for Ijarah Sukuks in the recent past led the fund managers with a dilemma of replacing their maturing stock of Ijarah with existing Ijarah of inflated prices in order to meet the 70% Ijarah Sukuks minimum requirement. It was proposed to recommend to SECP to reduce the minimum requirement to 51%.
- The Committee also proposed to the Board that the exposure limit for Shariah Money Market Funds of 15% limit on investment with a single bank is stringent and should be relaxed. Similarly the maximum exposure limit for Shariah compliant pension scheme should be reviewed with the purpose of relaxing exposure limit for a single bank (currently 10% for debt sub fund and 20% for money market sub fund) committee recommended enhancing the limit to 20% as well.
- The Committee discussed that Mutual Funds are restricted from participating in Bai Muajjal transaction carried out by SBP/GOP which results in them having less avenues to invest in. The Committee recommended to the Board to propose to SECP to take up this matter with SBP.

### c) Shariah Compliant Voluntary Pension Scheme

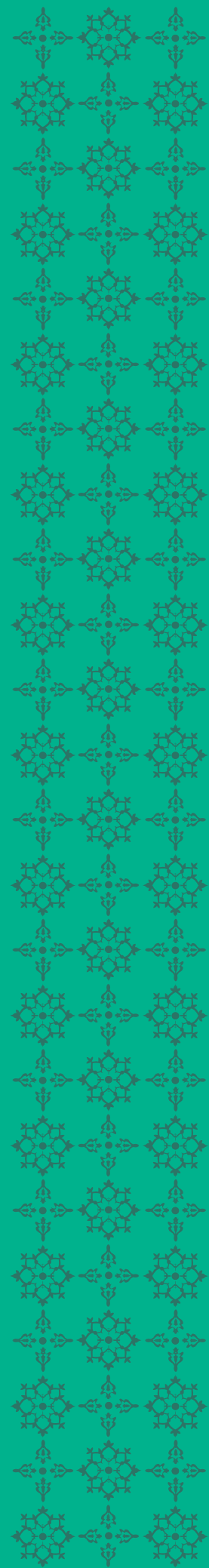
#### Restriction on participation by Sub-Fund, if lead arranger is related party:

Any issue of corporate Debt where the related party is arranger, advisor or underwriter, then VPS fund is not allowed to participate in such an issue for six month from date of issue. The Debt Sub Fund and Money Market Sub Fund of VPS are therefore not able to participate in the IPO's. The Committee proposed that if the related party is an advisor or arranger then VPS sub funds should be allowed to participate in public offering. The restriction for underwriter should remain as there could be potential conflict of interest. The Committee proposed that this restriction should be relaxed for Shariah compliant as well as conventional Sub Funds.





# Articles





## *Growth in Stock Market Capitalization and Mutual Funds' Assets*

*M. Habib ur Rahman*

*Atlas Asset Management Limited*

Chairman Securities and Exchange Commission of Pakistan (SECP) has very rightly stated that “a vibrant and robust capital market has a pivotal role in the economic growth and development of a country.” The SECP has undertaken a series of reforms for “development of equity, derivatives, debt, commodities markets and measures for improving governance, risk management, efficiency and transparency in capital market operations.”

Though Pakistan Stock Exchange (PSX) is among the best performing stock exchanges, its contribution to economy is very low. This is evident from the PSX's low market capitalization and small number of new listings every year. Level of domestic savings is the key to the development and growth of capital markets; foreign investors only play a supplementary role. Unfortunately most of the policies in Pakistan are not designed to promote long term domestic savings.

### **Size of Country's Capital Markets strongly correlated with size of the Mutual Funds' Assets:**

There is strong evidence that countries with large stock market capitalization to GDP ratio also have large long term mutual funds (including pension funds) assets to GDP ratio. A prerequisite to the growth of mutual funds industry is the level of domestic savings and access to supply of tradeable stocks and bonds. Globally both the size of long term mutual funds' assets and listing on the stock exchanges have increased supplementing each other. The size of the global mutual funds' assets have increased from \$4 trillion in 1993 to \$28.9 trillion in 2013. Some countries, like Chile, experienced a very sharp increase. This large and unusual growth that was more than three hundred per cent over the 2002 – 2012 period, happened as Chile liberalized the number of investment options open to its pension funds. Comparing it with listings, there were 23,000 stocks listed world-wide in 1990 that increased to 40,000 in 2012. Active participation of mutual funds in the capital markets provides the markets with much needed liquidity. This also helps in price discovery. If securities are traded infrequently, which is the definition of illiquid market, valuation will become very challenging.

### **Ratio of Locally Domiciled Fund Industry Assets to GDP:**

US investors over the last few decades shifted away from direct investment in securities to investment through mutual funds. In past two decades the shift was over \$6.5 trillion. In Europe similar shift has been noted. The European Central Bank has reported that households have increasingly favored investment through mutual funds rather than direct investment. As per 2012 data, long term fund assets as a percentage of GDP amounted to 64% in USA, 45% in developed Europe and 86% in Australia. In contrast it was 4.8% in Mexico, 4.7% in India, 4.4% in Poland and 4.2% in China. In Pakistan the ratio of long term fund industry (i.e. excluding money market funds) assets to GDP was 1.11% in 2012. This ratio has improved to 1.44% in 2016. If we compare Pakistan Stock Market Capitalization to GDP ratio in the same period it has improved from 17.55% to 25.64%.

### **Growth of Long Term Mutual Fund:**

In past two decades mutual funds have shown strong growth. The mutual funds growth also has correlation with capital markets growth. As stated above stock market capitalization has also increased during the above period. Several factors lead to growth in Global Mutual Funds' assets.

- Greater household demand for diversified professionally managed investment product.
- Household sector has switched from direct investment to investment through mutual funds
- Strong Mutual Funds and Capital Market Regulations
- Availability of Deep and Liquid Capital Markets
- Efficient capital markets
- Superior returns
- Pass-through tax status that avoided double taxation
- Tax deferral in many jurisdictions allowing for capital accumulation
- Economic development
- Defined Contribution pension plans allowing participants to invest in mutual funds

As the economy grows all type of financial intermediaries grow, but mutual funds being a superior product tends to grow faster. These factors could in next fifty years lead to substantial increase in mutual funds' assets. The growth of mutual funds and pension funds could lead to improvement in savings rate and deployment of these savings in the economy in a most efficient manner. Mutual funds will be better able to meet potential demand if countries have appropriate regulatory frame work, robust capital markets and individual account-based contributory pension plan. As per 2013 Q3 figures, out of total \$28.9 trillion mutual funds' assets 43% are invested in Equity, 25% in Bond, 12% in Mixed, 16% in Money Market and 4% in other categories. In Chile, following the consolidation of the fully funded private pension system introduced in 1981, the housing financing was able to take off decisively.

### Measures Needed for Growth of Capital Markets in Pakistan:

Pakistan has a robust capital market infra-structure and adequate regulatory frame work. Pakistan Stock Exchange is also amongst the best performing stock exchanges in the world. Still the capital market capitalization and mutual funds' asset to GDP ratios are low. For growth of the capital markets, Pakistan needs to promote domestic savings; foreign investors can only supplement the growth.

**Stock Market Capitalization:** The policy objective should be to increase quality new listing of equity securities. Government should encourage new listing as well as increase in market float. A 5% tax rebate for listed companies which meets minimum market float of 40% of paid up capital will encourage companies to be listed on stock exchange. Secondly the Government should encourage bonus shares as it increases the supply of shares in the market. Issue of bonus shares is splitting of shares and not the distribution of income in the hands of shareholders, therefore there should not be tax on bonus issue. A small tax rebate can always be justified for listed companies, being required to follow code of corporate governance and disclosure requirements prescribed by the SECP and are less prone to tax evasion. Development of corporate debt market should also be encouraged. Government may also consider issuing of infra-structure bonds (related to specific project) or municipal bonds. These may be rated instruments. Institutions issuing such bonds should adhere to a properly laid code of corporate governance that may be prescribed by SECP.

**Mutual Fund Assets:** There is a correlation in the growth in mutual funds' assets and stock market capitalization. As stated above mutual funds' assets as percentage of GDP is very low. There is tremendous opportunity for growth, if right policies are put in place.



**Assets under Retirement Savings Schemes:** Information about assets of retirement funds of some of the selected countries are given as under:

Countries	US\$ in billions
USA	21,779
UK	3,204
Japan	2,746
Canada	1,525
Australia	1,484
Netherland	1,378
Germany	427
France	151
India	94
Pakistan	101 million

*\*Source: Willis Towers Watson - Global Pension Assets Study Report 2016*  
*Pakistan Data from Organization for Economic Co-operation and Development (OECD)*

The above data pertains to 2015, but Pakistan's figure is of 2014. Further, Pakistan overall data is not available, as many entities that are not listed on the stock exchange are probably not covered in this data. Low assets in Pakistan are due to lack of pension cover and unfunded schemes on pay as you go basis. Except for Voluntary Pension Schemes (VPS) which is regulated by SECP, this sector is unregulated and governed under Companies Ordinance and related Rules by SECP and Income Tax Rules. These laws are not comprehensive and loosely drafted to cover a few areas of management of occupational retirement schemes. A program to regulate occupational retirement schemes by SECP was shelved after the eighteen amendment in constitution that has made occupational retirement schemes a provincial subject. A revisit to the constitutional amendment and practical difficulties is necessary. In most jurisdictions, pension regulation is a federal subject. In Pakistan too management of retirement should be regulated at federal level by either SECP, State Bank or a new regulatory body, set up for regulating occupational retirement funds. State Bank with its outreach may have advantage over other regulators in regulating the occupational retirement schemes. Reforms in this sector are urgently needed to improve the governance, to increase the size of assets under management and to increase the number of persons under pension cover. Unfunded schemes in the private sector should be funded, whereas for Government a time line should be drawn during which funding level should be gradually increased.

**Taxation Issues:** Taxation of mutual funds is more complex than for stocks, because mutual funds are **pass-through entities** — the mutual fund does not pay income taxes/ capital gains tax on its income/ transactions; instead, the tax consequences of the transactions are passed through to the investors. The investor will typically receive the cash dividend on its investment on which Trustee has deducted the income tax. Investor can also redeem his/ her investment and realize a gain or loss on the transaction. In case of gain, the Trustee will deduct capital gains tax and pay the net amount to the Investors. There is a withholding tax system in place that requires Trustee to deduct tax that is due from unit holders before payment is made. The Pakistan Tax law requires the mutual fund to distribute at least ninety percent of its income, excluding capital gains. Income of VPS is not subject to income tax/ capital gains tax. In connection with income tax laws and based on recent experience with tax administration, following suggestions are proposed.

- For clarity and ease in administration, Income tax provisions relating to investment in mutual funds, REIT and VPS may be covered under separate schedules to the Income Tax Ordinance.
- For long term mutual funds (i.e. excluding money market funds), it is proposed that there should be no requirement for distribution. This will help accumulation of capital. However, as and when the mutual funds are redeemed these may be subjected to capital gains tax.
- The limit for four years holding period for capital gains may be removed for mutual funds as well as securities traded on the stock exchange.



- The capital gains may be calculated on average cost, rather than FIFO method for mutual funds as well as securities traded on stock exchange, as averaging gives a true reflection of cost.
- Tax credit on new investment in securities should be on long term basis and not for two years. It is imperative that investors should be encouraged to save during the working life and build capital assets and not for just two years.
- For VPS, instead of Government allowing tax credit on investment, the Government may allow at certain fixed rate top-up to acquire additional investment in units. This will help to mobilize investment in VPS from overseas Pakistanis also who are not tax payers in Pakistan and do not avail tax credit. The Government may either pay the amount of top-up in VPS in the same year or issue five years bonds in favor of VPS, bearing mark-up at market rate. This practice has been very successful in many countries and introduced in 2016 in slight modified form in UK.

#### Summary:

- There is a correlation between stock market capitalization and mutual funds' assets.
- If we want to increase the size of the capital market, we should promote national savings. Reliance on foreign investment should be only to the extent that it can supplement.
- Pakistan's Capital Market Capitalization to GDP ratio and Mutual Funds' Assets to GDP ratio is low.
- There should be tax incentive for new listings and for companies maintaining 40% minimum free float.
- Government may promote debt market. Corporate, Infra-structure projects and municipal authorities may be allowed to issue debt securities/ bonds; these must be rated instruments. SECP may prescribe code of corporate governance for all entities offering debt securities at stock exchange.
- Bonus shares are not income and as such should not be taxed. Government may encourage bonus issue as they increase market free float.
- There should be separate schedules in the Income Tax Ordinance to cover provisions for investment in Mutual Funds, REIT and VPS.
- For long term mutual funds (other than money market funds) there should be no requirement for distribution. However, there should be capital gains on redemption.
- Four years holding period for capital gains may be removed. Capital gains should be worked out by applying average cost of securities.
- Tax credit on new investment in securities should be on long term basis. It is imperative that investors should be encouraged to save during the working life and build capital assets.
- Pakistan must promote retirement savings. The Regulation to govern and regulate occupational retirement savings should be a Federal subject, rather than provincial.
- Private sector unfunded retirement schemes should be funded as soon as possible. Government entities may also fund the retirement schemes over a period of time. During this period funding level may be gradually increased.
- For VPS, instead of tax credit, Government may top up at certain fixed rate. This amount may be utilized to buy additional units in VPS.

*Source of data:*

- ICI Global
- *Housing Finance in Chile: Primary and Secondary Mortgage Financing by Claudio A. Pardo*





## *VPS – Challenges and Way Forward*

*Let the excitement begin-Happy Retirement*  
*Humaira Sardar Ali*

This is true for individuals who retire in welfare states having social security plan and a monthly retirement income. Countries where social security plans are not State's primary responsibility, the retirement planning becomes food for thought for individuals and private pension planning paves its way. Regrettably, Pakistan is one such State.

Considering the absence of a robust social security plan maintained by the State and curtailment of pension plans offered by employers, the private pension plan was introduced in 2005 under the Voluntary Pension System Rules, 2005 (VPS).

VPS is similar to the successful Chile Pension Model based on defined contribution fully funded individualized capital account except for VPS being the voluntary pension scheme. Chile Model was a success and was adopted mutatis mutandis across the globe. Due to the reforms in Chile's social security system, that state managed to reach 62% of pension fund assets to GDP ratio up to 2012, evidencing huge success.

Despite adopting a successful pension model and AUMs reaching up to 13 billion in 8 years at an average growth rate of 56.6% exhibiting a phenomenal growth given the financial and economic instability within the country, the VPS is still in its introduction phase. Features like flexible contribution, tax credits, asset allocation, choice of conventional and Shariah compliant investments, portability benefits on withdrawal after retirement, performance benchmarking and transparency in reporting return and performance are not offered by any other competing options like Provident Fund (PF), Gratuity Fund (GF) and Employee Old-Age Benefit Institution (EOBI).

On comparison drawn amongst Provident Fund (PF), Employee Old-Age Benefit Institution (EOBI), and Voluntary Pension Scheme the observations are:

- PF/GF/EOBI is restricted to employment whereas VPS is not
- Transparency in reporting and operating is available by VPS
- No choice of selecting investment allocation is available for OSS/EOBI but is available for VPS
- No transfer of investments allowed except for VPS
- No monthly payment on retirement except for EOBI and choice of annuity purchase /monthly income payment plan in VPS.
- Tax free withdrawals allowed only in PF prior to retirement
- Performance measurement / monitoring against benchmarking is available only in VPS
- Tax credits are available only in VPS, though applicable for every participant, effective only salaried class is taking benefit of it as self-employed are taxed under Presumptive tax regime.
- Tax free withdrawals are in PF only

The possible causes for growth limitations faced by VPS are:

1. The product features as compared to other retirement benefits
2. Perception of VPS being expensive amongst other retirement benefits
3. Product visibility and awareness of retirement planning

As Norman Vincent Peale said "Every problem contains the seed of its own solution". Accordingly, there are possible solutions which could help in diminution of the growth limitations. Taking into consideration that VPS being a pension plan spans over long term, the solutions vary from short term to long term. The amendments below are based on short term.



## PRODUCT:

Since it's a retirement plan for all, be it unemployed, employed and self-employed, the recommendation in product features is:

1. **Contribution:** Should be flexible and monthly, subject to tax credit, however unemployed and self-employed are the ones who are unable to avail any tax credits for no income and income taxed under presumptive tax regime respectively. For, unemployed-no recommendations are proposed however for self-employed, the tax credit available under section 63 which is nullified by section 169 of the Ordinance, could be given tax credit in the form of cash, investing on their behalf in the fund. This cash back tax credit facility is introduced in the form of bonus by UK Government to save GBP 4,000 per year for home purchase or retirement.
2. **Withdrawal / Pledge facility:** As available in other retirement plans across the world, withdrawals are allowed, however considering the contributing, savings and income replacement rate of Pakistan, withdrawals should be allowed for basic reasons like home purchase, self-education expenses under hardship restriction allowance. No withdrawal to be allowed however pledge or lien be allowed up to 50% of the accumulated balance.

## PLACE:

On December 18, 2013, a dedicated website was launched at URL [www.pensionfunds.com.pk](http://www.pensionfunds.com.pk) to promote VPS. The website should serve as HUB for all the VPS participants. Place for active members, online statement, registration, making contribution, employers making contributions, receiving income, withdrawal and all in all online account availability should be ensured irrespective of the pension fund manager. The concept is replication of teacher's pension website in UK [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk). News letter and major amendments affecting contributors/participants should be delivered update them with the laws. The real time performance summary should also be available on the website.

## PRICE:

Since VPS has been held responsible for its expenses like management fee, annual fee and sales load etc. but mitigated by better returns as compared to other retirement schemes, there is an option of converting from active management of funds to passive management of funds under index funds. Research paper 'The Arithmetic of "All-In Investment" Expenses' published by John C. Bogle in Financial Analysts Journal, 2014 showed that funds invested under index funds have low cost and helped in earning extra wealth of 65% for retirement plan investors. The numbers for Pakistani market would be different however the result would be similar. To decrease the cost, this could be an option.

## PROMOTION:

Since inception of VPS, joint efforts by AMCs have been made in collaboration with Federation of Pakistan Chambers of Commerce and Industry (FPCCI), Overseas Investors Chamber of Commerce and Industry (OICCI) and Central Depository Company of Pakistan Limited (CDC) to develop the awareness of retirement planning with VPS. The very first effort was made by MUFAP in collaboration with FPCCI and CDC with a seminar 'Mutual funds and VPS – An efficient way to save' held on February 3, 2012. All the members, industrialists and businessmen were invited and emphasis was placed on planning post retirement life to avoid financial problems.

Another, public awareness seminar was conducted by MUFAP and OICCI on June 3, 2013. The presentation on need for retirement plan was followed by panel discussion and question and answer session. The panelists identified the need of moving from defined benefit plan to defined contribution plan and advantages of VPS over PF such as individualized asset allocation, portability, tax advantages and an in built insurance wrap.



A website was also launched at URL [www.pensionfunds.com.pk](http://www.pensionfunds.com.pk) on December 18, 2013 to promote VPS.

These marketing efforts were effective as evident from the increase in number of participants and tremendous growth, however considerable efforts are still required to make this product visible in the market.

As highlighted in Statistics published in MUFAP's Yearbook 2015, the major contributors of VPS in terms of number of investors are in age group 30-40 years, the graduate and post graduate schools, be it finance or any other discipline, will be a good source for the awareness, financial literacy and would have a trickledown effect in changing the mind set for retirement planning.

Sessions with large corporations should be arranged to increase awareness amongst working class or employed individuals.

A drip and burst marketing campaign would help out in awareness for the plan, considering that it's a retail product. The plan should begin with a compelling message of 'Retire from work not from life'.

**Overall Plan:** Compel people To RETIRE FROM WORK NOT FROM LIFE

**Stakeholders:** All PFMs and MUFAP

**Product/Service:** VPS – a simple tax financed retirement plan

**Target Market:** Employers, employees, post graduate students, self-employed people.

**Distribution / delivery channels:** AMCs, distributors, banks, pension website, employers, active contributors

**Marketing activities:** Advertising, publications, sponsorship, workshops, seminars, guest speaker sessions, internal marketing, active contributors.

The short term amendments would have an effect in the growth of the plan yet it is a band aid solution when it comes to retirement planning in Pakistan. As suggested by President Roosevelt that in order to provide for the country's retirement needs, social security would need to be supplemented by personal savings accounts. Being a consumption oriented society where gross domestic saving rate is 8.96%\* the lowest in the region amongst comparable countries like India, Srilanka and Bangladesh, the only effective long term solution is to make the plan mandatory and finance the voluntary savings through tax. While doing so, factors like target market, contribution rate, income replacement rate, asset allocation, withdrawal need reconsideration. A complete new system covering the structure and its management would then be needed to implement the change.

Taking into consideration the changes in demographics, social and cultural values and the absence of social security plan in Pakistan, the need for retirement planning is crucial and important. Apart from changes in product features, cost and return, distribution and promotion, most important is the awareness not restricted to VPS but to change the psyche of the individuals to become income savvy and financially considerate while planning for retirement.

Source: 1Economic Research – Federal Reserve Bank of St. Louis

\* World Bank data 2015



# *Venturing into retail, Household saving behavior and the role of Financial Literacy*

*Rida Jiwani*  
*Primus Asset Management Limited*



Financial literacy, in simpler terms is learning the art of managing your finances. Every household faces these challenges largely due to the lack of knowledge on how to manage one's personal expenses and reduce liabilities. Individuals are confronted with ever more complex financial decisions such as anticipation of future income, keeping track of your assets, setting short, medium and long term financial goals, steering clear from unwanted debt and planning for retirement. Understanding the key factors of financial planning is the beginning of one's journey into financial freedom but becoming financially literate does not happen overnight! The most important step is the realization of one's attitudes about money and taking responsibility of changing the financial situation one is in. The path to financial wellness is not to be achieved by reading a book or following a HOW TO guide of financial freedom, it is to be acquired by education and through your own experiences.

An individual must undertake the role of being a financial planner/CFO of the house. Deployment of savings into long term beneficial avenues which can combat the ongoing inflation in the country and understanding stock market are the first few steps taken after the audit of expenses has begun at home.

As we all know that saving is vital to any country's economic health, both at the household and national levels. For households, saving builds resilience against recession and unforeseen circumstances and creates wealth that can ensure citizens an adequate income upon retirement. A bank, under the net of security not only robs the investment's potential to grow beyond the inflation number in the country, but also limits your options to obtain higher returns and a secure future. Therefore, the need of making smart investment choice arises which comes from understanding markets and trends.

For any nation, saving provides a vital engine for long-term economic prosperity and stability. It is said, that the savings behavior adopted by any economy is the key determinant of whether it is to be classified as a developed or a developing economy. A developed economy has a lower cost of living, which enables households to save a higher portion of their income. On the other hand, a developing economy offers low average income and higher cost of living which restricts the amount a household can save. By being smart about your investments, individuals will also be more likely to save and to encourage the financial system to develop products that truly respond to their needs, and that should have positive effects on both individual's wealth and economic growth of the country.

Incidentally, developed nations have witnessed increased numbers in household savings; whereas Pakistan's saving rate has further declined this year to 12% of the GDP from 15% last year. Many factors such as the scarcity of basic education, the desire to have a high standard of living, religious beliefs, lack of understanding of investment options such as Mutual Funds and failure to plan for retirement have greatly contributed to this decline.

According to the recent survey by World Bank Group, Pakistan has around 31% of its population which is involuntarily financially excluded, and over 80% do not even have a savings account. With a huge rural population (~68%), increasing pace of urbanization in the country and growing middle class, Pakistan offers huge potential for the financial institutions endeavoring to translate higher proportions of public savings into investments. To capitalize on the opportunity, financial institutions are looking at various measures to bring the nonparticipating population under the umbrella and one such example is the branchless banking service that banks are now introducing.



Given the banks' business model, the return that account holder gets is almost always lower than the prevailing inflation rate in the country, and Banks' charge a higher rate from the borrowers, but while only a fraction of it is passed on to the depositors, pocketing the difference. The better alternative for the nonparticipating population is therefore the Mutual Funds which offer the investors an exposure to the capital markets, and provides market based returns. This also allows them to benefit from the expertise of the experienced fund managers limiting the risk of financial loss. Mutual Funds, in dictionary terms, are a collective investment scheme which pools together the money from the investors and invests further into a diverse portfolio of multiple asset classes, backed by professional management. The portfolio consists of a careful, researched selection of investments aiming for the maximum returns. It is pertinent to mention that Mutual Funds offer a variety of plans each tailored to meet the risk and return appetite of the investor. This customization is seldom offered by the banks. Mutual Fund schemes offers various products and services catering to a broader client base due to its diversified investments options and liquidity. A good Mutual Fund reflects how an industry or other sectors are doing. Mutual Funds values change on daily basis which reflects the value of the assets in the fund's portfolio. The economy is much slower moving, so that wide variations in a fund do not necessarily mean that sector is gyrating as much. However, if a Mutual Fund price declines over time, then it is a good bet that the sector it tracks is also growing more slowly.

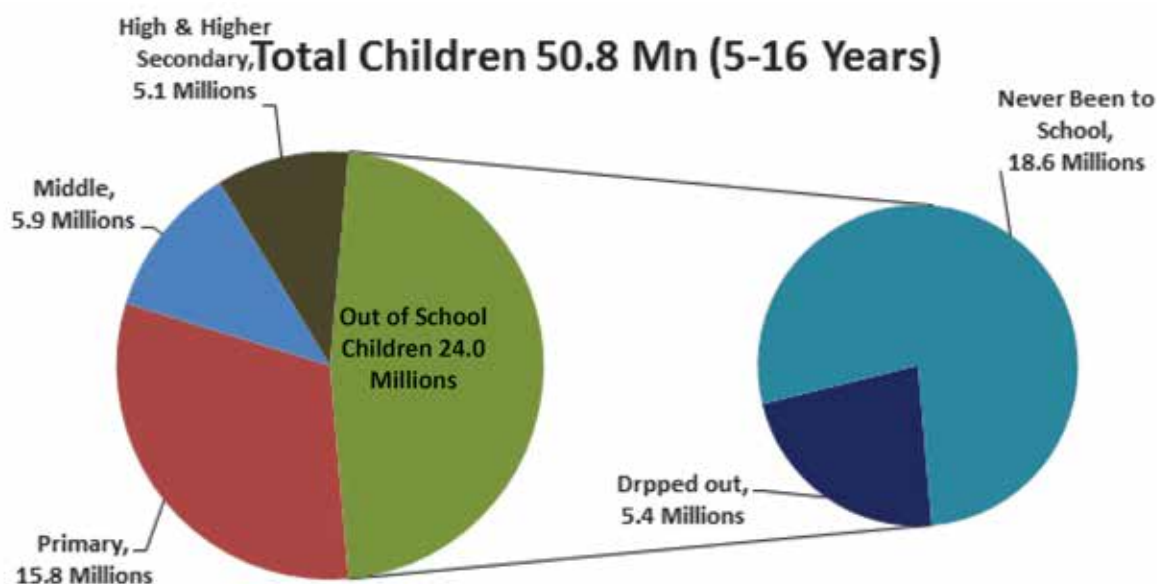
In the US and India, huge investments have been witnessed in Mutual Funds as compared to bank deposits. However, Pakistan has seen the exact opposite where preferences have been given to saving in bank accounts despite Mutual Funds out performing in most asset classes and providing inflation adjusted higher returns. The popularity of Mutual Funds in Pakistan has been inconsequential where the value of entire industry is estimated to be USD 4.3bn which is 1.6% of GDP. On the other hand, India, our immediate neighbor with much in common, where every fourth house hold feels safe to entrust their savings with Mutual Funds resulting in an industry worth of USD 184bn which is over 9% of its GDP.

Globally Mutual Funds industry has Assets under Managements AUM worth over US \$41 trillion of which USA contributes \$19 trillion or 47%. India stands at \$159 billion or aprox. 0.4%, whereas Pakistan AUM's are estimated to be \$4.6 billion which is 0.01% of the Global Mutual Fund Industry and is approximately 5% of total bank deposits of our country. Indian Mutual Funds are approximately 13% of their country's bank deposits. The global Mutual Fund industry grew by 30% in 2014 -15, while Pakistan Mutual Fund industry grew by 8% in the same period which depicts potential for growth.

According to the recent report by Bloomberg, Pakistani Stock Exchange (PSX) has gained 20% YTD making it the best performer in Asia and with Pakistan's recent induction in the MSCI index it is expected to bring in USD 475 million of inflows into our market by the middle of the next year which makes Pakistani stock market a place to be. However, despite the outperformance of PSX in the Asian markets and its potential, the total size of the equity funds managed by Pakistan's Mutual Fund Industry as at 1st qtr CY16 is USD 1.5 billion as compared to India where the total size of Equity Funds are at 49.36 billion and USA at \$9.97 trillion which amounts to more than half of their total assets under management, shows trust by the investors in high return products. Factors like the century old "Speculation" phenomena, daily highs and lows also known as volatility, weak systems and misplaced regulations, heavy taxation on investments and most importantly lack of investor education programs are collectively a hindrance in attracting new investors towards equities and in turn the growth of Mutual Funds is being affected.



of default. Consumers who attend one-on-one counseling sessions on their personal finances have lower debt and fewer delinquencies. More work is clearly needed to develop ways of measuring the success of financial education programs, and governments need to invest time and money in evaluating them.



Regulators also need to play a vital role by endorsing and sharing the benefits of investing through Mutual Funds, and help formulate investor friendly policies to assist Mutual Funds expand their reach to the masses. In addition, strong management teams, vigilant risk and audit departments to minimize risks, strong distribution channels to be able to reach maximum number of individuals are some of the areas where Mutual Fund industry itself would have to play a huge part.

We are cognizant of the fact that promoting financial literacy is a difficult and likely costly task, and more research is required to determine when and how to most efficiently invest in consumer financial literacy. It is also clear that it is necessary to enhance financial knowledge if consumers are to do a better job navigating the complexities of the modern financial environment. Saving for retirement is becoming more challenging but also more critical for younger consumers, requiring ever-greater levels of financial sophistication. To incentivize and encourage savings, government introduced many product like VPS, combined with the tax benefits that can be availed by investing in these schemes, a huge majority of the general public is still unaware of the advantages.

This marks an epic failure on our part.

It is thus urgent to develop, evaluate, and target effective programs to those who can put this necessary financial knowledge to work. Achieving a pro-saving, pro-growth policy set within the boundaries of a private sector system will require government, employers and financial services providers to work together and better understand the range of possible outcomes. Public policy should, at a minimum, maintain incentives at the existing levels and ideally increase them and focus on households facing large savings gap.

Increased household savings not only gives families greater financial security, but helps the national economy create sustainable prosperity for its people.

*\*Reference to USA Study: <http://www.oecd.org/finance/financial-education/37087833.pdf>*



## *"Markets" are important; so is "Participation"*

*Quratulain Ali*

*Mutual Funds Association of Pakistan*



Modern day historian Niall Ferguson in his book: "The Ascent of Money" narrates that the today's financial world has been the result of four millennia of economic evolution. Money – the crystallized relationship between debtor and creditor – caused the establishment of banks, clearing houses for ever larger aggregation of borrowing and lending. From the thirteenth century onwards, government bonds introduced the securitization of streams of interest payments; while bond markets revealed the benefits of regulated public markets for trading and pricing securities. From the seventeenth century, equity incorporations could be bought and sold in similar ways. From the eighteenth century, insurance funds and then pension funds introduced economies of scale and the laws of averages to provide financial protection against calculable risk. From the nineteenth century, futures and options offered more specialized and sophisticated instruments: the first derivatives. And from the twentieth century, households were encouraged to increase leverage and skew their portfolios in favor of real estate.

The detailed accounts of historical facts, given in that book, demonstrates that economies that combined all these institutional innovations – banks, bond markets, stock markets, insurance and property-owning democracy – performed better over the long run than those that did not, because financial intermediation generally permits more efficient allocation of resources than, say, feudal or central planning. For this reason it is not wholly surprising that the Western financial model spread around the world, first in the guise of imperialism, then in the guise of globalization. From ancient civilization to present day modern economies, in short, the rise of money has been the driving force behind human progress: a complex process of innovation, intermediation and integration that has been as vital as the advance of science or the spread of law in mankind's escape from the backwardness. In the words of former Federal Reserve Governor Frederic Mushin, "the financial system is the brain of economy.....It acts as a coordination mechanism that allocates capital, the life blood of economic activity, to its most productive uses by businesses and households. If the capital goes to the wrong uses or does not flow at all, the economy will operate inefficiently, and ultimately economic growth will be low."

Pakistan is not at all alien to these financial institutions. Let's scrutinize the state of affairs of these important financial institutions in the light of the recent assessment by the Securities and Exchange Commission of Pakistan (SECP) as provided in the Capital Market Development Plan (2016-18) issued in June 2016. The Plan has commented on collective national savings trait and performance of these institutions as under:

**Savings Culture:** The capital market is still not a popular mode of investment amongst the general public, due to which the market is not performing at the optimal level. The biggest challenge in this regard is increasing investor awareness, easy access, nationwide participation, and building investor confidence. The culture of savings and investment has not been promoted nationwide in the past. The past five years' average savings rate as a percentage of GDP in Pakistan was relatively low, i.e. 13.92% as compared to 31.9% for India, 29.7% for Bangladesh and 24.5% for Sri Lanka.

**Banks and Non-Banking Financial Institutions:** Vibrant and stable financial sector and capital markets play a critical role in the economic growth of a country. This, however, is only possible in the wake of a wide range of savings and investment products being available to meet the risk appetite of investors and the funding needs of borrowers. Unfortunately, this is not the case in Pakistan where the banking and non-banking financial sectors have not performed up-to the mark on this account. Even the banking sector despite having dominant position and privatization has not come up with major innovative products to



adequately meet requirements of both depositors and borrowers at the grass root level. Investment in government paper continues to dominate the overall balance sheet of the banking sector while credit to private sector is limited to well-established corporate houses, leaving a large segment of small and medium size enterprises (SMEs) starved of funding.

The Plan highlights that the non-banking financial sector, second to banks in importance, also presents a bleak picture, not only in terms of financial assets, but also with regard to participation and outreach to the general public. The figures for the non-bank financial market participants provided in the Plan depict a tremendous need to increase awareness and outreach. In the stock market, there are only around 250,000 investors, which is around 0.125% of the total population, a vast majority of whom are based in the three large cities, while asset management companies and stockbrokers have limited presence in few major cities. With over 60% of the population living in the rural and semi-urban areas, the capital markets have negligible outreach there and even in the urban centers it is limited to the principal cities of Karachi, Lahore and Islamabad.

**Stock Market:** Despite being one of the best performing markets of the world for many years, the Pakistani capital markets as compared to other markets has a very small investor base. The capital markets will remain underdeveloped as long as the savings rate remains low. Also, the bulk of savings are drawn away by the Government and banks, the former carrying a “risk-free” status, while the latter primarily being used for payments, as depicted by the fact that total deposits over one year amounted to only 10.66 % of the total deposits with the banks, as of June 2015.

**Debt Market:** The debt market also remains largely inactive and underdeveloped, unlike other jurisdictions, because of which risk-averse investors have stayed away from the capital markets.

In the context of capital markets, the low number of investors has an adverse impact on liquidity and market efficiency. Small number of active investors leads to problems like low volumes, difficulty in fund raising by companies seeking capital, inefficient price discovery and consequently impaired investor confidence.

Following table show comparative standing of Pakistan in the league of other nations:

S.No	Particulars	Pakistan Figures	Pakistan Ranking	Top Country Name	Top Country Figures
1	Population	193 million	6th Largest	China	1,382 million
2	GDP	USD 270 bln	41st	United States	USD 17,946 bln
3	Per Capita Income	USD 5,000	131st	Qatar	USD 132,099
4	Human Development Index	0.538	147th	Norway	0.944

Low economic indicators and the lowest rankings globally may be attributed to our lack of advancement in finance. We as a nation failed to reap the benefit of financial innovations and resulting economic development. Above bleak figures, particularly Human Development Index, are an urgent call to tackle one of the great development challenges – providing decent work and livelihoods for all citizens of Pakistan; with 64 percent of its population below the age of 30, it is vital for Pakistan to invest in gainful employment for young people and ensure that the workforce adapts to the rapidly changing demands of today’s world.

Those who are at the top of the ranking have developed robust financial institutions and benefited from it. They have encouraged savings culture, mobilized savings to productive sectors and attained national prosperity. We have institutions then where are we lacking? The answer lies in lack of participation by general public due to various reasons.

Before moving forward, let’s understand the term “market participant”. Market participants include individual retail investors and institutional investors such as mutual funds, banks and insurance companies. Some studies have suggested that institutional investors generally receive higher risk-adjusted returns than retail investors.

A few decades ago, worldwide, buyers and sellers were mostly individual investors, such as wealthy businessmen, usually with long family histories to particular corporations. Over time, markets have become more "institutionalized"; buyers and sellers are largely institutions (e.g. pension funds, insurance companies, mutual funds, index funds, exchange-traded funds, hedge funds, investor groups, banks and various other financial institutions).

The rise of the institutional investor has brought with it some improvements in market operations. There has been a gradual tendency for "fixed" (and exorbitant) fees being reduced for all investors, partly from falling administration costs but also assisted by large institutions challenging brokers' oligopolistic approach to setting standardized fees.

Direct participation occurs when any of the above entities buys or sells securities on its own behalf on an exchange. Indirect participation occurs when an institutional investor exchanges a stock on behalf of an individual or household. Indirect investment occurs in the form of pooled investment accounts (mutual funds), retirement accounts, and other managed financial accounts.

The historical trends in developed economies depicts that the direct ownership of stock by households rose slightly or remained flat during last few decades. However, indirect participation in the form of retirement accounts (equivalent of Voluntary Pension Schemes in Pakistan) rose significantly during the same period. The differential growth in direct and indirect holdings can also be attributed to differences in the way each are taxed. Investments in pension funds and other investment vehicles such as mutual funds, the two most common vehicles of indirect participation, are mostly taxed only when funds are withdrawn from the accounts; dividends are taxed but at lower rates. Conversely, the money used to directly purchase stock is subject to taxation as are any dividends or capital gains they generate for the holder. In this way the current tax regimes in majority of the jurisdictions including Pakistan incentivizes households to invest indirectly at greater rates.

The vibrant financial institutions are key to economic progress and prosperity. Also mere existence of these institutions does not guarantee development; participation is important. The recent successful participation has been led by institutional investors such as mutual funds or pension funds etc. If the goal is to achieve higher standard of living and prosperity then both the Regulator and the leaders of mutual fund industry should be on same page. Only they hold the key of the door which leads us to the bounties of prosperity and respectful standings in global comparisons.

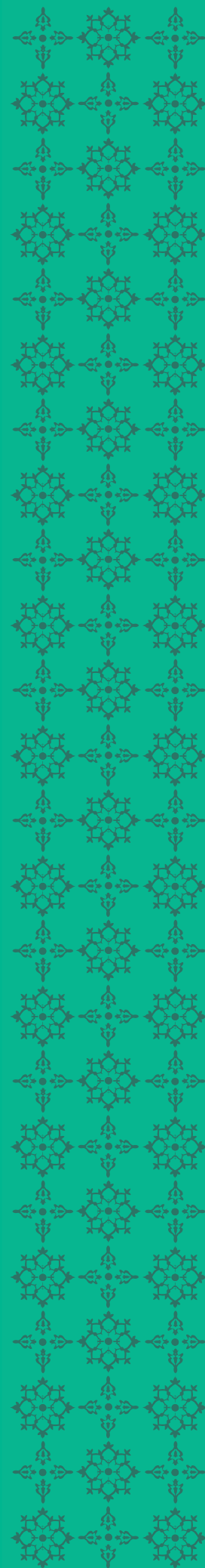
In order to meet the challenges enumerated above, a concerted effort needs to be made on several fronts, i.e. creating awareness amongst masses about capital markets; ensuring accesses to availability and outreach of capital market infrastructure institution and products; instituting legal, regulatory, structural and governance reform for the market, self regulatory organizations (SRO) and intermediaries; introducing measures to restore investor confidence through improved compliance and enforcement; and giving incentive to promote corporatization and listing, to name the most important each of these is equally important and need to be developed / introduced side by side, so that they supplement each other, and cohesively contribute to overcoming the challenges, faced by the financial sector of Pakistan in general, and the capital markets in particular.

Realizing the need to formulate a comprehensive strategy to meet the challenges faced by the Pakistan's capital markets, the SECP initiated work on formulating a capital market development plan (CMDP) outlining strategic objectives and initiatives for coming three years. The said plan broadly focuses on introduction of key structural reforms for SRO and intermediaries, revision of existing law and framing legislation for new products, measure for encouraging new listings and increasing market depth, liquidity and outreach, development of vibrant depth, derivative and commodity markets, and measure for investor awareness and protection. The plan provides participants with clarity as to the vision, the objective and initiative for the capital markets. The plan ensures that the Pakistani capital market is well position to play its effective role in supporting the overall economic growth and development objectives of the country, while being dynamic enough to meet the challenges of globalization and external competition.



# Industry Statistics

*(See Notes to Statistic in Glossary & Notes Section)*





# Performance Analysis - FY 2016

		Returns				Risk Analysis		
Fund Name	AMC Name	Return (YTD)	9 months	6 months	3 months	Annualized Standard Deviation	Risk/Return (Coefficient of Variation)	Sharpe Ratio*
Money Market								
ABL Cash Fund	ABLAMC	5.78%	8.48%	5.66%	5.84%	0.00	0.06	(1.71)
AKD Cash Fund	AKDIML	5.45%	7.83%	5.16%	5.07%	0.00	0.05	(3.40)
Alfalah GHP Cash Fund	AGIM	5.17%	7.44%	4.77%	4.59%	0.00	0.05	(4.41)
Alfalah GHP Money Market Fund (Formerly: IGI Money Market Fund)	AGIM	5.37%	7.68%	4.94%	4.71%	0.00	0.05	(3.57)
Askari Sovereign Cash Fund	AIML	5.56%	7.85%	5.19%	5.35%	0.00	0.05	(2.93)
Atlas Money Market Fund	AAML	6.02%	8.63%	5.65%	5.68%	0.00	0.06	(1.02)
Atlas Sovereign Liquid Fund	AAML	5.79%	8.25%	5.39%	5.52%	0.00	0.06	(1.64)
BMA Empress Cash Fund	BMA FUNDS	4.60%	6.30%	4.21%	4.13%	0.00	0.06	(6.24)
Faysal Money Market Fund	FAML	5.67%	8.34%	5.56%	5.69%	0.00	0.06	(2.15)
First Habib Cash Fund	HAML	5.34%	7.69%	5.01%	5.02%	0.00	0.05	(3.88)
HBL Money Market Fund	HBLAMC	5.13%	7.33%	4.74%	4.73%	0.00	0.06	(4.18)
JS Cash Fund	JSIL	5.72%	8.23%	5.48%	5.32%	0.00	0.05	(2.25)
KASB Cash Fund	KFL				Wound Up			
Lakson Money Market Fund	LI	5.60%	8.25%	5.66%	5.80%	0.00	0.05	(2.87)
MCB Cash Management Optimizer	MCBAHSIL	5.77%	8.31%	5.41%	5.50%	0.09	1.56	(0.07)
Pakistan Cash Management Fund	MCBAHSIL	5.88%	8.62%	5.61%	5.58%	0.00	0.05	(1.73)
NIT Government Treasury Fund	NIT				New Fund			
NAFA Government Securities Liquid Fund	NAFA	5.75%	8.58%	5.87%	5.65%	0.00	0.06	(1.83)
NAFA Money Market Fund	NAFA	6.34%	9.29%	6.40%	6.20%	0.00	0.06	(0.12)
PICIC Cash Fund	PICICAMC	6.07%	8.85%	5.81%	6.04%	0.00	0.07	(0.82)
PIML Daily Reserve Fund	PRIMUS	6.00%	8.65%	5.49%	5.08%	0.00	0.06	(1.10)
UBL Liquidity Plus Fund	UBLFM	5.53%	8.25%	5.60%	6.07%	0.00	0.09	(1.75)
UBL Money Market Fund (Formerly: UBL Savings Income Fund)	UBLFM	5.15%	7.52%	4.93%	5.02%	0.01	0.13	(1.84)
Income								
ABL Government Securities Fund	ABLAMC	8.02%	10.37%	7.48%	7.45%	0.01	0.17	1.20
ABL Income Fund	ABLAMC	7.19%	9.83%	6.74%	6.65%	0.01	0.15	0.75
Alfalah GHP Income Fund (Formerly: IGI Income Fund)	AGIM	7.56%	10.36%	7.37%	6.22%	0.01	0.13	1.22
Alfalah GHP Sovereign Fund	AGIM	7.42%	10.52%	7.50%	7.51%	0.01	0.12	1.12
Askari Sovereign Yield Enhancer	AIML	9.21%	11.87%	7.83%	4.73%	0.01	0.15	2.01
Atlas Income Fund	AAML	8.02%	11.23%	7.81%	8.19%	0.01	0.12	1.68
Faysal Financial Sector Opportunity Fund	FAML	7.08%	8.82%	6.32%	6.54%	0.01	0.20	0.49
Faysal MTS Fund	FAML				New Fund			
Faysal Savings Growth Fund	FAML	7.75%	9.04%	6.30%	5.33%	0.01	0.15	1.17
First Habib Income Fund	HAML	6.66%	8.01%	5.43%	5.12%	0.01	0.16	0.25
HBL Income Fund	HBLAMC	6.12%	7.45%	5.44%	4.87%	0.01	0.15	(0.30)
JS Income Fund	JSIL	6.34%	8.99%	6.23%	5.80%	0.01	0.16	(0.05)
Lakson Income Fund	LI	8.57%	10.92%	7.56%	6.62%	0.01	0.15	1.69
MCB DCF Income Fund. (Formerly: MCB Dynamic Cash Fund)	MCBAHSIL	6.23%	8.31%	5.28%	4.85%	0.01	0.12	(0.22)
MCB Pakistan Sovereign Fund (Formerly: MetroBank Pakistan Sovereign Fund)	MCBAHSIL	7.30%	9.34%	6.11%	5.53%	0.01	0.14	0.89
Pakistan Income Fund	MCBAHSIL	6.14%	7.39%	5.06%	4.34%	0.01	0.17	(0.24)
NIT - Government Bond Fund	NIT	5.78%	8.04%	5.53%	5.33%	0.01	0.11	(0.95)
NIT - Income Fund	NIT	5.87%	8.20%	5.62%	5.14%	0.01	0.10	(0.90)
NAFA Financial Sector Income Fund	NAFA	6.39%	9.07%	6.00%	5.41%	0.00	0.07	(0.01)
NAFA Government Securities Savings Fund	NAFA	6.46%	8.45%	5.83%	5.55%	0.01	0.11	0.10
NAFA Income Fund	NAFA	6.91%	9.55%	6.19%	5.46%	0.01	0.07	1.02
NAFA Income Opportunity Fund	NAFA	7.49%	10.13%	6.40%	5.87%	0.01	0.09	1.63
NAFA Saving Plus Fund	NAFA	6.27%	9.05%	6.07%	5.71%	0.00	0.05	(0.34)
Pak Oman Government Securities Fund	POAMCL	8.75%	14.41%	12.62%	11.31%	0.02	0.23	1.17
PICIC Income Fund	PICICAMC	7.85%	11.61%	8.40%	5.98%	0.07	0.90	0.21
PIML Income Fund	PRIMUS	11.70%	16.69%	12.49%	10.75%	0.02	0.14	3.24
UBL Income Opportunity Fund (UIOF) (Formerly: UBL Financial Sector Bond Fund)	UBLFM	7.69%	12.05%	9.13%	11.82%	0.01	0.18	0.92
UBL Government Securities Fund	UBLFM	8.95%	11.71%	8.66%	7.19%	0.02	0.18	1.56

\* Please refer Glossary & Notes

# Performance Analysis - FY 2016

		Returns				Risk Analysis		
Fund Name	AMC Name	Return (YTD)	9 months	6 months	3 months	Annualized Standard Deviation	Risk/Return (Coefficient of Variation)	Sharpe Ratio*
Equity								
ABL Stock Fund	ABLAMC	9.91%	14.42%	10.67%	10.12%	0.17	1.71	0.21
AKD Opportunity Fund	AKDIML	14.13%	8.42%	6.34%	12.96%	0.22	1.57	0.35
Golden Arrow Selected Stock Fund	AKDIML	9.60%	10.76%	9.95%	14.77%	0.29	3.06	0.11
Alfalah GHP Alpha Fund	AGIM	14.12%	16.53%	8.61%	8.13%	0.18	1.24	0.44
Alfalah GHP Stock Fund (Formerly: IGI Stock Fund)	AGIM	14.88%	16.42%	8.63%	8.25%	0.18	1.18	0.48
Askari Equity Fund	AIML	-5.25%	4.15%	4.04%	10.40%	0.18	(3.51)	(0.63)
Atlas Stock Market Fund	AAML	5.05%	16.19%	11.53%	9.43%	0.18	3.58	(0.07)
First Capital Mutual Fund	FCMF	6.97%	12.76%	11.64%	10.00%	0.21	3.07	0.03
First Habib Stock Fund	HAML	1.26%	9.57%	9.30%	8.10%	0.17	13.71	(0.30)
HBL Stock Fund	HBLAMC	2.47%	7.56%	6.94%	7.30%	0.18	7.25	(0.22)
JS Growth Fund	JSIL	3.88%	10.40%	4.89%	5.65%	0.16	4.07	(0.16)
JS Large Cap Fund	JSIL	4.77%	10.18%	3.75%	3.55%	0.20	4.12	(0.08)
JS Value Fund	JSIL	13.72%	17.47%	8.33%	7.86%	0.16	1.18	0.45
Crosby Dragon Fund	KFL				Wound Up			
Lakson Equity Fund	LI	10.60%	17.10%	12.19%	9.33%	0.17	1.59	0.25
MCB Pakistan Stock Market Fund	MCBAHSIL	5.25%	15.49%	7.77%	10.41%	0.18	3.36	(0.06)
(Formerly: Pakistan Stock Market Fund)								
National Investment Unit Trust	NIT	9.59%	16.84%	10.47%	10.42%	0.14	1.50	0.22
NAFA Stock Fund	NAFA	11.43%	16.92%	14.24%	11.98%	0.17	1.51	0.29
PICIC Energy Fund	PICICAMC	-2.86%	5.81%	4.52%	7.97%	0.16	(5.58)	(0.58)
PICIC Stock Fund	PICICAMC	6.71%	6.03%	6.35%	6.25%	0.17	2.55	0.02
PICIC Growth Fund	PICICAMC	3.39%	19.06%	11.40%	7.03%	0.22	6.40	(0.14)
PICIC Investment Fund	PICICAMC	4.11%	17.11%	10.26%	6.57%	0.20	4.96	(0.11)
PIML Value Equity Fund	PRIMUS	4.99%	9.36%	7.60%	4.39%	0.17	3.49	(0.08)
United Stock Advantage Fund	UBLFM	14.01%	15.87%	7.35%	9.65%	0.18	1.26	0.43
Capital Protected								
HBL Mustaheem Sarmaya Fund 1	HBLAMC	5.44%	4.43%	3.12%	1.65%	0.06	1.02	(0.17)
JS Capital Protected Fund V	JSIL				New Fund			
Pakistan Sarmaya Mehfooz Fund	MCBAHSIL	0.81%	3.66%	1.38%	2.56%	0.06	6.87	(1.00)
Fund of Funds - CPPI								
Alfalah GHP Capital Preservation Fund	AGIM	8.68%	8.47%	5.55%	4.14%	0.07	0.76	0.35
UBL Principal Protected Fund II	UBLFM				Matured			
UBL Principal Protected Fund III	UBLFM				Matured			
Aggressive Fixed Income								
AKD Aggressive Income Fund	AKDIML	9.66%	14.20%	10.90%	5.17%	0.01	0.14	2.35
(Formerly: AKD Income Fund)								
Alfalah GHP Income Multiplier Fund	AGIM	8.38%	12.11%	8.78%	8.22%	0.01	0.14	1.71
Askari High Yield Scheme	AIML	8.23%	10.81%	7.05%	4.19%	0.01	0.15	1.45
BMA Chundrigar Road Savings Fund	BMA FUNDS	11.59%	16.61%	11.06%	7.94%	0.03	0.23	1.92
Faysal Income & Growth Fund	FAML	9.41%	11.79%	9.12%	8.32%	0.02	0.17	1.91
KASB Income Opportunity Fund	KFL				Wound Up			
Pakistan Income Enhancement Fund	MCBAHSIL	8.33%	9.93%	6.55%	6.07%	0.02	0.19	1.24
United Growth & Income Fund	UBLFM	12.09%	19.97%	14.02%	12.39%	0.03	0.24	1.93
Balanced								
Faysal Balanced Growth Fund	FAML	7.39%	12.20%	-0.86%	4.66%	0.21	2.80	0.05
HBL Multi Asset Fund	HBLAMC	5.90%	8.15%	6.46%	7.17%	0.13	2.23	(0.04)
Unit Trust of Pakistan	JSIL	6.98%	9.56%	4.02%	4.33%	0.12	1.76	0.05
Pakistan Capital Market Fund	MCBAHSIL	5.17%	10.40%	7.09%	7.72%	0.12	2.27	(0.10)
NAFA Multi Asset Fund	NAFA	8.69%	11.50%	10.29%	8.49%	0.11	1.24	0.21
Primus Strategic Multi Asset Fund	PRIMUS	6.82%	9.73%	7.49%	3.76%	0.14	2.01	0.03

\* Please refer Glossary & Notes

# Performance Analysis - FY 2016

		Returns				Risk Analysis		
Fund Name	AMC Name	Return (YTD)	9 months	6 months	3 months	Annualized Standard Deviation	Risk/Return (Coefficient of Variation)	Sharpe Ratio*
Asset Allocation								
Alfalah GHP Value Fund	AGIM	18.30%	19.17%	11.58%	9.54%	0.16	0.85	0.76
Askari Asset Allocation Fund	AIML	-6.25%	0.96%	0.06%	6.56%	0.17	(2.71)	(0.74)
Faysal Asset Allocation Fund	FAML	-2.46%	3.27%	-2.66%	4.91%	0.21	(8.48)	(0.42)
JS Aggressive Asset Allocation	JSIL			Merged into JS Large Cap Fund				
KASB Asset Allocation Fund	KFL			Wound Up				
Lakson Asset Allocation Developed Markets Fund	LI	8.00%	7.60%	4.20%	1.53%	0.05	0.67	0.30
Lakson Asset Allocation Emerging Markets Fund	LI	4.42%	2.92%	2.26%	1.04%	0.01	0.19	(2.30)
Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund)	LI	6.85%	4.60%	3.54%	1.55%	0.04	0.59	0.11
MCB Pakistan Asset Allocation Fund (Formerly: MCB Dynamic Allocation Fund)	MCBAHSIL	3.21%	4.71%	3.32%	3.46%	0.06	1.82	(0.54)
MCB Pakistan Frequent Payout Fund	MCBAHSIL				New Fund			
NAFA Asset Allocation Fund	NAFA	7.61%	9.55%	8.77%	7.04%	0.11	1.43	0.11
Pak Oman Advantage Asset Allocation Fund	POAMCL	7.76%	10.60%	6.57%	4.01%	0.13	1.71	0.10
PIML Asset Allocation Fund	PRIMUS				New Fund			
UBL Asset Allocation Fund	UBLFM	12.31%	10.64%	8.18%	5.45%	0.07	0.56	0.86
Fund of Funds								
ABL Financial Planning Fund (Active Plan)	ABLAMC				New Fund			
ABL Financial Planning Fund (Conservative Plan)	ABLAMC				New Fund			
Alfalah GHP Prosperity Planning Fund (Alfalah GHP Active Allocation Plan)	AGIM				New Fund			
Alfalah GHP Prosperity Planning Fund (Alfalah GHP Conservative Allocation Plan)	AGIM				New Fund			
Alfalah GHP Prosperity Planning Fund (Alfalah GHP Moderate Allocation Plan)	AGIM				New Fund			
JS Fund of Funds	JSIL	9.08%	15.98%	8.88%	7.21%	0.15	1.67	0.18
Index Tracker								
AKD Index Tracker Fund	AKDIML	4.73%	12.17%	10.71%	10.52%	0.16	3.48	(0.10)
JS KSE 30 Index Fund	JSIL			Merged into JS Large Cap Fund				
Commodities								
Atlas Gold Fund	AAML	13.11%	16.54%	20.04%	7.22%	0.16	1.21	0.42
UBL Gold Fund	UBLFM	13.56%	16.52%	21.00%	6.37%	0.17	1.26	0.42
Shariah Compliant Money Market								
Meezan Cash Fund	ALMEEZAN	4.58%	6.67%	4.44%	4.60%	0.00	0.06	(7.13)
HBL Islamic Money Market Fund	HBLAMC	4.29%	6.11%	3.83%	3.68%	0.00	0.06	(8.77)
Al Ameen Islamic Cash Fund (Formerly: UBL Islamic Cash Fund)	UBLFM	4.81%	7.12%	4.83%	4.97%	0.00	0.05	(6.17)
Shariah Compliant Income								
ABL Islamic Income Fund (Formerly: ABL Islamic Cash Fund)	ABLAMC	5.82%	8.46%	5.34%	4.45%	0.00	0.08	(1.31)
Meezan Islamic Income Fund	ALMEEZAN	5.75%	8.35%	4.35%	3.54%	0.01	0.14	(0.83)
Meezan Sovereign Fund	ALMEEZAN	5.10%	7.94%	4.13%	4.82%	0.01	0.21	(1.18)
Alfalah GHP Islamic Income Fund (Formerly: IGI Islamic Income Fund)	AGIM	4.91%	7.60%	5.74%	4.88%	0.01	0.18	(1.67)
Askari Islamic Income Fund	AIML	5.08%	6.97%	4.14%	3.26%	0.01	0.11	(2.39)
Atlas Islamic Income Fund	AAML	4.97%	7.13%	4.66%	4.38%	0.00	0.09	(3.14)
Faysal Islamic Savings Growth Fund	FAML	5.50%	8.19%	5.95%	4.44%	0.01	0.18	(0.89)
JS Islamic Government Securities Fund	JSIL	3.66%	5.88%	4.03%	4.84%	0.01	0.28	(2.68)
MCB Islamic Income Fund	MCBAHSIL	5.05%	7.33%	4.11%	4.07%	0.01	0.17	(1.59)
NAFA Active Allocation Riba Free Savings Fund	NAFA				New Fund			
NAFA Riba Free Savings Fund	NAFA	5.52%	8.06%	5.31%	5.15%	0.00	0.06	(2.76)
Pak Oman Advantage Islamic Income Fund	POAMCL	4.37%	7.07%	6.01%	4.49%	0.01	0.18	(2.64)
PICIC Islamic Income Fund	PICICAMC	4.82%	7.02%	5.12%	4.58%	0.00	0.08	(4.14)
PIML Islamic Income Fund (Formerly: PIML Islamic Money Market Fund)	PRIMUS	6.26%	8.94%	6.41%	4.88%	0.01	0.15	(0.14)
Al Ameen Islamic Sovereign Fund (Formerly: UBL Islamic Sovereign Fund C)	UBLFM	4.35%	6.38%	4.48%	4.87%	0.01	0.16	(2.91)

\* Please refer Glossary & Notes

# Performance Analysis - FY 2016

		Returns				Risk Analysis		
Fund Name	AMC Name	Return (YTD)	9 months	6 months	3 months	Annualized Standard Deviation	Risk/Return (Coefficient of Variation)	Sharpe Ratio*
Shariah Compliant Equity								
ABL Islamic Stock Fund	ABLAMC	5.58%	9.54%	8.62%	8.03%	0.17	3.04	(0.05)
Al Meezan Mutual Fund	ALMEEZAN	15.54%	20.50%	15.19%	11.83%	0.18	1.16	0.51
Meezan Islamic Fund	ALMEEZAN	17.40%	21.85%	15.37%	12.18%	0.20	1.16	0.55
Alfalah GHP Islamic Stock Fund (Formerly: Alfalah GHP Islamic Fund)	AGIM	20.33%	22.34%	12.02%	9.25%	0.17	0.84	0.81
Atlas Islamic Stock Fund	AAML	5.73%	14.66%	11.25%	8.55%	0.18	3.14	(0.04)
HBL Islamic Stock Fund	HBLAMC	1.00%	8.63%	7.60%	7.51%	0.18	18.33	(0.29)
JS Islamic Fund	JSIL	5.88%	14.48%	9.48%	6.69%	0.18	2.99	(0.03)
MCB Pakistan Islamic Stock Fund (Formerly: Pakistan Strategic Allocation Fund)	MCBAHSIL	3.89%	13.39%	10.00%	11.03%	0.16	4.00	(0.16)
NIT Islamic Equity Fund	NIT	5.74%	10.93%	10.14%	7.84%	0.16	2.72	(0.04)
NAFA Islamic Active Allocation Equity Fund	NAFA				New Fund			
NAFA Islamic Energy Fund	NAFA				New Fund			
NAFA Islamic Stock Fund	NAFA	12.89%	16.73%	11.52%	9.50%	0.17	1.36	0.37
PICIC Islamic Stock Fund	PICICAMC	10.96%	6.73%	7.15%	5.52%	0.16	1.49	0.28
PIML Islamic Equity Fund	PRIMUS	7.30%	11.56%	9.30%	4.93%	0.19	2.56	0.05
Al Ameen Islamic Dedicated Equity Fund	UBLFM				New Fund			
Al Ameen Shariah Stock Fund (Formerly: UBL Shariah Stock Fund)	UBLFM	14.47%	18.37%	12.54%	11.31%	0.19	1.33	0.42
Shariah Compliant Capital Protected Fund								
NAFA Islamic Principal Protected Fund I	NAFA	4.18%	5.90%	4.99%	4.78%	0.16	3.84	(0.14)
NAFA Islamic Principal Protected Fund II	NAFA	3.30%	6.44%	6.22%	-1.13%	0.16	4.96	(0.19)
Shariah Compliant Fund of Funds - CPPI								
ABL Islamic Principal Preservation Fund	ABLAMC				Matured			
ABL Islamic Principal Preservation Fund II	ABLAMC				Matured			
Al Ameen Islamic Principal Preservation Fund II (Formerly: UBL Islamic Principal Preservation Fund)	UBLFM				Matured			
Al Ameen Islamic Principal Preservation Fund III	UBLFM				Matured			
Al Ameen Islamic Principal Preservation Fund IV	UBLFM	5.32%	7.55%	4.88%	4.26%	0.27	5.03	(0.04)
Al Ameen Islamic Principal Preservation Fund V	UBLFM	4.09%	3.03%	1.92%	0.97%	0.12	3.05	(0.18)
Meezan Capital Preservation Fund II	ALMEEZAN	11.26%	12.91%	9.45%	7.80%	0.11	0.96	0.45
Meezan Capital Preservation Fund III	ALMEEZAN				Matured			
Meezan Financial Planning Fund of Funds (MCPP I)	ALMEEZAN	10.49%	11.86%	8.18%	6.69%	0.11	1.09	0.36
Meezan Financial Planning Fund of Funds (MCPP II)	ALMEEZAN	6.50%	7.48%	4.89%	4.21%	0.12	1.87	0.01
NAFA Islamic Principal Preservation Fund	NAFA	3.97%	4.79%	3.08%	3.18%	0.06	1.46	(0.42)
Shariah Compliant Aggressive Fixed Income								
KASB Islamic Income Opportunity Fund	KFL				Wound Up			
NAFA Islamic Aggressive Income Fund	NAFA	7.41%	10.73%	6.70%	6.75%	0.01	0.08	1.77
Al Ameen Islamic Aggressive Income Fund (Formerly: United Islamic Income Fund Growth)	UBLFM	7.06%	11.95%	8.20%	6.19%	0.03	0.36	0.26
Shariah Compliant Balanced Fund								
Meezan Balanced Fund	ALMEEZAN	12.07%	13.54%	10.34%	7.52%	0.11	0.89	0.53
First Habib Islamic Balanced Fund	HAML	1.66%	5.16%	6.46%	5.89%	0.12	7.29	(0.39)
Shariah Compliant Asset Allocation								
Askari Islamic Asset Allocation Fund	AIML	-2.82%	5.72%	5.23%	7.33%	0.16	(5.60)	(0.58)
Meezan Asset Allocation Fund	ALMEEZAN				New Fund			
Faysal Islamic Asset Allocation Fund	FAML				New Fund			
HBL Islamic Asset Allocation Fund	HBLAMC				New Fund			
Pakistan Int'l Element Islamic Asset Allocation Fund	MCBAHSIL	5.09%	12.67%	10.14%	10.50%	0.44	8.57	(0.03)
NAFA Islamic Asset Allocation Fund	NAFA	13.10%	13.31%	10.91%	7.89%	0.12	0.90	0.57
Pak Oman Islamic Asset Allocation Fund	POAMCL	10.37%	10.31%	8.08%	3.36%	0.13	1.28	0.30
Al Ameen Islamic Asset Allocation Fund (Formerly: UBL Islamic Asset Allocation Fund)	UBLFM	9.15%	7.86%	5.23%	4.02%	0.07	0.76	0.40

\* Please refer Glossary & Notes



# Performance Analysis - FY 2016

Fund Name	AMC Name	Returns				Risk Analysis		
		Return (YTD)	9 months	6 months	3 months	Annualized Standard Deviation	Risk/Return (Coefficient of Variation)	Sharpe Ratio*

## Shariah Compliant Fund of Funds

ABL Islamic Financial Planning Fund (Active Allocation Plan)	ABLAMC					New Fund		
ABL Islamic Financial Planning Fund (Aggressive Allocation Plan)	ABLAMC					New Fund		
ABL Islamic Financial Planning Fund (Conservative Allocation Plan)	ABLAMC					New Fund		
ABL Islamic Financial Planning Fund (Strategic Allocation Plan)	ABLAMC					New Fund		
Meezan Financial Planning Fund of Funds (Aggressive)	ALMEEZAN	13.28%	16.49%	11.25%	8.87%	0.14	1.03	0.51
Meezan Financial Planning Fund of Funds (Conservative)	ALMEEZAN	8.72%	8.01%	5.15%	3.82%	0.05	0.61	0.44
Meezan Financial Planning Fund of Funds (Moderate)	ALMEEZAN	11.28%	12.21%	8.20%	6.32%	0.10	0.89	0.49
Meezan Financial Planning Fund of Funds (MAAP I)	ALMEEZAN					New Fund		
Meezan Financial Planning Fund of Funds (MAAP II)	ALMEEZAN					New Fund		
Meezan Financial Planning Fund of Funds (MAAP III)	ALMEEZAN					New Fund		
Meezan Financial Planning Fund of Funds (MAAP IV)	ALMEEZAN					New Fund		
Alfalah GHP Islamic Prosperity Planning Fund	AGIM					New Fund		
(Alfalah GHP Active Allocaton Plan)								
Alfalah GHP Islamic Prosperity Planning Fund	AGIM					New Fund		
(Alfalah GHP Balance Allocaton Plan)								
NAFA Islamic Active Allocation Plan I	NAFA					New Fund		
NAFA Islamic Active Allocation Plan II	NAFA					New Fund		
NAFA Islamic Active Allocation Plan III	NAFA					New Fund		
Al Ameen Islamic Active Allocation Plan I	UBLFM	9.55%	14.21%	9.06%	7.99%	0.17	1.77	0.19
Al Ameen Islamic Active Allocation Plan II	UBLFM					New Fund		
Al Ameen Islamic Active Allocation Plan III	UBLFM					New Fund		
Al Ameen Islamic Active Allocation Plan IV	UBLFM					New Fund		

## Shariah Compliant Index Tracker

KSE Meezan Index Fund	ALMEEZAN	13.32%	20.48%	18.08%	13.25%	0.20	1.47	0.35
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## Shariah Compliant Commodities

Meezan Gold Fund	ALMEEZAN					New Fund		
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\* Please refer Glossary & Notes



# Ten years at a Glance - Returns

Fund Name	AMC Name	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 years (or Since inception for lesser period)	5 years	3 years
<b>Money Market</b>														
ABL Cash Fund (30-07-2010)	ABL AMC	-	-	-	-	11.96%	11.22%	9.11%	8.22%	9.37%	5.78%	70.11%	51.94%	25.20%
AKD Cash Fund (20-01-2012)	AKDIML	-	-	-	-	-	10.44%	9.54%	8.77%	8.59%	5.45%	50.67%	50.67%	24.55%
Alfalsh GHP Cash Fund (12-03-2010)	AGIM	-	-	-	10.13%	11.55%	11.01%	9.06%	8.09%	8.58%	5.17%	83.59%	49.44%	23.44%
Askari Sovereign Cash Fund (18-09-2009)	AIM	-	-	-	12.05%	12.26%	11.50%	9.24%	8.11%	8.85%	5.56%	90.33%	51.31%	24.22%
Atlas Money Market Fund (20-01-2010)	AAML	-	-	-	10.16%	11.64%	11.33%	9.02%	8.29%	8.59%	6.02%	86.09%	51.32%	24.68%
Atlas Sovereign Liquid Fund (01-12-2014)	AAML	-	-	-	-	-	-	-	-	8.32%	5.79%	14.59%	N/A	N/A
BMA Empress Cash Fund (12-11-2009)	BMA Funds	-	-	-	10.26%	11.30%	11.32%	9.14%	8.47%	8.15%	4.60%	82.95%	49.08%	22.71%
Faysal Money Market Fund (13-12-2010)	FAML	-	-	-	-	11.16%	10.98%	9.06%	8.39%	8.65%	5.67%	67.43%	50.62%	24.45%
First Habib Cash Fund (10-03-2011)	HAML	-	-	-	-	11.44%	11.22%	9.03%	8.13%	8.30%	5.34%	66.70%	49.59%	23.36%
HBL Money Market Fund (12-07-2010)	HBLAML	-	-	-	-	11.96%	11.53%	9.28%	8.08%	8.77%	5.13%	68.65%	50.63%	23.59%
Alfalsh GHP Money Market Fund (Formerly: IGI Money Market Fund) (07-05-2010)	AGIM	-	-	-	10.68%	11.82%	11.82%	8.82%	8.17%	8.73%	5.37%	86.62%	50.79%	23.93%
JS Cash Fund (29-03-2010)	JSIL	-	-	-	9.47%	12.01%	11.69%	9.11%	8.26%	9.26%	5.72%	86.85%	52.39%	25.04%
KASB Cash Fund (12-08-2009)	KFL	-	-	-	9.99%	11.74%	11.59%	9.17%	8.56%	8.09%	(wound up)	-	-	-
Lakson Money Market Fund (13-11-2009)	LI	-	-	-	10.58%	11.69%	11.22%	8.76%	7.97%	8.54%	5.60%	84.88%	49.69%	23.75%
MCB Cash Management Optimizer Fund (01-10-2009)	MCBAHSIL	-	-	-	10.91%	11.65%	11.29%	9.20%	8.27%	8.79%	5.77%	87.49%	51.41%	24.58%
NAFA Government Securities Liquid Fund (16-05-2009)	NAFA	-	-	11.56%	10.53%	11.46%	10.88%	8.66%	8.12%	8.30%	5.75%	105.04%	49.18%	23.82%
NAFA Money Market Fund (24-02-2012)	NAFA	-	-	-	-	-	10.28%	9.17%	8.21%	8.91%	6.34%	50.89%	50.89%	25.33%
NIT Government Treasury Fund (22-01-2016)	NIT	-	-	-	-	-	-	-	-	-	5.03%	5.03%	N/A	N/A
Pakistan Cash Management Fund (19-03-2008)	MCBAHSIL	-	8.48%	11.95%	11.23%	13.56%	11.07%	9.06%	8.43%	8.86%	5.88%	132.25%	51.40%	24.98%
PICIC Cash Fund (14-10-2010)	PICIC AMC	-	-	-	-	11.68%	11.47%	9.07%	8.41%	10.31%	6.07%	72.24%	54.22%	26.84%
PIML Daily Reserve Fund (02-01-2013)	PRIMUS	-	-	-	-	-	-	9.87%	8.91%	9.58%	6.00%	38.99%	N/A	26.50%
UBL Liquidity Plus Fund (21-06-2009)	UBLFML	-	-	8.69%	10.52%	11.85%	11.37%	8.94%	8.08%	8.54%	5.53%	101.81%	50.20%	23.79%
UBL Money Market Fund (Formerly: UBL Savings Income Fund) (14-10-2010)	UBLFML	-	-	-	-	11.90%	12.09%	9.31%	7.79%	7.97%	5.15%	67.78%	49.93%	22.37%
<b>Income</b>														
ABL Government Securities Fund (Class B) (29-11-2011)	ABL AMC	-	-	-	-	10.68%	11.79%	9.17%	15.14%	8.02%	68.01%	68.01%	35.78%	
ABL Income Fund (20-09-2008)	ABL AMC	-	-	14.39%	10.96%	11.65%	11.71%	9.88%	8.20%	14.20%	7.19%	130.36%	62.55%	32.44%
Alfalsh GHP Income Fund (14-04-2007)	AGIM	9.67%	9.85%	6.41%	11.12%	11.32%	11.19%	12.35%	7.98%	12.26%	7.56%	158.28%	62.87%	30.38%
Alfalsh GHP Sovereign Fund (10-05-2014)	AGIM	-	-	-	-	-	-	-	8.87%	16.38%	7.42%	36.11%	N/A	36.11%
Askari Sovereign Yield Enhancer (07-05-2012)	AIM	-	-	-	-	-	10.32%	10.98%	8.82%	10.74%	9.21%	61.13%	61.13%	31.61%
Atlas Income Fund (22-03-2004)	AAML	10.23%	9.46%	6.91%	9.98%	7.24%	6.06%	9.58%	8.45%	12.19%	8.02%	132.41%	52.75%	31.43%
Faysal Financial Sector Opportunity Fund (05-07-2013)	FAML	-	-	-	-	-	-	-	9.15%	7.41%	7.08%	25.53%	N/A	25.53%
Faysal MTS Fund (11-04-2016)	FAML	-	-	-	-	-	-	-	-	-	5.98%	5.98%	N/A	N/A
Faysal Savings Growth Fund (12-05-2007)	FAML	10.22%	10.17%	13.22%	11.30%	11.05%	11.14%	8.67%	8.81%	12.81%	7.75%	171.44%	59.74%	32.26%
First Habib Income Fund (02-06-2007)	HAML	19.05%	9.30%	6.42%	10.60%	10.94%	10.29%	9.42%	7.64%	10.10%	6.66%	159.19%	52.56%	26.41%
HBL Income Fund (15-03-2007)	HBLAML	9.24%	9.39%	4.20%	13.60%	13.49%	12.35%	7.69%	9.91%	12.44%	6.12%	154.72%	58.68%	31.15%
JS Income Fund (26-08-2002)	JSIL	10.49%	9.87%	11.93%	8.29%	3.95%	13.10%	10.60%	7.67%	10.64%	6.34%	105.26%	58.46%	26.68%
Lakson Income Fund (13-11-2009)	LI	-	-	-	11.19%	11.50%	11.60%	9.21%	8.38%	14.17%	8.57%	102.98%	63.73%	34.34%
MCB DCF Income Fund (Formerly: MCB Dynamic Cash Fund) (03-01-2007)	MCBAHSIL	10.20%	9.81%	9.36%	11.03%	12.85%	10.80%	9.82%	10.79%	12.64%	6.23%	167.50%	61.31%	32.57%
MCB Pakistan Sovereign Fund (Formerly: MetroBank Pakistan Sovereign Fund) (01-03-2003)	MCBAHSIL	9.66%	5.87%	13.96%	10.13%	10.27%	11.32%	12.32%	9.26%	16.69%	7.30%	174.85%	71.06%	36.81%
NAFA Financial Sector Income Fund (28-10-2011)	NAFA	-	-	-	-	-	12.42%	9.27%	7.94%	10.90%	6.39%	56.44%	56.44%	27.35%
NAFA Income Fund (29-03-2008)	NAFA	-	8.27%	3.91%	8.69%	-4.24%	-6.90%	6.91%	2.31%	13.73%	6.91%	44.98%	23.81%	24.39%
NAFA Income Opportunity Fund (22-04-2006)	NAFA	10.76%	9.85%	5.49%	5.81%	5.49%	-0.54%	10.33%	16.60%	13.21%	7.49%	123.06%	55.70%	41.89%
NAFA Government Securities Savings Fund (03-07-2014)	NAFA	-	-	-	-	-	-	-	-	14.37%	6.46%	21.75%	N/A	N/A
NAFA Savings Plus Fund (21-11-2009)	NAFA	-	-	-	9.87%	10.64%	11.04%	8.76%	7.91%	8.67%	6.27%	82.96%	50.51%	24.63%
NIT Government Bond Fund (18-11-2009)	NIT	-	-	-	10.56%	11.18%	9.76%	9.93%	7.64%	13.88%	5.78%	92.34%	56.47%	29.67%
NIT Income Fund (19-02-2010)	NIT	-	-	-	9.58%	12.10%	12.34%	9.56%	7.06%	14.11%	5.87%	95.54%	59.19%	29.33%
Pak Oman Government Securities Fund (28-08-2011)	POAMCL	-	-	-	-	10.76%	9.20%	7.08%	8.63%	8.75%	53.00%	53.00%	26.50%	
Pakistan Income Fund (11-03-2002)	MCBAHSIL	10.70%	9.26%	8.86%	14.01%	12.50%	9.41%	7.26%	8.13%	11.30%	6.14%	153.14%	49.90%	27.73%
PICIC Income Fund (24-07-2010)	PICIC AMC	-	-	-	-	11.70%	11.85%	9.52%	8.78%	11.75%	7.85%	79.41%	60.62%	31.11%
UBL Income Opportunity Fund (UIOF) (Formerly: UBL Financial Sector Bond Fund) (29-03-2013)	UBLFML	-	-	-	-	-	-	9.23%	6.99%	10.86%	7.69%	39.53%	N/A	27.74%
UBL Government Securities Fund (27-07-2011)	UBLFML	-	-	-	-	-	12.11%	9.90%	8.26%	15.47%	8.95%	67.81%	67.81%	36.19%
PIML Income Fund (08-08-2012)	PRIMUS	-	-	-	-	-	-	8.72%	8.24%	16.97%	11.70%	53.76%	N/A	41.43%
<b>Equity</b>														
ABL Stock Fund (28-06-2009)	ABL AMC	-	-	-0.17%	32.66%	29.19%	26.34%	55.87%	32.90%	27.11%	9.91%	525.58%	265.64%	85.67%
AKD Opportunity Fund (31-03-2006)	AKDIML	41.99%	3.95%	-36.13%	16.96%	19.62%	34.70%	72.87%	48.21%	33.36%	14.13%	592.77%	425.26%	125.58%
Alfalsh GHP Alpha Fund (09-09-2008)	AGIM	-	-	38.22%	24.76%	16.72%	2.63%	39.80%	29.55%	27.39%	14.12%	443.84%	170.21%	88.33%
Askari Equity Fund (30-03-2012)	AIM	-	-	-	-	-	-0.30%	42.07%	28.71%	17.59%	-5.25%	103.12%	103.12%	43.40%
Atlas Stock Market Fund (23-11-2004)	AAML	29.39%	-6.84%	-31.58%	24.86%	40.07%	22.95%	51.11%	30.09%	19.73%	-5.05%	338.43%	203.96%	63.61%
Crosby Dragon Fund (15-12-2003)	KFL	62.55%	35.10%	-42.17%	22.43%	25.49%	9.86%	43.47%	32.82%	19.58%	(wound up)	-	-	-
First Capital Mutual Fund (24-05-1995)	FCMF	8.86%	-11.28%	-39.73%	13.72%	10.89%	8.65%	28.23%	32.88%	15.82%	6.97%	68.35%	129.36%	64.62%
First Habib Stock Fund (10-10-2009)	HAML	-	-	-	-4.57%	18.43%	3.67%	33.43%	22.60%	14.95%	1.26%	123.10%	97.40%	42.70%
Golden Arrow Selected Stock Fund (01-05-1983)	AKDIML	44.39%	-1.70%	-34.45%	16.00%	13.94%	34.85%	84.36%	51.71%	39.78%	9.60%	610.48%	477.82%	132.42%
HBL Stock Fund (27-08-2007)	HBLAML	-	-1.47%	-17.80%	19.52%	28.20%	11.00%	44.42%	27.8%	8.26%	2.47%	182.04%	127.29%	41.78%
Alfalsh GHP Stock Fund (15-07-2008)	AGIM	-	-	32.90%	26.08%	29.97%	13.34%	66.41%	24.60%	27.70%	14.88%	650.76%	244.76%	82.80%
JS Growth Fund (06-06-2006)	JSIL	26.53%	-5.95%	-45.02%	6.61%	22.56%	17.92%	56.91%	40.12%	12.43%	3.88%	158.87%	202.80%	63.65%
JS Large Capital Fund (14-05-2004)	JSIL	36.90%	7.59%	-47.56%	4.65%	38.38%	14.87%	54.55%	39.65%	31.75%	4.77%	282.74%	242.22%	92.76%
JS Value Fund (14-01-1996)	JSIL	38.60%	39.13%	-50.45%	11.43%	25.89%	15.25%	64.30%	35.52%	9.73%	13.72%	241.17%	220.23%	69.11%
Lakson Equity Fund (13-11-2009)	LI	-	-	-	-0.66%	20.44%	9.74%	40.02%	32.15%	23.93%	10.60%	233.00%	178.32%	81.14%
NAFA Stock Fund (22-01-2007)	NAFA	43.47%	-3.18%	-45.63%	16.74%	28.37%	21.98%	54.95%	36.33%	36.94%	11.43%	344.96%	293.16%	108.02%
National Investment (Unit) Trust (12-11-1962)	NIT	44.67%	-5.76%	-41.48%	17.92%	24.05%	7.57%	58.42%	56.98%	20.27%	9.59%	311.50%	252.61%	106.91%
MCB Pakistan Stock Market Fund (11-03-2002)	MCBAHSIL	29.41%	-3.01%	-26.32%	24.77%	21.07%	11.29%	49.42%	34.69%	39.35%	5.25%	358.91%	228.50%	97.54%
PICIC Energy Fund (20-01-2006)	PICIC AMC	5.69%	7.28%	-12.20%	13.52%	31.09%	9.33%	30.01%	23.92%	8.18%	-2.86%	174.23%	85.11%	30.23%
PICIC Growth Fund (20-07-2004)	PICIC AMC	21.61%	-4.40%	-36.08%	14.45%	16.75%	3.19%	58.55%	35.41%	-0.72%	3.39%	125.82%	127.42%	39.00%
PICIC Investment Fund (07-06-2004)	PICIC AMC	27.01%	-3.27%	-40.55%	14.90%	18.33%	4.29%	54.85%	35.39%	-1.12%	4.11%	123.50%	125.06%	39.37%
PICIC Stock Fund (24-09-2011)	PICIC AMC	-	-	-	-	-	13.03%	48.18%	41.93%	11.15%	6.71%	181.94%	181.94%	68.34%
United Stock Advantage Fund (04-08-2006)	UBLFML	29.73%	-4.11%	-35.26%	24.13%	35.59%	12.42%	55.20%	31.48%	22.06%	14.01%	332.70%	219.24%	82.97%
PIML Value Equity Fund (13-03-2015)	PRIMUS	-	-	-	-	-	-	-	-	9.11%	4.99%	14.55%	N/A	N/A
<b>Capital Protected</b>														
HBL Mustahekum Sarmaya Fund 1 (27-03-2015)	HBLAML	-	-	-	-	-	-	-	-	1.73%	5.44%	7.27%	N/A	N/A
JS Capital Protected Fund V (30-05-2016)	JSIL	-	-	-	-	-	-	-	-	0.10%	0.10%	N/A	N/A	N/A
Pakistan Sarmaya Mehfooz Fund (22-12-2014)	MCBAHSIL	-	-	-	-	-	-	-	-	10.95%	0.81%	11.85%	N/A	N/A

# Ten years at a Glance - Returns

Fund Name	AMC Name	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 years (or since inception for lesser period)	5 years	3 years
<b>Fund of Funds - CPII</b>														
Alfalsh GHP Capital Preservation Fund (29-10-2014)	AGIM	-	-	-	-	-	-	-	-	10.00%	8.68%	19.54%	N/A	N/A
UBL Principal Protected Fund II (23-07-2013)	UBLFML	-	-	-	-	-	-	-	13.60%	11.93%	(matured)			
UBL Principal Protected Fund III (06-03-2014)	UBLFML	-	-	-	-	-	-	-	4.60%	12.85%	(matured)			
<b>Aggressive Fixed Income</b>														
AKD Aggressive Income Fund (22-03-2007)	AKDIML	12.92%	9.58%	-10.13%	9.01%	11.59%	10.41%	6.55%	5.44%	15.51%	9.66%	112.56%	57.13%	33.56%
Alfalsh GHP Income Multiplier Fund (15-06-2007)	AGIM	9.20%	9.74%	3.24%	3.61%	2.37%	-3.90%	11.23%	12.35%	14.15%	8.38%	85.94%	48.57%	39.00%
Askari High Yield Scheme (16-03-2006)	AIM	11.26%	9.41%	3.50%	-7.09%	5.40%	0.31%	1.61%	11.63%	12.16%	8.23%	70.44%	38.13%	35.51%
BMA Chundrigar Road Savings Fund (23-08-2007)	BMA Funds	-	9.22%	-3.30%	8.56%	-7.75%	-8.90%	13.35%	7.70%	12.26%	11.59%	47.36%	39.32%	34.91%
Faysal Income & Growth Fund (10-10-2005)	FAML	12.76%	10.10%	9.08%	11.31%	9.71%	13.55%	9.50%	8.82%	12.14%	9.41%	174.50%	65.99%	33.51%
KASB Income Opportunity Fund (01-09-2010)	KFL	11.02%	10.36%	1.80%	-12.76%	-38.11%	28.16%	19.04%	22.18%	0.06%	(wound up)			
Pakistan Income Enhancement Fund (28-08-2008)	MCBAHSIL	-	-	18.40%	14.24%	12.41%	8.94%	7.21%	8.73%	13.61%	8.33%	137.63%	56.29%	33.82%
United Growth & Income Fund (02-03-2006)	UBLFML	11.83%	10.10%	6.82%	9.46%	-10.38%	-12.32%	10.71%	18.36%	11.93%	12.09%	85.98%	44.15%	48.50%
<b>Balanced</b>														
Faysal Balanced Growth Fund (19-04-2004)	FAML	21.17%	-0.19%	-24.00%	21.99%	9.98%	-4.69%	19.15%	14.69%	19.83%	7.39%	106.70%	67.61%	47.58%
HBL Multi Asset Fund (14-12-2007)	HBLAML	-	-2.73%	-13.22%	19.17%	23.55%	12.67%	37.59%	24.09%	4.88%	5.90%	165.56%	113.66%	37.82%
NAFA Multi Asset Fund (22-01-2007)	NAFA	28.96%	5.12%	-22.56%	12.38%	25.30%	15.54%	34.12%	25.41%	26.80%	8.69%	295.93%	167.84%	72.85%
Pakistan Capital Market Fund (24-01-2004)	MCBAHSIL	26.54%	-6.39%	-21.52%	20.41%	14.00%	9.40%	28.08%	26.05%	31.15%	5.17%	210.87%	143.60%	73.86%
Primus Strategic Multi Asset Fund (23-08-2013)	PIML	-	-	-	-	-	-	-	9.27%	28.64%	6.82%	50.15%	N/A	50.15%
Unit Trust of Pakistan (27-10-1997)	JSIL	28.28%	4.90%	18.13%	14.05%	13.23%	16.60%	42.01%	23.56%	13.52%	6.98%	410.06%	148.47%	50.05%
<b>Asset Allocation</b>														
Alfalsh GHP Value Fund (29-10-2005)	AGIM	25%	2%	3%	17%	5.65%	5.77%	30.11%	19.52%	25.48%	18.30%	294.08%	144.16%	77.42%
Askari Asset Allocation Fund (02-06-2007)	AIM	2%	-12%	-38%	8%	13.47%	12.12%	39.87%	19.29%	14.54%	-6.25%	36.64%	100.88%	28.09%
Faysal Asset Allocation Fund (05-03-2007)	FAML	24%	-13%	-38%	31%	20.59%	-0.02%	20.26%	17.01%	16.16%	-2.46%	67.27%	59.40%	32.57%
JS Aggressive Asset Allocation (28-06-2005)	JSIL	27%	-7%	-63%	12%	16.62%	11.68%	22.51%	36.87%	6.18%	(merged into JS Large Cap Fund)			
KASB Asset Allocation Fund (01-09-2010)	KFL	-	-	-14%	1%	5.72%	2.36%	25.21%	40.15%	20.66%	(wound up)			
Lakson Asset Allocation Developed Markets Fund (10-10-2011)	LI	-	-	-	-	-	6.42%	10.52%	9.64%	7.76%	8.00%	50.07%	50.07%	27.60%
Lakson Asset Allocation Emerging Markets Fund (10-10-2011)	LI	-	-	-	-	-	6.23%	5.46%	6.40%	4.96%	4.42%	30.64%	30.64%	16.61%
Lakson Tactical Fund	LI	-	-	-	-	-	5.85%	3.44%	4.24%	8.86%	6.85%	32.76%	32.76%	21.26%
(Formerly: Lakson Asset Allocation Global Commodities Fund) (10-10-2011)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MCB Pakistan Asset Allocation Fund	MCBAHSIL	-	-12%	-24%	17%	20.86%	8.65%	19.23%	11.94%	19.40%	3.21%	68.98%	78.72%	37.95%
(Formerly: MCB Dynamic Allocation Fund) (17-03-2008)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MCB Pakistan Frequent Payout Fund (16-11-2015)	MCBAHSIL	-	-	-	-	-	-	-	-	-	3.54%	3.54%	N/A	N/A
NAFA Asset Allocation Fund (21-08-2010)	NAFA	-	-	-	-	19.45%	14.38%	31.99%	13.66%	24.64%	7.61%	174.90%	130.14%	52.44%
Pak Oman Advantage Asset Allocation Fund (30-10-2008)	POAMCL	-	-	22%	-2%	15.08%	-0.89%	31.82%	8.74%	12.58%	7.76%	137.08%	72.34%	31.92%
PIML Asset Allocation Fund (12-04-2016)	PRIMUS	-	-	-	-	-	-	-	-	-	2.86%	2.86%	N/A	N/A
UBL Asset Allocation Fund (20-08-2013)	UBLFML	-	-	-	-	-	-	-	13.47%	22.75%	12.31%	56.42%	N/A	56.42%
<b>Fund of Funds</b>														
ABL Financial Planning Fund (Active Plan) (31-12-2015)	ABL AMC	-	-	-	-	-	-	-	-	-	5.29%	5.29%	N/A	N/A
ABL Financial Planning Fund (Conservative Plan) (31-12-2015)	ABL AMC	-	-	-	-	-	-	-	-	-	4.41%	4.41%	N/A	N/A
Alfalsh GHP Prosperity Planning Fund	AGIM	-	-	-	-	-	-	-	-	-	7.78%	7.78%	N/A	N/A
(Alfalsh GHP Active Allocation Plan) (12-09-2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alfalsh GHP Prosperity Planning Fund	AGIM	-	-	-	-	-	-	-	-	-	5.53%	5.53%	N/A	N/A
(Alfalsh GHP Conservative Allocation Plan) (12-09-2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alfalsh GHP Prosperity Planning Fund	AGIM	-	-	-	-	-	-	-	-	-	7.60%	7.60%	N/A	N/A
(Alfalsh GHP Moderate Allocation Plan) (12-09-2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JS Fund of Funds (31-10-2005)	JSIL	17.03%	10.82%	-25.69%	13.99%	31.70%	20.00%	21.01%	40.09%	20.44%	9.08%	286.64%	167.24%	84.04%
<b>Index Tracker</b>														
AKD Index Tracker Fund (11-10-2005)	AKDIML	36.60%	-15.19%	-41.47%	30.37%	25.09%	7.68%	46.94%	36.40%	13.20%	4.73%	182.95%	155.84%	61.70%
JS KSE-30 Index Fund (29-05-2006)	JSIL	41.10%	-16.49%	-43.64%	28.51%	27.12%	7.75%	30.75%	27.46%	7.28%	(merged into JS Large Cap Fund)			
<b>Commodities</b>														
Atlas Gold Fund (15-07-2013)	AAML	-	-	-	-	-	-	-	6.11%	-4.31%	13.11%	14.84%	N/A	14.84%
UBL Gold Fund (13-02-2013)	UBLFML	-	-	-	-	-	-	-17.14%	12.89%	-6.02%	13.56%	-0.17%	N/A	20.48%
<b>Shariah Compliant Money Market</b>														
HBL Islamic Money Market Fund (09-05-2011)	HBLAML	-	-	-	-	10.46%	10.33%	8.45%	6.86%	6.70%	4.29%	57.16%	42.28%	18.91%
Meezan Cash Fund (15-06-2009)	AL MEEZAN	-	-	8.08%	10.10%	11.02%	10.71%	8.07%	7.07%	7.46%	4.58%	90.18%	43.95%	20.32%
Al Ameen Islamic Cash Fund	UBLFML	-	-	-	-	-	-	6.71%	6.56%	6.56%	4.81%	27.00%	N/A	19.01%
(Formerly: UBL Islamic Cash Fund) (19-09-2012)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Shariah Compliant Income</b>														
ABL Islamic Income Fund (30-07-2010)	ABL AMC	-	-	-	-	10.19%	11.01%	9.22%	8.88%	8.69%	5.82%	67.30%	51.83%	25.23%
Askari Islamic Income Fund (18-09-2009)	AIM	-	-	-	22.80%	12.24%	12.09%	8.74%	7.93%	6.44%	5.08%	102.80%	47.13%	20.71%
Atlas Islamic Income Fund (18-10-2008)	AAML	-	-	11.50%	9.22%	9.90%	10.11%	8.65%	8.22%	7.21%	4.97%	95.01%	45.71%	21.79%
Faysal Islamic Savings Growth Fund (14-06-2010)	FAML	-	-	-	9.91%	10.33%	11.24%	8.28%	7.65%	8.22%	5.50%	79.53%	48.05%	22.91%
Alfalsh GHP Islamic Income Fund	AGIM	-	-	-	9.03%	10.20%	9.70%	7.31%	6.01%	6.85%	4.91%	68.08%	39.89%	18.83%
(Formerly: IGI Islamic Income Fund) (03-12-2009)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JS Islamic Government Securities Fund (05-06-2013)	JSIL	-	-	-	-	-	-	6.51%	8.80%	6.22%	3.66%	27.59%	N/A	19.80%
MCB Islamic Income Fund (19-06-2011)	MCBAHSIL	-	-	-	-	8.40%	10.40%	8.91%	8.36%	6.57%	5.05%	58.14%	45.88%	21.32%
Meezan Islamic Income Fund (15-01-2007)	AL MEEZAN	9.93%	9.15%	10.15%	7.31%	11.77%	7.79%	14.45%	11.90%	8.13%	5.75%	150.23%	57.85%	27.95%
Meezan Sovereign Fund (10-02-2010)	AL MEEZAN	-	-	-	9.49%	11.45%	11.15%	9.12%	8.50%	6.81%	5.10%	80.26%	47.73%	21.80%
NAFA Active Allocation Riba Free Savings Fund (19-01-2016)	NAFA	-	-	-	-	-	-	-	-	-	4.45%	4.45%	N/A	N/A
NAFA Riba Free Savings Fund (21-08-2010)	NAFA	-	-	-	-	10.39%	10.83%	8.72%	7.82%	7.36%	5.52%	62.45%	47.16%	22.14%
Pak Oman Advantage Islamic Income Fund (30-10-2008)	POAMCL	-	-	15.83%	3.56%	9.19%	11.18%	6.91%	3.43%	4.67%	4.37%	75.90%	34.30%	12.99%
PICIC Islamic Income Fund (29-05-2014)	PICIC AMC	-	-	-	-	-	-	-	0.81%	8.37%	8.82%	14.52%	N/A	14.52%
PIML Islamic Income Fund	PRIMUS	-	-	-	-	-	-	-	5.46%	5.09%	6.26%	17.77%	N/A	17.77%
(Formerly: PIML Islamic Money Market Fund) (04-03-2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Al Ameen Islamic Sovereign Fund	UBLFML	-	-	-	-	11.83%	11.37%	9.09%	8.78%	6.15%	4.35%	63.70%	46.39%	20.49%
(Formerly: UBL Islamic Sovereign Fund C) (07-11-2010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# Ten years at a Glance - Returns

Fund Name	AMC Name	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 years (or Since inception for lesser period)	5 years	3 years
<b>Shariah Compliant Equity</b>														
ABL Islamic Stock Fund (11-06-2013)	ABL AMC	-	-	-	-	-	-	-3.24%	24.67%	29.03%	5.58%	64.32%	N/A	69.82%
AL Meezan Mutual Fund (13-07-1995)	AL MEEZAN	26.95%	0.43%	-31.67%	31.23%	37.37%	19.03%	50.56%	29.82%	22.02%	15.54%	415.14%	228.01%	83.03%
Alfalah GHP Islamic Stock Fund (Formerly: Alfalah GHP Islamic Fund) (04-09-2007)	AGIM	-	5.35%	8.63%	17.95%	10.15%	12.18%	36.25%	18.42%	23.79%	20.33%	300.86%	169.63%	76.41%
Atlas Islamic Stock Fund (01-01-2007)	AAML	3.56%	1.40%	-22.68%	25.14%	43.77%	27.51%	48.67%	21.73%	21.37%	5.73%	332.56%	196.15%	56.22%
HBL Islamic Stock Fund (09-05-2011)	HBLAML	-	-	-	-	2.50%	16.52%	44.86%	30.67%	11.80%	1.00%	155.28%	149.05%	47.55%
JS Islamic Fund (27-12-2002)	JSIL	25.56%	-10.03%	-43.48%	15.02%	39.48%	25.84%	45.49%	38.43%	42.90%	5.88%	292.83%	283.47%	109.46%
Meezan Islamic Fund (08-08-2003)	AL MEEZAN	28.79%	0.27%	-29.51%	30.88%	38.72%	19.46%	50.76%	29.15%	21.64%	17.40%	448.94%	232.16%	84.43%
MCB Pakistan Islamic Stock Fund (Formerly: Pakistan Strategic Allocation Fund) (01-09-2004)	MCBAHSIL	24.78%	-1.80%	-27.38%	18.54%	19.12%	14.89%	32.32%	31.34%	19.20%	3.89%	210.69%	147.28%	62.66%
NAFA Islamic Active Allocation Equity Fund (19-01-2016)	NAFA	-	-	-	-	-	-	-	-	-	18.76%	18.76%	N/A	N/A
NAFA Islamic Energy Fund (21-04-2016)	NAFA	-	-	-	-	-	-	-	-	-	9.49%	9.49%	N/A	N/A
NAFA Islamic Stock Fund (12-01-2015)	NAFA	-	-	-	-	-	-	-	-	11.39%	12.89%	25.74%	N/A	N/A
NIT Islamic Equity Fund (18-05-2015)	NIT	-	-	-	-	-	-	-	-	2.70%	5.74%	8.60%	N/A	N/A
PICIC Islamic Stock Fund (29-05-2014)	PICIC AMC	-	-	-	-	-	-	0.88%	24.49%	10.96%	-	39.36%	N/A	39.36%
PIML Islamic Equity Fund (04-03-2014)	PRIMUS	-	-	-	-	-	-	4.58%	24.96%	7.30%	-	40.23%	N/A	40.23%
Al Ameen Islamic Dedicated Equity Fund (15-12-2015)	UBLFML	-	-	-	-	-	-	-	-	-	9.97%	9.97%	N/A	N/A
Al Ameen Shariah Stock Fund (Formerly: UBL Shariah Stock Fund) (24-12-2006)	UBLFML	14.86%	0.81%	-18.38%	16.36%	26.41%	17.75%	49.59%	34.36%	27.13%	14.47%	378.77%	244.41%	95.53%
<b>Shariah Compliant Capital Protected Fund</b>														
NAFA Islamic Principal Protected Fund I (06-03-2014)	-	-	-	-	-	-	-	-	2.63%	21.34%	4.18%	29.74%	N/A	29.74%
NAFA Islamic Principal Protected Fund II (30-06-2014)	-	-	-	-	-	-	-	-	0.12%	21.05%	3.30%	25.20%	N/A	25.20%
<b>Shariah Compliant Fund of Funds - CPPI</b>														
ABL Islamic Principal Preservation Fund (24-12-2013)	ABL AMC	-	-	-	-	-	-	-	5.82%	14.75%	(matured)	-	-	-
ABL Islamic Principal Preservation Fund II (31-03-2014)	ABL AMC	-	-	-	-	-	-	-	2.79%	15.44%	(matured)	-	-	-
Al Ameen Islamic Principal Preservation Fund II (Formerly: UBL Islamic Principal Preservation Fund) (07-11-2013)	UBLFML	-	-	-	-	-	-	-	-	13.90%	(matured)	-	-	-
Al Ameen Islamic Principal Preservation Fund III (20-06-2014)	UBLFML	-	-	-	-	-	-	-	1.22%	14.59%	(matured)	-	-	-
Al Ameen Islamic Principal Preservation Fund IV (16-10-2014)	UBLFML	-	-	-	-	-	-	-	-	11.72%	5.32%	17.67%	N/A	N/A
Al Ameen Islamic Principal Preservation Fund V (26-12-2014)	UBLFML	-	-	-	-	-	-	-	-	-1.70%	4.09%	2.32%	N/A	N/A
Meezan Capital Preservation Fund II (28-06-2014)	AL MEEZAN	-	-	-	-	-	-	-	0.02%	10.32%	11.26%	22.76%	N/A	22.76%
Meezan Capital Preservation Fund III (31-01-2014)	AL MEEZAN	-	-	-	-	-	-	-	5.62%	12.07%	(matured)	-	-	-
Meezan Financial Planning Fund of Funds (MCPPI I) (26-09-2014)	AL MEEZAN	-	-	-	-	-	-	-	-	7.82%	10.49%	19.13%	N/A	N/A
Meezan Financial Planning Fund of Funds (MCPPI II) (19-12-2014)	AL MEEZAN	-	-	-	-	-	-	-	-	0.44%	6.50%	6.96%	N/A	N/A
NAFA Islamic Principal Preservation Fund (12-01-2015)	NAFA	-	-	-	-	-	-	-	-	5.07%	3.97%	9.24%	N/A	N/A
<b>Shariah Compliant Aggressive Fixed Income</b>														
KASB Islamic Income Opportunity Fund (07-06-2008)	KFL	-	8.95%	7.17%	4.38%	-3.09%	8.57%	9.48%	9.20%	1.09%	(wound up)	-	-	-
NAFA Islamic Aggressive Income Fund (29-10-2007)	NAFA	-	8.30%	-4.41%	-4.87%	9.04%	19.07%	6.80%	13.65%	9.21%	7.41%	82.05%	69.53%	33.31%
Al Ameen Islamic Aggressive Income Fund (Formerly: United Islamic Income Fund) (20-10-2007)	UBLFML	-	9.18%	3.30%	3.78%	-4.00%	6.14%	6.91%	14.36%	8.26%	7.06%	68.98%	50.39%	32.53%
<b>Shariah Compliant Balanced Fund</b>														
First Habib Islamic Balanced Fund (09-11-2012)	HAML	-	-	-	-	-	-	11.36%	12.34%	5.08%	1.66%	33.64%	N/A	20.00%
Meezan Balanced Fund (20-12-2004)	AL MEEZAN	25.41%	1.33%	-10.79%	22.73%	25.37%	16.81%	31.75%	19.66%	15.90%	12.07%	317.22%	139.18%	55.42%
<b>Shariah Compliant Asset Allocation</b>														
Al Ameen Islamic Asset Allocation Fund (Formerly: UBL Islamic Asset Allocation Fund) (11-12-2013)	-	-	-	-	-	-	-	-	5.26%	17.98%	9.15%	35.55%	N/A	35.55%
Askari Islamic Asset Allocation Fund (18-09-2009)	AİM	-	-	-	12.90%	11.77%	10.30%	30.80%	12.53%	11.93%	-2.82%	122.84%	76.59%	22.40%
Faysal Islamic Asset Allocation Fund (09-09-2015)	FAML	-	-	-	-	-	-	-	-	-	-4.02%	-4.02%	N/A	N/A
HBL Islamic Asset Allocation Fund (11-01-2016)	HBLAML	-	-	-	-	-	-	-	-	-	3.35%	3.35%	N/A	N/A
Meezan Asset Allocation Fund (18-04-2016)	AL MEEZAN	-	-	-	-	-	-	-	-	-	2.77%	2.77%	N/A	N/A
NAFA Islamic Multi Asset Fund (22-01-2007)	NAFA	-	-4.64%	-10.09%	17.46%	28.44%	13.26%	36.29%	22.23%	33.77%	13.10%	269.23%	185.47%	84.93%
Pak Oman Islamic Asset Allocation Fund (30-10-2008)	POAMCL	-	-	10.84%	3.03%	22.73%	11.79%	20.39%	17.32%	15.61%	10.37%	182.39%	101.48%	49.71%
Pakistan Int'l Element Islamic Fund (02-05-2006)	MCBAHSIL	23.38%	3.43%	-15.87%	7.38%	15.08%	15.64%	28.41%	18.86%	35.64%	5.09%	233.80%	151.59%	69.44%
<b>Shariah Compliant Fund of Funds</b>														
ABL Islamic Financial Planning Fund (Active Allocation Plan) (22-12-2015)	ABL AMC	-	-	-	-	-	-	-	-	-	3.53%	3.53%	N/A	N/A
ABL Islamic Financial Planning Fund (Aggressive Allocation Plan) (22-12-2015)	ABL AMC	-	-	-	-	-	-	-	-	-	6.46%	6.46%	N/A	N/A
ABL Islamic Financial Planning Fund (Conservative Allocation Plan) (22-12-2015)	ABL AMC	-	-	-	-	-	-	-	-	-	3.52%	3.52%	N/A	N/A
ABL Islamic Financial Planning Fund (Strategic Allocation Plan) (31-03-2016)	ABL AMC	-	-	-	-	-	-	-	-	-	1.69%	1.69%	N/A	N/A
Al Ameen Islamic Active Allocation Plan I (22-06-2015)	UBLFML	-	-	-	-	-	-	-	-	0.19%	9.55%	9.75%	N/A	N/A
Al Ameen Islamic Active Allocation Plan II (28-09-2015)	UBLFML	-	-	-	-	-	-	-	-	-	11.36%	11.36%	N/A	N/A
Al Ameen Islamic Active Allocation Plan III (23-12-2015)	UBLFML	-	-	-	-	-	-	-	-	-	8.39%	8.39%	N/A	N/A
Al Ameen Islamic Active Allocation Plan IV (29-03-2016)	UBLFML	-	-	-	-	-	-	-	-	-	7.13%	7.13%	N/A	N/A
Alfalah GHP Islamic Prosperity Planning Fund (Alfalah GHP Active Allocation Plan) (11-06-2016)	AGIM	-	-	-	-	-	-	-	-	-	-0.86%	-0.86%	N/A	N/A
Alfalah GHP Islamic Prosperity Planning Fund (Alfalah GHP Balance Allocation Plan) (11-06-2016)	AGIM	-	-	-	-	-	-	-	-	-	0.10%	0.10%	N/A	N/A
Meezan Financial Planning Fund of Funds (Aggressive) (12-04-2013)	AL MEEZAN	-	-	-	-	-	-	8.96%	22.10%	16.46%	13.28%	75.51%	N/A	61.08%
Meezan Financial Planning Fund of Funds (Conservative) (12-04-2013)	AL MEEZAN	-	-	-	-	-	-	3.72%	12.61%	10.04%	8.72%	39.73%	N/A	34.72%
Meezan Financial Planning Fund of Funds (Moderate) (12-04-2013)	AL MEEZAN	-	-	-	-	-	-	6.50%	17.33%	13.56%	-	57.91%	N/A	48.28%
Meezan Financial Planning Fund of Funds (MAAP I) (09-07-2015)	AL MEEZAN	-	-	-	-	-	-	-	-	-	11.66%	11.66%	N/A	N/A
Meezan Financial Planning Fund of Funds (MAAP II) (27-11-2015)	AL MEEZAN	-	-	-	-	-	-	-	-	-	14.80%	14.80%	N/A	N/A
Meezan Financial Planning Fund of Funds (MAAP III) (26-01-2016)	AL MEEZAN	-	-	-	-	-	-	-	-	-	13.46%	13.46%	N/A	N/A
Meezan Financial Planning Fund of Funds (MAAP IV) (24-05-2016)	AL MEEZAN	-	-	-	-	-	-	-	-	-	0.73%	0.73%	N/A	N/A
NAFA Islamic Active Allocation Plan I (18-01-2016)	NAFA	-	-	-	-	-	-	-	-	-	10.73%	10.73%	N/A	N/A
NAFA Islamic Active Allocation Plan II (07-03-2016)	NAFA	-	-	-	-	-	-	-	-	-	7.44%	7.44%	N/A	N/A
NAFA Islamic Active Allocation Plan III (29-06-2016)	NAFA	-	-	-	-	-	-	-	-	-	0.08%	0.08%	N/A	N/A
<b>Shariah Compliant Index Tracker</b>														
KSE Meezan Index Fund (28-05-2012)	AL MEEZAN	-	-	-	-	-	-2.34%	49.64%	26.49%	17.06%	13.32%	145.21%	145.21%	67.79%



# Ten years at a Glance - Returns

Fund Name	AMC Name	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	10 years (or Since inception for lesser period)	5 years	3 years
<b>Shariah Compliant Commodities</b>														
Meezan Gold Fund (13-08-2015)	AL MEEZAN	-	-	-	-	-	-	-	-	-	10.59%	10.59%	N/A	N/A
<b>Conventional Pension Schemes</b>														
ABL Pension Fund (20-08-2014)	ABL AMC	-	-	-	-	-	-	-	-	28.79%	10.56%	42.39%	N/A	N/A
Equity		-	-	-	-	-	-	-	-	28.79%	10.56%	42.39%	N/A	N/A
Debt		-	-	-	-	-	-	-	-	20.92%	12.14%	35.60%	N/A	N/A
Money Market		-	-	-	-	-	-	-	-	6.14%	4.15%	10.54%	N/A	N/A
Atlas Pension Fund (27-06-2007)	AAML	0.02%	0.94%	17.31%	20.71%	29.73%	16.72%	52.48%	35.30%	21.13%	4.50%	298.44%	204.78%	71.25%
Equity		0.02%	0.94%	17.31%	20.71%	29.73%	16.72%	52.48%	35.30%	21.13%	4.50%	298.44%	204.78%	71.25%
Debt		2.43%	7.54%	9.07%	8.98%	9.64%	10.16%	8.47%	7.83%	13.03%	7.88%	125.53%	57.11%	31.48%
Money Market		2.43%	7.28%	9.91%	9.51%	10.80%	10.35%	8.15%	7.59%	7.93%	5.74%	114.75%	46.54%	22.79%
Gold		-	-	-	-	-	-	0.05%	5.98%	-4.60%	12.92%	14.22%	N/A	14.17%
HBL Pension Fund (15-12-2011)	HBLAML	-	-	-	-	-	22.44%	45.43%	25.56%	31.58%	8.96%	220.53%	220.53%	80.00%
Equity		-	-	-	-	-	22.44%	45.43%	25.56%	31.58%	8.96%	220.53%	220.53%	80.00%
Debt		-	-	-	-	-	8.05%	8.91%	7.44%	11.01%	8.04%	51.64%	51.64%	28.85%
Money Market		-	-	-	-	-	8.36%	7.92%	7.13%	6.88%	4.15%	39.44%	39.44%	19.25%
JS Pension Savings Fund (25-06-2007)	JSIL	-	6.01%	34.49%	19.67%	28.65%	17.09%	78.21%	61.51%	22.91%	3.35%	305.86%	328.14%	105.17%
Equity		-	6.01%	34.49%	19.67%	28.65%	17.09%	78.21%	61.51%	22.91%	3.35%	305.86%	328.14%	105.17%
Debt		-	5.08%	17.02%	5.88%	11.39%	11.15%	11.42%	4.36%	10.75%	5.29%	118.55%	50.70%	21.69%
Money Market		-	5.07%	11.36%	7.25%	11.36%	10.72%	11.34%	6.91%	6.69%	4.10%	76.89%	46.37%	18.74%
Pakistan Pension Fund (29-06-2007)	MCBAHŞIL	0.02%	8.38%	31.21%	30.93%	23.18%	15.06%	55.71%	49.60%	37.95%	10.77%	316.40%	309.56%	128.60%
Equity		0.02%	8.38%	31.21%	30.93%	23.18%	15.06%	55.71%	49.60%	37.95%	10.77%	316.40%	309.56%	128.60%
Debt		2.43%	1.96%	13.09%	9.72%	10.28%	10.91%	10.08%	7.16%	16.85%	7.35%	125.54%	64.12%	34.43%
Money Market		2.43%	6.40%	8.86%	9.84%	10.63%	10.32%	8.17%	7.20%	7.17%	4.40%	106.37%	43.14%	19.95%
NIT Pension Fund (19-06-2015)	NIT	-	-	-	-	-	-	-	-	0.19%	1.22%	1.42%	N/A	N/A
Equity		-	-	-	-	-	-	-	-	0.19%	1.22%	1.42%	N/A	N/A
Debt		-	-	-	-	-	-	-	-	6.64%	3.90%	10.80%	N/A	N/A
Money Market		-	-	-	-	-	-	-	-	6.64%	3.87%	10.77%	N/A	N/A
Gold		-	-	-	-	-	-	-	-	0.20%	10.05%	10.27%	N/A	N/A
NAFA Pension Fund (02-07-2013)	NAFA	-	-	-	-	-	-	-	39.04%	49.64%	14.82%	138.89%	N/A	138.89%
Equity		-	-	-	-	-	-	-	39.04%	49.64%	14.82%	138.89%	N/A	138.89%
Debt		-	-	-	-	-	-	-	8.19%	17.28%	5.54%	33.91%	N/A	33.91%
Money Market		-	-	-	-	-	-	-	7.59%	7.75%	4.85%	21.55%	N/A	21.55%
UBL Retirement Savings Fund (19-05-2010)	UBLFML	-	-	-	-0.77%	26.50%	11.56%	66.42%	39.90%	47.71%	20.33%	479.50%	361.64%	148.65%
Equity		-	-	-	-0.77%	26.50%	11.56%	66.42%	39.90%	47.71%	20.33%	479.50%	361.64%	148.65%
Debt		-	-	-	5.60%	11.25%	10.87%	9.90%	7.80%	19.42%	12.29%	106.94%	76.14%	44.56%
Money Market		-	-	-	6.70%	10.85%	10.35%	8.52%	7.19%	7.27%	4.60%	70.36%	44.03%	20.27%
Gold		-	-	-	-	-	-	-	3.18%	-2.83%	13.77%	14.08%	N/A	14.08%
<b>Shariah Compliant Pension Schemes</b>														
ABL Islamic Pension Fund (20-08-2014)	ABL AMC	-	-	-	-	-	-	-	-	30.84%	11.31%	45.65%	N/A	N/A
Islamic Equity		-	-	-	-	-	-	-	-	30.84%	11.31%	45.65%	N/A	N/A
Islamic Debt		-	-	-	-	-	-	-	-	6.56%	3.52%	10.31%	N/A	N/A
Islamic Money Market		-	-	-	-	-	-	-	-	6.31%	2.24%	8.69%	N/A	N/A
Atlas Islamic Pension Fund (15-09-2007)	AAML	-	1.14%	1.88%	22.88%	39.45%	30.05%	49.02%	24.88%	24.32%	4.99%	425.06%	215.90%	63.00%
Islamic Equity		-	1.14%	1.88%	22.88%	39.45%	30.05%	49.02%	24.88%	24.32%	4.99%	425.06%	215.90%	63.00%
Islamic Debt		-	6.59%	10.37%	9.79%	5.75%	6.98%	7.79%	8.04%	5.53%	4.23%	87.18%	37.04%	18.84%
Islamic Money Market		-	6.48%	11.00%	9.21%	9.79%	9.61%	7.12%	7.67%	5.97%	4.21%	97.85%	39.61%	18.90%
HBL Islamic Pension Fund (15-12-2011)	HBLAML	-	-	-	-	-	19.93%	50.30%	44.41%	25.92%	5.56%	245.96%	245.96%	91.93%
Islamic Equity		-	-	-	-	-	19.93%	50.30%	44.41%	25.92%	5.56%	245.96%	245.96%	91.93%
Islamic Debt		-	-	-	-	-	6.95%	8.67%	7.04%	4.97%	3.23%	34.80%	34.80%	15.99%
Islamic Money Market		-	-	-	-	-	7.91%	7.70%	6.08%	5.28%	2.82%	33.44%	33.44%	14.82%
JS Islamic Pension Savings Fund (17-03-2008)	JSIL	-	0.49%	9.59%	19.15%	40.70%	18.29%	55.70%	49.02%	32.03%	4.13%	474.73%	277.34%	104.87%
Islamic Equity		-	0.49%	9.59%	19.15%	40.70%	18.29%	55.70%	49.02%	32.03%	4.13%	474.73%	277.34%	104.87%
Islamic Debt		-	12.77%	11.15%	8.86%	12.39%	10.03%	7.86%	6.76%	3.90%	3.91%	109.79%	36.80%	15.27%
Islamic Money Market		-	12.77%	6.21%	5.60%	7.74%	9.68%	6.56%	6.64%	5.32%	2.41%	83.20%	34.44%	15.02%
Meezan Tahaffuz Pension Fund (28-06-2007)	AL MEEZAN	0.14%	3.10%	25.80%	31.50%	36.01%	16.79%	53.95%	32.45%	26.57%	18.07%	387.56%	255.84%	97.92%
Equity		0.14%	3.10%	25.80%	31.50%	36.01%	16.79%	53.95%	32.45%	26.57%	18.07%	387.56%	255.84%	97.92%
Debt		45.63%	8.30%	10.20%	8.50%	10.87%	9.49%	8.21%	7.74%	6.43%	4.48%	196.76%	41.94%	19.80%
Money Market		25.55%	7.70%	11.10%	8.50%	10.73%	10.97%	7.71%	7.67%	6.87%	4.02%	158.19%	43.06%	19.69%
NAFA Islamic Pension Fund (02-07-2013)	NAFA	-	-	-	-	-	-	-	-	51.50%	16.85%	141.32%	N/A	141.32%
Islamic Equity		-	-	-	-	-	-	-	-	51.50%	16.85%	141.32%	N/A	141.32%
Islamic Debt		-	-	-	-	-	-	-	-	5.60%	3.77%	18.56%	N/A	18.56%
Islamic Money Market		-	-	-	-	-	-	-	-	6.15%	3.92%	18.62%	N/A	18.62%
NIT Islamic Pension Fund (19-06-2015)	NIT	-	-	-	-	-	-	-	-	0.04%	6.67%	6.71%	N/A	N/A
Islamic Equity		-	-	-	-	-	-	-	-	0.04%	6.67%	6.71%	N/A	N/A
Islamic Debt		-	-	-	-	-	-	-	-	3.55%	3.06%	6.72%	N/A	N/A
Islamic Money Market		-	-	-	-	-	-	-	-	3.58%	2.79%	6.47%	N/A	N/A
Pakistan Islamic Pension Fund (15-11-2007)	MCBAHŞIL	-	5.70%	22.58%	23.04%	21.31%	24.72%	41.84%	42.10%	39.53%	14.84%	338.91%	302.78%	127.69%
Islamic Equity		-	5.70%	22.58%	23.04%	21.31%	24.72%	41.84%	42.10%	39.53%	14.84%	338.91%	302.78%	127.69%
Islamic Debt		-	6.01%	7.50%	11.53%	8.83%	8.43%	6.82%	8.22%	4.76%	4.04%	88.99%	36.62%	17.94%
Islamic Money Market		-	4.91%	6.00%	7.67%	6.37%	8.36%	7.70%	6.86%	4.80%	2.36%	70.39%	33.79%	14.64%
UBL Islamic Retirement Savings Fund (19-05-2010)	UBLFML	-	-	-	1.32%	31.55%	14.20%	55.55%	41.13%	45.54%	19.05%	463.90%	334.40%	144.54%
Islamic Equity		-	-	-	1.32%	31.55%	14.20%	55.55%	41.13%	45.54%	19.05%	463.90%	334.40%	144.54%
Islamic Debt		-	-	-	4.78%	8.85%	9.81%	8.13%	7.48%	5.49%	3.39%	58.75%	39.19%	17.23%
Islamic Money Market		-	-	-	1.65%	7.66%	8.89%	7.79%	6.56%	5.69%	3.13%	49.20%	36.34%	16.16%

# Funds Launched/Discontinued during Financial Year 2016

## New Funds Launched

Inception Date	Fund Name	AMC	Category
9-Jul-15	Meezan Financial Planning Fund of Funds (MAAP I)	Al Meezan Investment Management Limited	Shariah Compliant Fund of Funds
13-Aug-15	Meezan Gold Fund	Al Meezan Investment Management Limited	Shariah Compliant Commodities
9-Sep-15	Faysal Islamic Asset Allocation Fund	Faysal Asset Management Limited	Shariah Compliant Asset Allocation
12-Sep-15	Alfalah GHP Prosperity Planning Fund (Alfalah GHP Active Allocation Plan)	Alfalah GHP Investment Management Limited	Fund of Funds
12-Sep-15	Alfalah GHP Prosperity Planning Fund (Alfalah GHP Conservative Allocation Plan)	Alfalah GHP Investment Management Limited	Fund of Funds
12-Sep-15	Alfalah GHP Prosperity Planning Fund (Alfalah GHP Moderate Allocation Plan)	Alfalah GHP Investment Management Limited	Fund of Funds
28-Sep-15	Al Ameen Islamic Active Allocation Plan II	UBL Fund Managers Limited	Shariah Compliant Fund of Funds
16-Nov-15	MCB Pakistan Frequent Payout Fund	MCB-Arif Habib Savings and Investments Limited	Asset Allocation
27-Nov-15	Meezan Financial Planning Fund of Funds (MAAP II)	Al Meezan Investment Management Limited	Shariah Compliant Fund of Funds
15-Dec-15	Al Ameen Islamic Dedicated Equity Fund	UBL Fund Managers Limited	Shariah Compliant Equity
22-Dec-15	ABL Islamic Financial Planning Fund (Active Allocation Plan)	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds
22-Dec-15	ABL Islamic Financial Planning Fund (Aggressive Allocation Plan)	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds
22-Dec-15	ABL Islamic Financial Planning Fund (Conservative Allocation Plan)	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds
23-Dec-15	Al Ameen Islamic Active Allocation Plan III	UBL Fund Managers Limited	Shariah Compliant Fund of Funds
31-Dec-15	ABL Financial Planning Fund (Active Plan)	ABL Asset Management Company Limited	Fund of Funds
31-Dec-15	ABL Financial Planning Fund (Conservative Plan)	ABL Asset Management Company Limited	Fund of Funds
11-Jan-16	HBL Islamic Asset Allocation Fund	HBL Asset Management Limited	Shariah Compliant Asset Allocation
18-Jan-16	NAFA Islamic Active Allocation Plan I	NBP Fullerton Asset Management Limited	Shariah Compliant Fund of Funds
19-Jan-16	NAFA Active Allocation Riba Free Savings Fund	NBP Fullerton Asset Management Limited	Shariah Compliant Income
19-Jan-16	NAFA Islamic Active Allocation Equity Fund	NBP Fullerton Asset Management Limited	Shariah Compliant Equity
22-Jan-16	NIT Government Treasury Fund	National Investment Trust Limited	Money Market
26-Jan-16	Meezan Financial Planning Fund of Funds (MAAP III)	Al Meezan Investment Management Limited	Shariah Compliant Fund of Funds
7-Mar-16	NAFA Islamic Active Allocation Plan II	NBP Fullerton Asset Management Limited	Shariah Compliant Fund of Funds
29-Mar-16	Al Ameen Islamic Active Allocation Plan IV	UBL Fund Managers Limited	Shariah Compliant Fund of Funds
31-Mar-16	ABL Islamic Financial Planning Fund (Strategic Allocation Plan)	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds
11-Apr-16	Faysal MTS Fund	Faysal Asset Management Limited	Income
12-Apr-16	PIML Asset Allocation Fund	Primus Investment Management Limited	Asset Allocation
18-Apr-16	Meezan Asset Allocation Fund	Al Meezan Investment Management Limited	Shariah Compliant Asset Allocation
21-Apr-16	NAFA Islamic Energy Fund	NBP Fullerton Asset Management Limited	Shariah Compliant Equity
24-May-16	Meezan Financial Planning Fund of Funds (MAAP IV)	Al Meezan Investment Management Limited	Shariah Compliant Fund of Funds
30-May-16	JS Capital Protected Fund V	JS Investments Limited	Capital Protected
11-Jun-16	Alfalah GHP Islamic Prosperity Planning Fund (Alfalah GHP Active Allocation Plan)	Alfalah GHP Investment Management Limited	Shariah Compliant Fund of Funds
11-Jun-16	Alfalah GHP Islamic Prosperity Planning Fund (Alfalah GHP Balance Allocation Plan)	Alfalah GHP Investment Management Limited	Shariah Compliant Fund of Funds
29-Jun-16	NAFA Islamic Active Allocation Plan III	NBP Fullerton Asset Management Limited	Shariah Compliant Fund of Funds

## Funds Matured

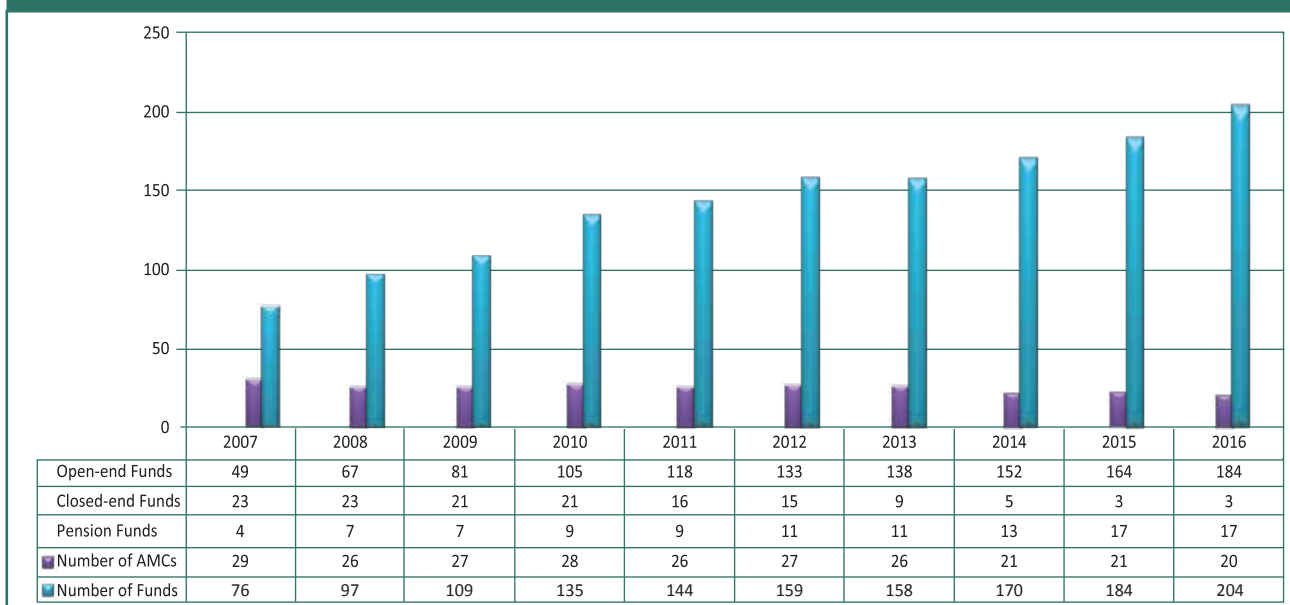
Maturity Date	Fund Name	AMC	Category
23-Jul-15	UBL Principal Protected Fund II	UBL Fund Managers Limited	Fund of Funds
7-Nov-15	Al Ameen Islamic Principal Preservation Fund II (Formerly: UBL Islamic Principal Preservation Fund)	UBL Fund Managers Limited	Shariah Compliant Fund of Funds - CPPI
30-Nov-15	Kasb Cash Fund	KASB Funds Limited	Money Market
30-Nov-15	KASB Islamic Income Opportunity Fund	KASB Funds Limited	Shariah Compliant Aggressive Fixed Income
3-Dec-15	Crosby Dragon Fund	KASB Funds Limited	Equity
21-Dec-15	KASB Income Opportunity Fund	KASB Funds Limited	Aggressive Fixed Income
21-Dec-15	KASB Asset Allocation Fund	KASB Funds Limited	Asset Allocation
23-Dec-15	ABL Islamic Principal Preservation Fund	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds - CPPI
30-Jan-16	Meezan Capital Preservation Fund III	Al Meezan Investment Management Limited	Shariah Compliant Fund of Funds
5-Mar-16	UBL Principal Protected Fund III	UBL Fund Managers Limited	Fund of Funds
30-Mar-16	ABL Islamic Principal Preservation Fund II	ABL Asset Management Company Limited	Shariah Compliant Fund of Funds - CPPI
20-Jun-16	Al Ameen Islamic Principal Preservation Fund III	UBL Fund Managers Limited	Shariah Compliant Fund of Funds - CPPI

## Funds Merged during the year 2016

Date	Fund Name	AMC	Category
2-Oct-15	JS Aggressive Asset Allocation (merged into JS Large Cap Fund)	JS Investments Limited	Asset Allocation
2-Oct-15	JS KSE 30 Index Fund (merged into JS Large Cap Fund)	JS Investments Limited	Index Tracker

# Number of AMC's and Funds

Number of Asset Management Companies/Investment Advisors and Funds

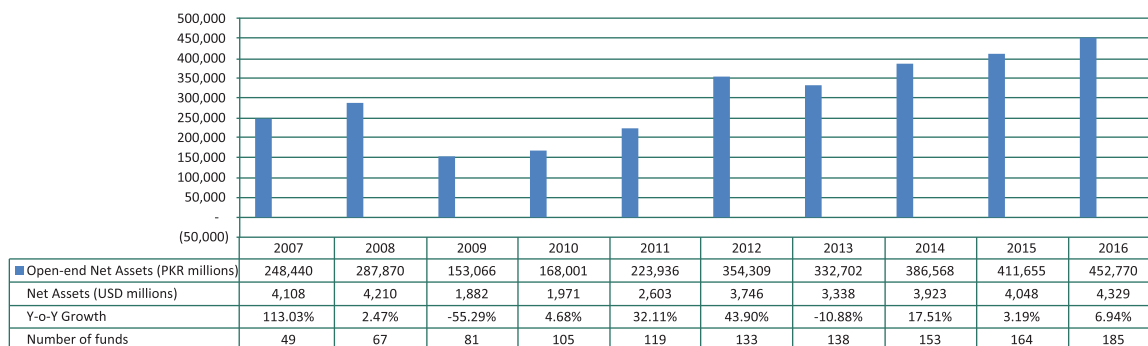


Total Net Assets (PKR millions)

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	114	3,282	32,050	77,312	150,509	124,418	117,385	66,681	49,658
Income	85,474	105,714	56,403	49,085	39,954	87,620	56,438	63,336	80,476	98,037
Equity	154,269	139,157	60,953	63,195	71,240	71,352	88,909	109,345	125,899	129,753
Capital Protected	2,725	6,416	7,491	8,551	3,368	853	605	-	2,675	2,871
Fund of Funds - CPPI	-	-	-	-	-	-	-	2,306	4,276	1,804
Aggressive Fixed Income	27,879	35,781	23,143	14,019	9,340	7,862	10,130	12,345	11,694	14,056
Balanced	11,747	16,978	8,343	6,349	4,841	4,147	4,092	3,731	4,645	4,489
Asset Allocation	2,437	3,744	1,790	1,552	2,277	3,136	4,290	6,406	8,342	10,843
Fund of Funds	791	1,833	1,000	1,182	1,223	1,291	1,190	141	171	1,739
Index Tracker	1,393	534	319	223	374	343	315	419	460	452
Commodities	-	-	-	-	-	-	140	304	340	367
Shariah Compliant Money Market	-	-	624	5,224	6,353	7,762	7,088	5,189	13,483	5,920
Shariah Compliant Income	3,162	6,618	5,868	6,132	20,888	29,944	36,414	36,783	21,028	29,692
Shariah Compliant Equity	7,327	9,332	5,675	6,005	7,027	8,104	14,116	23,363	51,167	67,215
Shariah Compliant Capital Protected Fund	-	579	582	637	724	443	1,304	2,972	3,015	1,771
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	11,533	20,671	9,168
Shariah Compliant Aggressive Fixed Income	-	2,485	1,987	1,157	725	688	1,178	2,253	2,157	3,209
Shariah Compliant Balanced	2,563	3,340	2,501	2,189	2,290	2,334	3,772	6,955	3,493	4,822
Shariah Compliant Asset Allocation	1,073	1,832	1,520	1,196	1,264	1,120	870	1,116	4,784	10,818
Shariah Compliant Fund of Funds	-	-	-	-	-	-	699	927	3,269	23,679
Shariah Compliant Index Tracker	-	-	-	-	-	289	901	1,176	1,159	882
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	321
Pension Schemes	420	305	349	571	655	1,101	1,865	3,263	7,989	7,302
Shariah Compliant Pension Schemes	-	466	530	729	903	1,640	2,957	4,912	5,596	11,502
<b>Total</b>	<b>301,261</b>	<b>335,228</b>	<b>182,360</b>	<b>200,048</b>	<b>250,757</b>	<b>380,538</b>	<b>361,690</b>	<b>416,160</b>	<b>443,470</b>	<b>490,370</b>

# Assets Under Management for Open-End Funds

## Open-End Net Assets (PKR millions)



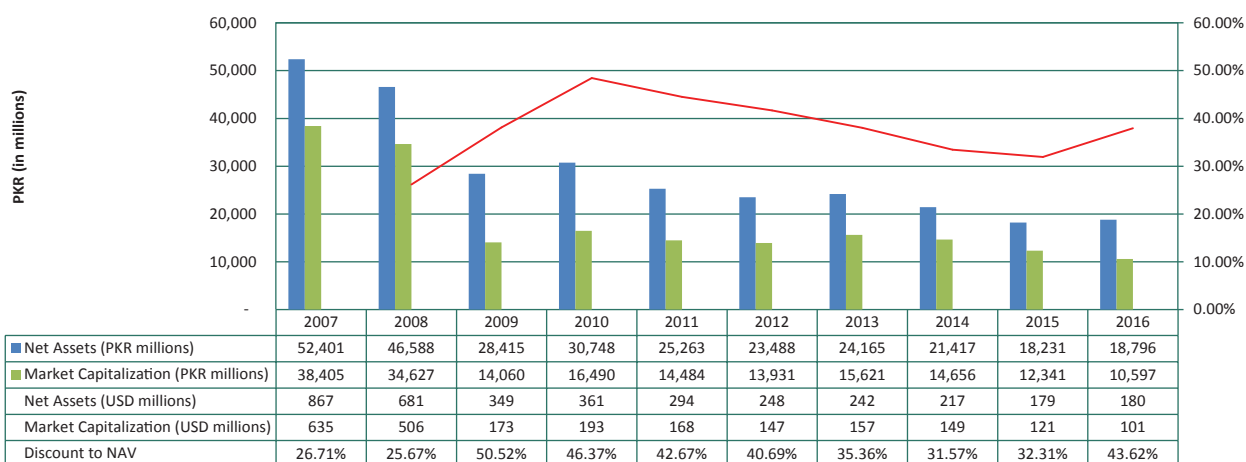
## Assets Under Management for Open-End Funds (PKR millions)

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	114	3,282	32,050	77,312	150,509	124,418	117,385	66,681	49,658
Income	84,448	104,600	55,319	47,974	38,829	86,478	55,312	62,209	80,476	98,037
Equity	112,811	103,628	38,761	39,153	52,083	52,250	69,107	89,055	107,668	110,957
Capital Protected	2,617	5,019	6,194	7,147	3,368	853	605	-	2,675	2,871
Fund of Funds - CPPI	-	-	-	-	-	-	-	2,306	4,276	1,804
Aggressive Fixed Income	27,879	35,781	23,143	14,019	9,340	7,862	10,130	12,345	11,694	14,056
Balanced	7,459	12,353	7,100	5,186	3,525	2,861	3,150	3,731	4,645	4,489
Asset Allocation	2,437	3,744	1,790	1,552	2,277	3,136	4,290	6,406	8,342	10,843
Fund of Funds	145	1,241	717	837	789	867	641	141	171	1,739
Index Tracker	336	534	319	223	374	343	315	419	460	452
Commodities	-	-	-	-	-	-	140	304	340	367
Shariah Compliant Money Market	-	-	624	5,224	6,353	7,762	7,088	5,189	13,483	5,920
Shariah Compliant Income	3,162	6,618	5,868	6,132	20,888	29,944	36,414	36,783	21,028	29,692
Shariah Compliant Equity	5,108	7,425	4,501	4,601	5,320	8,104	15,349	23,363	51,167	67,215
Shariah Compliant Capital Protected	-	579	582	637	724	443	1,304	2,972	3,015	1,771
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	11,533	20,671	9,168
Shariah Compliant Aggressive Fixed Income	-	2,485	1,987	1,157	725	688	1,178	2,253	2,157	3,209
Shariah Compliant Balanced	965	1,916	1,358	911	766	799	791	6,955	3,493	4,822
Shariah Compliant Asset Allocation	1,073	1,832	1,520	1,196	1,264	1,120	870	1,116	4,784	10,818
Shariah Compliant Fund of Funds	-	-	-	-	-	-	699	927	3,269	23,679
Shariah Compliant Index Tracker	-	-	-	-	-	289	901	1,176	1,159	882
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	321
<b>Total</b>	<b>248,440</b>	<b>287,870</b>	<b>153,066</b>	<b>168,001</b>	<b>223,936</b>	<b>354,309</b>	<b>332,702</b>	<b>386,568</b>	<b>411,655</b>	<b>452,770</b>



# Assets Under Management & Market Capitalization for Closed-End Funds

## Closed-End Funds - Net Assets and Market Capitalization



## Assets Under Management for Closed-End Funds (PKR millions)

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Income	1,027	1,115	1,084	1,111	1,125	1,142	1,125	1,127	-	-
Equity	41,458	35,529	22,192	24,042	19,157	19,102	19,802	20,290	18,231	18,796
Capital Protected	108	1,397	1,297	1,404	-	-	-	-	-	-
Balanced	4,287	4,625	1,243	1,163	1,316	1,286	942	-	-	-
Fund of Funds	646	592	283	345	435	424	549	-	-	-
Index Tracker	1,058	-	-	-	-	-	-	-	-	-
Shariah Compliant Equity	2,219	1,906	1,174	1,404	1,707	-	-	-	-	-
Shariah Compliant Balanced	1,598	1,424	1,143	1,278	1,523	1,535	1,747	-	-	-
<b>Total</b>	<b>52,401</b>	<b>46,588</b>	<b>28,415</b>	<b>30,748</b>	<b>25,263</b>	<b>23,488</b>	<b>24,165</b>	<b>21,417</b>	<b>18,231</b>	<b>18,796</b>

# Mutual Fund Category wise Returns

## Open-End Fund Returns

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	8.48%	10.50%	10.63%	11.85%	11.16%	9.05%	8.18%	8.80%	5.71%
Income	10.62%	9.77%	8.43%	9.44%	11.02%	11.08%	9.73%	9.32%	13.97%	7.67%
Equity	43.83%	-4.01%	-37.92%	18.76%	25.04%	9.12%	56.42%	47.34%	21.73%	9.05%
Capital Protected	4.67%	9.87%	3.30%	7.22%	9.71%	3.27%	11.38%	0.00%	4.29%	3.81%
Fund of Funds - CPPI	-	-	-	-	-	-	-	8.09%	11.47%	8.68%
Aggressive Fixed Income	11.63%	9.75%	5.82%	8.40%	-2.12%	1.45%	8.14%	5.88%	12.40%	9.06%
Balanced	27.68%	1.96%	-24.88%	14.25%	16.38%	13.40%	36.65%	23.70%	19.86%	7.05%
Asset Allocation	19.47%	-7.88%	-20.98%	17.93%	12.19%	6.76%	23.42%	14.78%	20.04%	5.96%
Fund of Funds	17.03%	10.82%	-25.69%	13.99%	31.70%	14.69%	35.93%	40.09%	20.44%	6.17%
Index Tracker	41.10%	-15.65%	-42.16%	29.79%	22.45%	7.33%	44.78%	35.37%	12.57%	4.73%
Commodities	-	-	-	-	-	-	-17.14%	0.00%	-5.01%	13.27%
Shariah Compliant Money Market	-	-	8.08%	10.10%	10.98%	10.69%	8.06%	8.70%	7.06%	4.63%
Shariah Compliant Income	9.93%	9.04%	9.13%	8.07%	10.08%	10.98%	9.37%	8.74%	7.27%	5.28%
Shariah Compliant Equity	25.68%	-0.74%	-29.95%	29.25%	37.23%	19.97%	47.94%	28.72%	21.02%	14.08%
Shariah Compliant Capital Protected	-	-0.54%	0.75%	14.07%	14.12%	13.52%	10.45%	3.68%	21.21%	3.64%
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	5.00%	9.31%	7.15%
Shariah Compliant Aggressive Fixed Income	-	2.42%	1.96%	1.01%	1.35%	10.19%	7.81%	12.96%	8.39%	7.34%
Shariah Compliant Balanced	14.86%	-1.17%	-15.11%	16.82%	27.17%	16.24%	25.00%	28.25%	15.56%	11.82%
Shariah Compliant Asset Allocation	23.38%	5.49%	-2.87%	10.24%	13.82%	8.31%	30.80%	16.01%	29.26%	9.46%
Shariah Compliant Fund of Funds	-	-	-	-	-	-	6.26%	17.30%	3.99%	7.47%
Shariah Compliant Index Tracker	-	-	-	-	-	-2.34%	49.64%	26.49%	17.06%	13.32%
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	10.59%

## Closed-End Fund Returns

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Income	19.32%	10.81%	5.54%	12.07%	11.67%	11.23%	7.84%	7.66%	-	-
Equity	28.18%	-2.76%	-37.87%	13.63%	18.89%	10.97%	59.74%	36.74%	3.04%	4.16%
Capital Protected	14.79%	-1.48%	1.86%	8.09%	-	-	-	-	-	-
Balanced	25.96%	23.80%	-29.30%	4.85%	13.15%	1.20%	-	-	-	-
Fund of Funds	17.33%	5.41%	-45.64%	26.44%	42.46%	21.34%	41.02%	-	-	-
Index Tracker	36.60%	-	-	-	-	-	-	-	-	-
Shariah Compliant Equity	26.95%	0.43%	-31.67%	31.23%	37.37%	-	-	-	-	-
Shariah Compliant Balanced	25.41%	1.33%	-10.79%	22.73%	25.37%	16.81%	31.75%	-	-	-

# Voluntary Pension Schemes (VPS) Returns

Conventional VPS Returns								
	2009	2010	2011	2012	2013	2014	2015	2016
Equity Sub-Fund	-26.78%	20.32%	26.45%	15.87%	60.16%	42.44%	38.54%	14.02%
Debt Sub-Fund	12.67%	7.64%	10.69%	10.47%	48.00%	7.23%	15.97%	8.83%
Money Market Sub-Fund	10.00%	3.45%	10.94%	10.11%	8.75%	7.32%	7.26%	4.67%
Commodity Sub-Fund*	-	-	-	-	-	4.64%	-1.61%	11.64%

\* The first Commodity sub fund was launched in July 2013 and currently there are only three Commodities sub funds

Shariah Compliant VPS Returns								
	2009	2010	2011	2012	2013	2014	2015	2016
Equity Sub-Fund	-15.23%	23.13%	34.76%	19.14%	52.72%	35.97%	30.59%	16.63%
Debt Sub-Fund	9.91%	8.86%	9.65%	8.99%	8.05%	8.01%	5.90%	4.16%
Money Market Sub-Fund	9.16%	6.78%	9.03%	9.88%	7.54%	7.36%	5.92%	3.56%

Conventional VPS Returns								
Weighted Average Return of Allocation Schemes (%) for three mandatory sub funds								
	2009	2010	2011	2012	2013	2014	2015	2016
High Volatility (E:80%, D:20%, M:0%)	-18.89%	17.79%	23.30%	14.79%	57.73%	35.40%	34.02%	12.98%
Medium Volatility (E:50%, D:40%, M:10%)	-7.32%	13.56%	18.59%	13.13%	50.16%	24.85%	26.38%	11.01%
Low Volatility (E:20%, D:65%, M:15%)	4.38%	9.55%	13.88%	11.49%	44.54%	14.29%	19.18%	9.25%
Lower Volatility (E:0%, D:50%, M:50%)	11.33%	5.55%	10.81%	10.29%	28.37%	7.28%	11.61%	6.75%

E: Weight of Equity Sub-Fund; D: Weight of Debt Sub-Fund; M: Weight of Money Market Sub-Fund

Shariah Compliant VPS Returns								
Weighted Average Return of Allocation Schemes (%)								
	2009	2010	2011	2012	2013	2014	2015	2016
High Volatility (E:80%, D:20%, M:0%)	-6.20%	20.27%	29.74%	17.11%	43.79%	30.38%	25.65%	14.14%
Medium Volatility (E:50%, D:40%, M:10%)	-2.73%	15.78%	22.14%	14.15%	30.34%	21.93%	18.25%	10.34%
Low Volatility (E:20%, D:65%, M:15%)	4.77%	11.40%	14.58%	11.15%	16.91%	13.51%	10.84%	6.56%
Lower Volatility (E:0%, D:50%, M:50%)	9.53%	7.82%	9.34%	9.43%	7.80%	7.69%	5.91%	3.86%

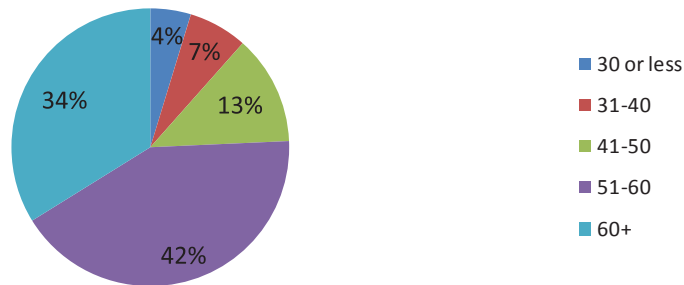
E: Weight of Equity Sub-Fund; D: Weight of Debt Sub-Fund; M: Weight of Money Market Sub-Fund

Conventional VPS Returns								
Weighted Average Return of Allocation Schemes (%) for four sub funds								
	2009	2010	2011	2012	2013	2014	2015	2016
High Volatility (E:55%, D:20%, M:0%,C:25%)	-	-	-	-	-	25.95%	23.99%	12.39%
Medium Volatility (E:35%, D:40%, M:10%,C:15%)	-	-	-	-	-	19.18%	20.36%	10.65%
Low Volatility (E:20%, D:60%, M:15%,C:5%)	-	-	-	-	-	14.16%	18.30%	9.39%
Lower Volatility (E:0%, D:50%, M:50%,C:0%)	-	-	-	-	-	7.28%	11.61%	6.75%

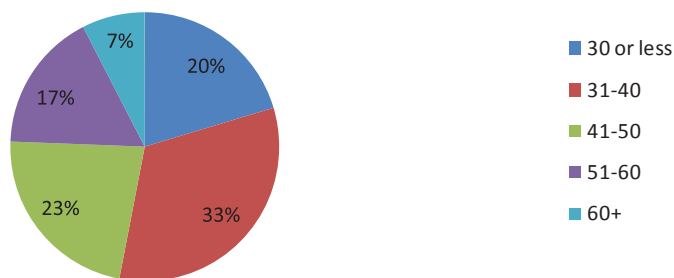
E: Weight of Equity Sub-Fund; D: Weight of Debt Sub-Fund; M: Weight of Money Market Sub-Fund, C: Weight of Commodity Sub-Fund

# Age-wise Allocation of VPS Participants

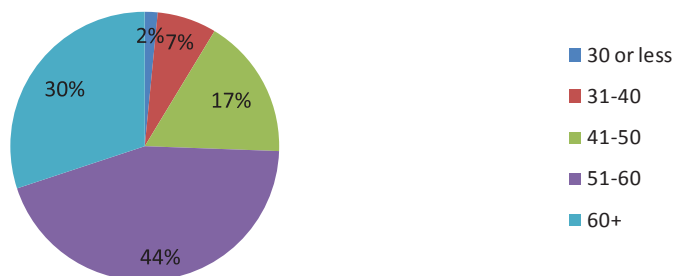
Conventional VPS (in terms of Rupees) - June 30, 2016



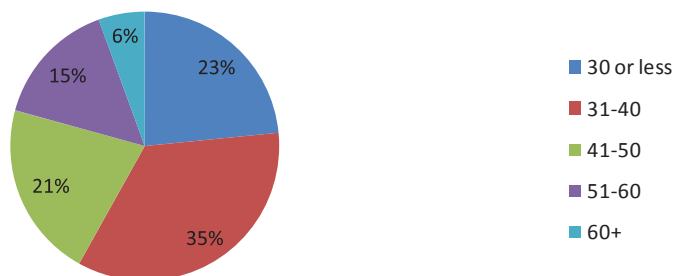
Conventional VPS (in terms of number of investors) - June 30, 2016



Shariah-Compliant VPS (in terms of Rupees) - June 30, 2016



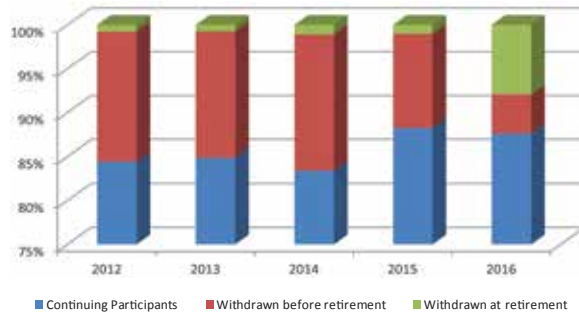
Shariah-Compliant VPS (in terms of number of investors) - June 30, 2016



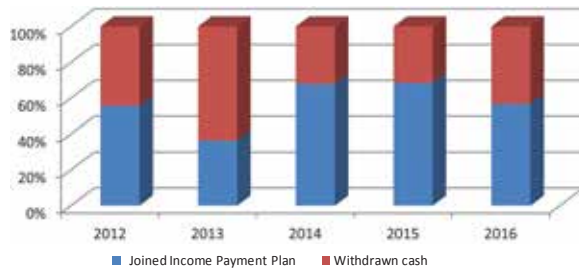


# Withdrawal from Voluntary Pension Schemes

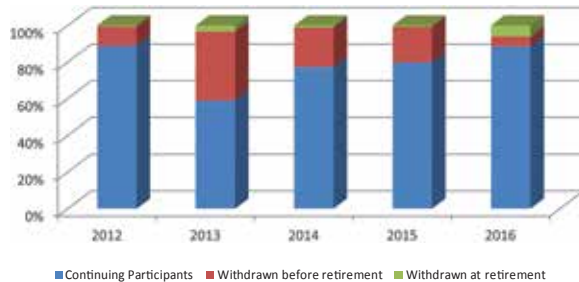
Withdrawal Trend - Conventional VPS



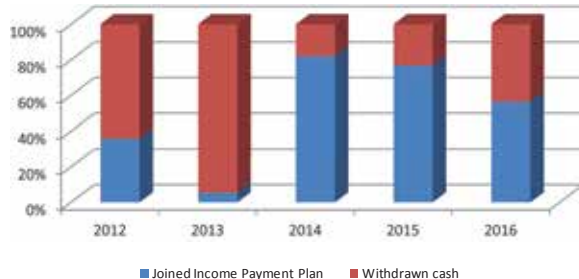
Break up of Retired Investors - Conventional VPS



Withdrawal Trend - Shariah Compliant VPS

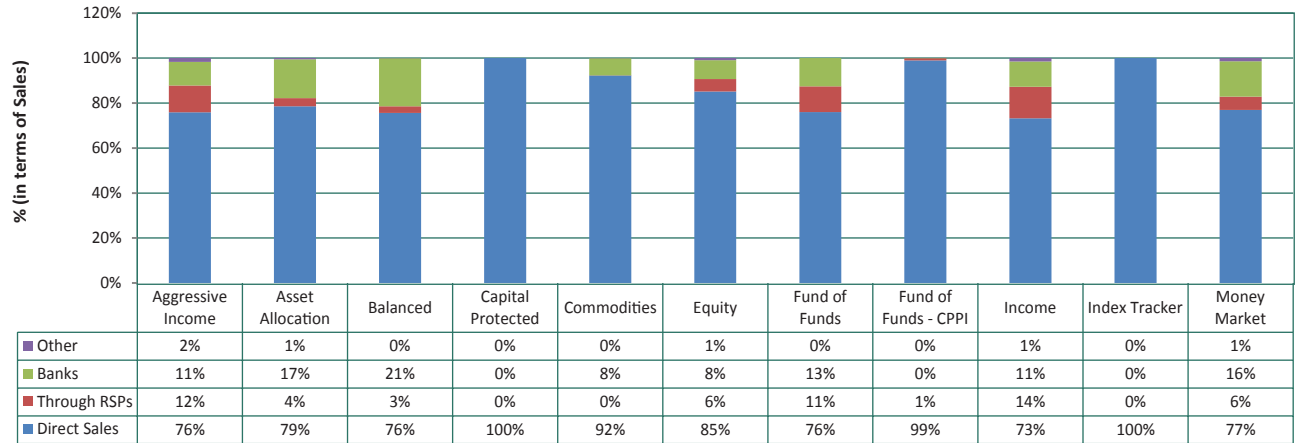


Break - up of Retired Investors - Shariah Compliant VPS

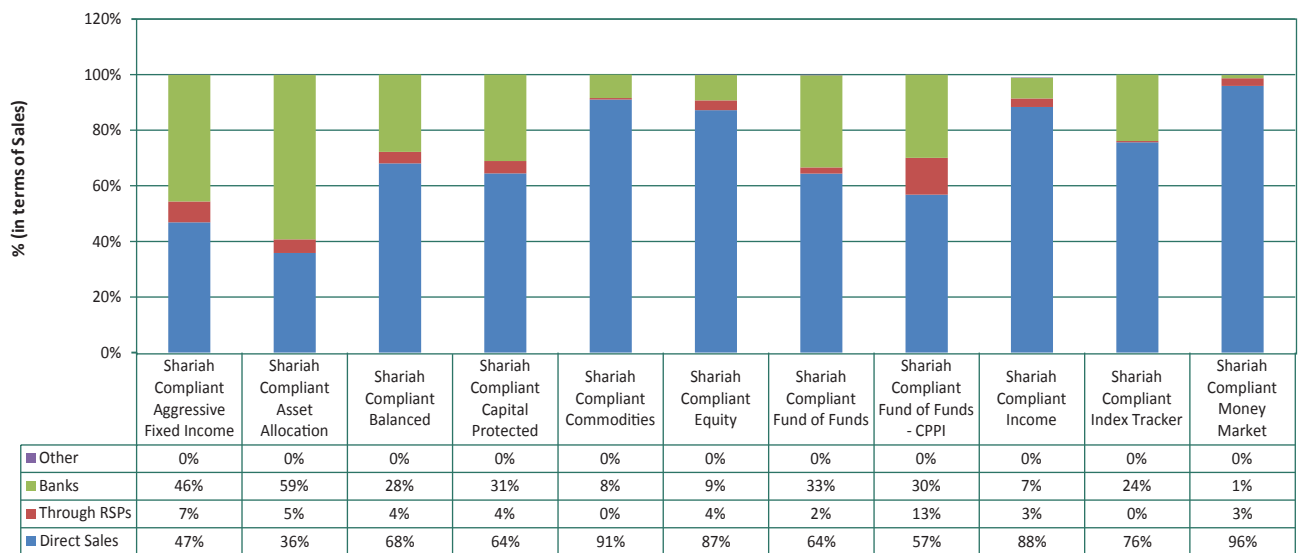


## Break-up of Sales (Channel-wise)

### Break-up of Sales of Conventional Mutual Funds

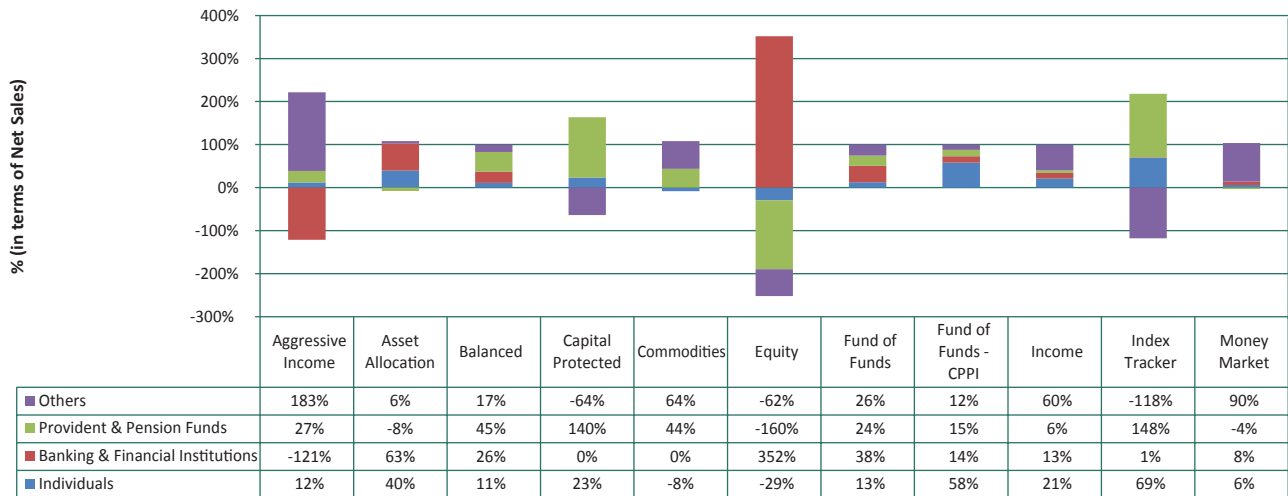


### Break-up of Sales of Shariah-Compliant Mutual Funds

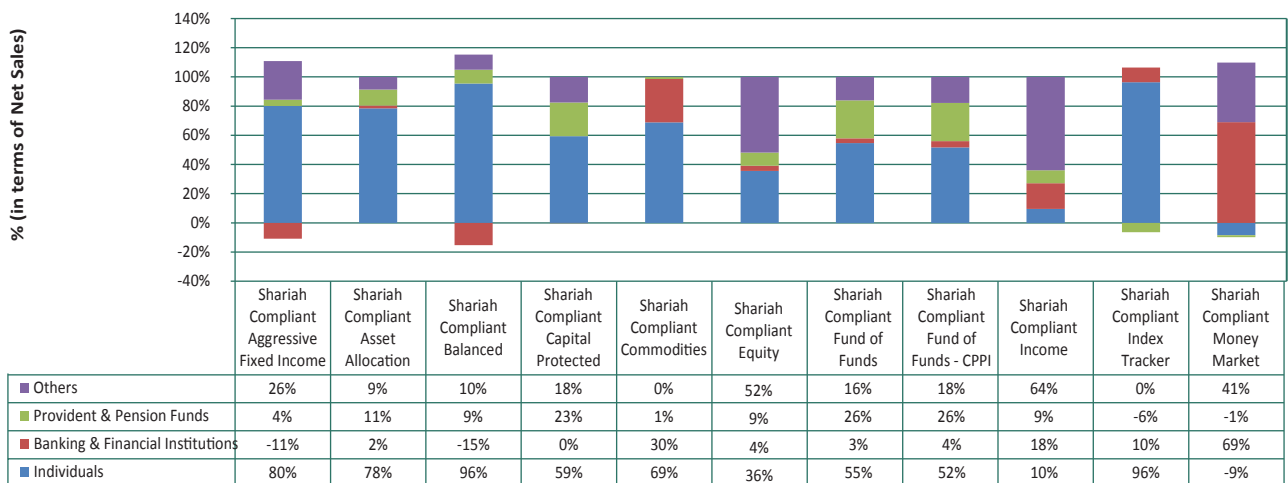


# Break-up of Net Sales (Investor wise break-up)

## Break-up of Net Sales of Conventional Funds



## Break-up of Net Sales of Shariah-Compliant Funds



# Open-End Mutual Funds Sales, Redemptions and Net Sales

Sales (PKR millions)										
Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	115	4,813	84,832	135,248	258,427	211,325	208,434	245,496	169,194
Income	145,113	315,307	95,136	88,175	41,348	115,772	107,510	62,137	178,198	204,728
Equity	27,505	45,866	18,886	11,774	13,958	8,783	15,443	30,770	43,536	34,952
Capital Protected	2,678	2,638	3,072	2,863	8	735	-	-	2,652	318
Fund of Funds - CPPI	-	-	-	-	-	-	-	1,930	1,689	73
Aggressive Income	45,339	101,684	33,361	25,250	3,588	2,388	6,766	6,304	10,567	21,939
Balanced	3,023	11,477	828	630	165	224	322	1,033	1,989	1,492
Asset Allocation	2,952	5,104	377	204	849	2,208	3,539	6,093	10,335	16,753
Fund of Funds	0	1,440	486	259	21	444	165	155	143	1,743
Index Tracker	350	703	92	52	144	65	128	13	23	68
Commodities	-	-	-	-	-	-	237	322	103	88
Shariah Compliant Money Market	-	-	676	13,094	9,328	14,217	8,455	12,767	36,219	34,599
Shariah Compliant Income	4,018	17,078	10,536	7,023	22,718	36,076	37,988	49,305	49,414	88,955
Shariah Compliant Equity	1,883	4,939	931	764	1,166	2,300	6,440	12,981	56,531	64,588
Shariah Compliant Capital Protected	-	581	9	-	-	396	768	2,423	597	47
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	10,422	9,670	138
Shariah Compliant Aggressive Fixed Income	-	5,210	2,882	1,201	79	23	311	2,302	5,634	10,020
Shariah Compliant Balanced	1,310	2,507	255	526	123	49	2,884	7,193	2,583	3,025
Shariah Compliant Asset Allocation	594	1,698	458	387	105	187	283	740	6,835	15,161
Shariah Compliant Fund of Funds	-	-	-	-	-	-	810	672	3,440	19,699
Shariah Compliant Index Tracker	-	-	-	-	-	296	759	547	489	305
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	523
Pension Schemes	90	196	68	120	146	449	722	1,398	2,729	3,001
Shariah Compliant Pension Schemes	-	468	92	86	144	664	1,401	2,220	3,530	4,629
<b>Total</b>	<b>234,855</b>	<b>517,011</b>	<b>172,959</b>	<b>237,241</b>	<b>229,139</b>	<b>443,703</b>	<b>406,256</b>	<b>420,159</b>	<b>672,402</b>	<b>696,038</b>

Redemptions (PKR millions)										
Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	3	1,683	57,790	102,355	197,173	245,087	227,315	304,119	189,312
Income	90,103	303,019	133,251	98,327	51,816	71,768	241,926	62,502	173,694	188,079
Equity	17,801	42,317	19,009	15,556	14,318	9,131	26,440	35,682	40,847	36,458
Capital Protected	57	164	2,272	2,492	3,569	1,267	1,173	641	29	198
Fund of Funds - CPPI	-	-	-	-	-	-	-	724	90	2,622
Aggressive Income	22,541	95,841	46,442	35,777	9,359	3,931	4,883	5,097	11,150	19,990
Balanced	3,831	6,519	2,890	3,605	1,918	1,115	992	888	1,778	1,789
Asset Allocation	5,081	3,317	1,471	929	659	1,636	3,015	4,644	9,123	14,414
Fund of Funds	72	319	695	236	293	535	578	129	141	524
Index Tracker	293	1,387	79	242	66	122	155	20	13	89
Commodities	-	-	-	-	-	-	67	188	42	99
Shariah Compliant Money Market	-	-	54	8,812	8,013	13,249	9,808	15,098	27,932	42,354
Shariah Compliant Income	927	14,071	11,605	7,362	9,133	28,973	34,239	49,406	66,743	80,936
Shariah Compliant Equity	1,954	2,469	1,615	1,984	2,038	2,335	4,608	8,000	40,060	53,577
Shariah Compliant Capital Protected	-	-	10	26	3	5	10	96	1,059	1,295
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	118	1,831	11,945
Shariah Compliant Aggressive Fixed Income	-	3,476	3,259	1,809	637	43	83	1,376	5,858	8,941
Shariah Compliant Balanced	452	1,522	505	1,213	440	42	2,169	4,667	1,352	2,058
Shariah Compliant Asset Allocation	900	1,605	634	730	227	296	445	453	3,761	9,053
Shariah Compliant Fund of Funds	-	-	-	-	-	-	136	570	1,164	3,079
Shariah Compliant Index Tracker	-	-	-	-	-	1	315	501	695	628
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	218
Pension Schemes	-	-	21	37	116	83	225	537	1,274	1,591
Shariah Compliant Pension Schemes	-	-	36	49	79	150	554	1,006	1,568	1,932
<b>Total</b>	<b>144,011</b>	<b>476,032</b>	<b>225,530</b>	<b>236,974</b>	<b>205,039</b>	<b>331,854</b>	<b>576,908</b>	<b>419,660</b>	<b>694,321</b>	<b>671,181</b>

Net Sales (PKR millions)										
Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Money Market	-	112	3,129	27,043	32,894	61,254	(33,762)	(18,881)	(58,624)	(20,118)
Income	55,010	12,287	(38,115)	(10,151)	(10,468)	44,005	(134,416)	(365)	4,503	16,649
Equity	9,705	3,548	(123)	(3,783)	(360)	(348)	(10,998)	(4,912)	2,690	(1,506)
Capital Protected	2,621	2,474	800	371	(3,560)	(532)	(1,173)	(641)	2,623	120
Fund of Funds - CPPI	-	-	-	-	-	-	-	1,205	1,599	(2549)
Aggressive Income	22,798	5,843	(13,081)	(10,527)	(5,771)	(1,543)	1,884	1,207	(583)	1,948
Balanced	(808)	4,957	(2,061)	(2,975)	(1,753)	(891)	(670)	144	211	(297)
Asset Allocation	(2,129)	1,787	(1,095)	(725)	191	572	525	1,448	1,212	2,339
Fund of Funds	(72)	1,121	(209)	23	(272)	(91)	(413)	26	2	1,219
Index Tracker	58	(684)	13	(190)	78	(56)	(28)	(7)	10	(21)
Commodities	-	-	-	-	-	-	171	134	61	(11)
Shariah Compliant Money Market	-	-	622	4,282	1,314	968	(1,353)	(2,331)	8,287	(7,755)
Shariah Compliant Income	3,091	3,007	(1,068)	(339)	13,585	7,104	3,749	(101)	(17,329)	8,020
Shariah Compliant Equity	(71)	2,470	(684)	(1,219)	(872)	(35)	1,832	4,980	16,471	11,011
Shariah Compliant Capital Protected	-	581	(1)	(26)	(3)	391	758	2,327	(462)	(1,248)
Shariah Compliant Fund of Funds - CPPI	-	-	-	-	-	-	-	10,304	7,839	(11,807)
Shariah Compliant Aggressive Fixed Income	-	1,734	(376)	(608)	(558)	(20)	228	926	(224)	1,079
Shariah Compliant Balanced	858	985	(249)	(687)	(317)	7	715	2,526	1,232	966
Shariah Compliant Asset Allocation	(306)	93	(175)	(342)	(122)	(109)	(162)	287	3,074	6,109
Shariah Compliant Fund of Funds	-	-	-	-	-	-	674	103	2,276	16,620
Shariah Compliant Index Tracker	-	-	-	-	-	295	444	46	(206)	(323)
Shariah Compliant Commodities	-	-	-	-	-	-	-	-	-	306
Pension Schemes	90	196	46	83	30	366	496	861	1,456	1,410
Shariah Compliant Pension Schemes	-	468	56	37	65	514	847	1,214	1,962	2,696
<b>Total</b>	<b>90,844</b>	<b>40,979</b>	<b>(52,571)</b>	<b>267</b>	<b>24,101</b>	<b>111,850</b>	<b>(170,652)</b>	<b>499</b>	<b>(21,920)</b>	<b>24,857</b>

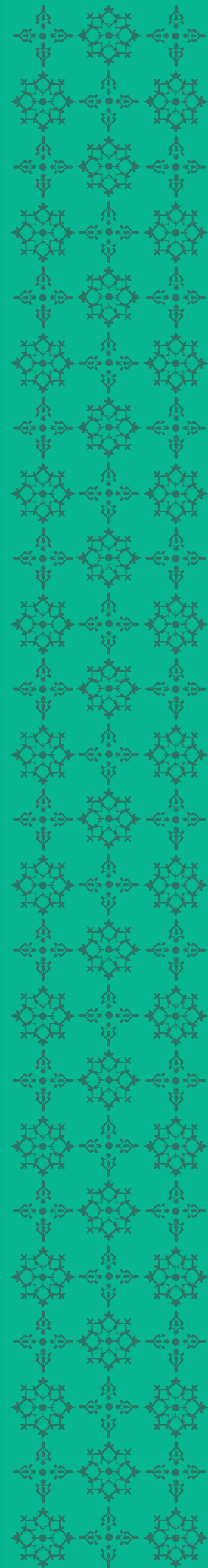


## Unit Holders' Pattern (Mutual Funds)

Open End Funds										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Individuals</b>										
Net Assets	37,964	54,396	30,070	36,655	47,180	58,522	82,992	98,662	139,363	156,025
Investors' Account	96,018	118,074	113,037	109,339	113,101	130,042	169,489	176,523	195,866	213,798
<b>Banking &amp; Financial Institutions</b>										
Net Assets	98,755	98,851	39,785	35,558	47,282	75,207	54,785	66,283	55,426	63,273
Investors' Account	845	745	621	603	1,205	628	687	692	561	636
<b>Provident &amp; Pension Funds</b>										
Net Assets	39,353	42,779	26,774	25,485	25,154	12,155	29,945	42,059	56,301	46,942
Investors' Account	2,451	2,839	2,916	2,344	2,052	1,818	2,176	2,367	2,786	3,098
<b>Public Limited Co.</b>										
Net Assets	15,212	19,940	10,062	14,599	26,747	18,060	37,867	26,209	27,173	25,716
Investors' Account	265	237	221	280	968	536	608	467	360	301
<b>Associated Companies</b>										
Net Assets	-	-	-	-	-	-	82,197	91,121	77,547	77,809
Investors' Account	-	-	-	-	-	-	424	429	395	405
<b>Others</b>										
Net Assets	52,653	69,839	45,543	55,381	77,237	190,278	44,938	62,150	55,744	82,680
Investors' Account	1,825	2,724	1,978	2,010	5,760	2,427	2,739	2,901	2,963	2,780
<b>Total</b>										
Net Assets	243,938	285,804	152,234	167,677	223,601	354,222	332,724	386,484	411,554	452,445
Investors' Account	101,404	124,619	118,773	114,576	123,086	135,451	176,123	183,379	202,931	221,018

Closed End Funds										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Individuals</b>										
Net Assets	13,586	11,719	8,247	8,780	7,673	5,916	8,637	8,111	7,613	7,266
Investors' Account	94,746	100,747	99,945	93,947	76,283	41,240	34,071	32,774	33,040	32,245
<b>Banking &amp; Financial Institutions</b>										
Net Assets	14,153	9,930	6,070	7,331	5,294	3,325	4,786	5,969	3,600	6,098
Investors' Account	595	439	488	431	298	140	152	95	121	88
<b>Provident &amp; Pension Funds</b>										
Net Assets	173	606	470	505	437	214	505	71	-	-
Investors' Account	57	188	205	192	117	63	22	2	-	-
<b>Public Limited Co.</b>										
Net Assets	3,731	1,519	1,475	1,181	1,011	728	3	32	1,252	1,500
Investors' Account	610	644	650	535	369	265	4	267	240	300
<b>Associated Companies</b>										
Net Assets	-	-	-	-	-	-	4,479	4,369	3,785	1,279
Investors' Account	-	-	-	-	-	-	27	6	6	15
<b>Others</b>										
Net Assets	14,452	18,839	12,437	12,875	10,849	6,430	3,120	2,865	1,981	2,653
Investors' Account	936	1,012	869	886	573	308	388	125	88	12
<b>Total</b>										
Net Assets	46,095	42,613	28,699	30,672	25,264	16,613	21,530	21,417	18,231	18,796
Investors' Account	96,944	103,030	102,157	95,991	77,640	42,016	34,664	33,269	33,495	32,660

# Glossary & Notes



Section	Page Comment
Articles	The opinions expressed in these articles are the views of the author of the articles and not necessarily the views of MUFAP. The articles have been however reviewed by MUFAP to ensure appropriateness for this publication.
Statistics	<p>All information is compiled from data provided by our member institutions. All categories mentioned are as per SECP's Circular 7 of 2009 &amp; Circular 32 of 2012. While comparing returns, always compare relevant periods.</p> <p>Since Inception returns should be compared with funds with similar period of existence.</p> <p>Tabular representation of SECP's Circular 7 can be seen on Page 88 of the glossary.</p>
Sharpe Ratio	<p>A Geometric Sharpe Ratio has been used.</p> <p>Average of 1 year PKRV rate is used as risk free rate in the calculation of the Sharpe Ratio.</p>
Total Net Assets	The figures are a total of Open-end, Closed-end and Pension Funds.
Return	<p>Returns of Open-end Aggressive Income Funds, Income Funds, Money Market Funds and their Shariah-Compliant versions whose performance were for less than a financial year have been annualized using Simple Annualization.</p> <p>Returns of Closed-end Income Funds whose performance were for less than a financial year have been annualized using Simple Annualization.</p> <p>All returns have been calculated using the MUFAP's recommended return calculation methodology.</p> <p>Returns are a weighted average of their respective Net Assets.</p> <p>Since Inception Returns for all categories are absolute returns.</p> <p>Where period is less than 1 year, returns are annualized using simple annualization methodology.</p> <p>Where period is over 1 year, returns are annualized using compounded annualization methodology.</p>
Sales/Redemptions	The table is compiled using the data available from our member institutions only.
Unit Holder's Pattern	The table is compiled using only the available information. Much data, especially from earlier years, are missing and understates the actual industry size. Therefore, there is a possibility that the Net Assets shown here are less than the industry net assets shown in earlier tables. The data for last three years has also been verified from the financial reports of the funds.

## Formulae

$$\text{Absolute Return} = \frac{\text{Ending NAV} - \text{Adjusted Starting NAV}}{\text{Adjusted Starting NAV}}$$

$$\text{Simple Annualized Return} = \text{Absolute Return} \times \frac{365}{\text{number of days}}$$

$$\text{Compounding Annualized Return} = (1 + \text{Absolute Return})^{\left(\frac{365}{\text{number of days}}\right)}$$

Where,

$$\text{NAV} = \frac{\text{Fund Assets} - \text{Fund Liabilities}}{\text{Outstanding Units}}$$

$$\text{Adjusted Starting NAV} = \frac{\text{Starting NAV}}{\text{Factor}}$$

$$\text{Factor} = \frac{\text{Cum-Dividend NAV}}{\text{Ex-Dividend NAV}}$$

Cum-Dividend NAV is the NAV at the time of the announcement of the dividend.

Ex-Dividend NAV is the NAV after the dividend is deducted from the fund.

In case the return period contain multiple dividends, the Adjusted Starting NAV is divided by factors for all dividends. Where there are no dividends the factor is one.

$$\text{Standard Deviation} = \sqrt{\frac{1}{N-1} \sum_{i=1}^N (x_i - \bar{x})^2},$$

where,

N = number of samples

$x_i$  = Value of the sample

$\bar{x}$  = average of the samples

$$\text{Sharpe Ratio} = \frac{r_p - r_f}{s}$$

where,

$r_p$  = Geometric average of funds return

$r_f$  = Risk Free Rate (PKRV)

s = Fund's Standard deviation





# Abbreviations

AGM	Annual General Meeting
AMC	Asset Management Company
AUM	Assets Under Management
BATS	Bonds Automated Trading System
BoD	Board of Directors
CDC	Central Depository Company of Pakistan Limited
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CGT	Capital Gains Tax
CIS	Collective Investment Schemes
CPI	Consumer Price Index (Inflation)
DB	Defined Benefit
DC	Defined Contribution
EOGM	Extra Ordinary General Meeting
ETF	Exchange Traded Fund
FBR	Federal Board of Revenue
FED	Federal Excise Duty
FPCCI	Federation of Pakistan Chamber of Commerce and Industries
FRM	Financial Risk Manager
FY	Financial Year
GDP	Gross Domestic Product
GIPS	Global Investment Performance Standards
GoP	Government of Pakistan
ICAP	Institute of Chartered Accountants of Pakistan
ICM	Institute of Capital Markets
ICP	Investment Corporation of Pakistan
IPS	Investment Policy Statement
ISE	Islamabad Stock Exchange
ITO	Income Tax Ordinance
KSE	Karachi Stock Exchange
LSE	Lahore Stock Exchange
MUFAP	Mutual Funds Association of Pakistan
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NCCPL	National Clearing Company of Pakistan Limited
NE	Notified Entities
NIT	National Investment Trust Limited
OD	Offering Document
OICCI	Overseas Investors Chamber of Commerce & Industry
PKR	Pakistani Rupee
PMEX	Pakistan Merchantile Exchange Limited
REIT	Real Estate Investment Trust
RSP	Registered Service Providers
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SME	Small and Medium Enterprise
TD	Trust Deed
TFC	Term Finance Certificates
USD	US Dollar
VPS	Voluntary Pension Schemes
WWF	Workers Welfare Fund
YTD	Year to Date (Return)

# Term

# Definition

Annual Report	An audited formal financial statement and report on its operations, distributed by a publicly held firm to its shareholders after its fiscal year-end.
Annualized Rate	The return an investment provides over a period of time, expressed as a time-weighted annual percentage. The rate of annual return is measured against the initial amount of the investment and represents a geometric mean rather than a simple arithmetic mean.
Asset Allocation	The process of selecting the optimal combination of securities from the different asset classes for an institutional or individual the case of an individual portfolio.
Asset Class	Three types of asset classes that can be held in a portfolio: cash or cash equivalents (treasury bills, commercial paper and other short-term promissory notes), fixed income investments (bonds, debentures and preferred shares) and equity securities (common shares).
Audit	An intensive examination of the accounting and financial procedures and practices of a company or mutual fund, and is carried out by auditors. See Auditors.
Auditors	Chartered accountant firm, responsible for conducting an independent audit. They are responsible for professionally examining and verifying a company's accounting documents and supporting data for the purpose of rendering an opinion as to their accuracy, consistency and fairness.
Balance Sheet	A financial statement showing a company's or fund's assets, liabilities and shareholder's equity.
Board Of Directors	A group of elected individuals, who are empowered and given the responsibility to manage the affairs of the company in a diligent and prudent manner. The directors are usually elected at the annual general meeting of the company.
Broker	Securities firm or duly registered individual employed by such a firm. A broker does not usually own the securities that are bought or sold, but rather acts as agent for the buyer or seller and charges a commission for its services.
Capital Gain (or Capital Appreciation or Capital Growth)	Results when a profit is realized from the difference between the purchase price of a capital asset (stocks, bonds, options, mutual funds, real estate and other property) and the selling price of that asset.
Capital Loss	Results when a loss is realized from the difference between the purchase price of a capital asset (stocks, bonds, options, mutual funds, real estate and other property) and the selling price of that asset.
Cash Equivalents	Assets that can be converted quickly into cash without a loss and include T-bills, commercial paper, short-term bonds and short-term paper.
Closed-End Fund	An investment fund that issues a specific number of shares; its capitalization is fixed. The shares are not redeemable, but are readily transferable and trade on either a stock exchange or the over-the-counter market.
Commercial Paper	Short-term promissory note, issued by well-established corporations to raise funds to meet short-term needs, traded in the money market.
Commission	A fee charged by a stock broker or financial advisor or mutual funds sales representative for buying or selling securities as agent on behalf of an investor.
Common Shares/Equity/Stocks	A class of stock that represents ownership in a company. They usually carry a voting privilege and entitle owners to share in the company's profits.
Compounding	Indicates that the return earned on an investment will increase, if the returns are reinvested, whether it be interest and/ or dividend income and/ or capital gains. The rate that is used to calculate the returns is based not only on the original investment, but also on the accumulated returns of prior terms.
Constitutive Document	Means the Trust Deed that is the principal document governing the formation, management or operation of the Trust.
Contribution	Means an amount as may be voluntarily paid by a Participant at any frequency to the Trustee for credit to the Individual Pension Account of a Participant, subject to any minimum limit as specified in the Offering Document.
Corporation/Company	A legal, taxable organization chartered under either provincial or federal law. Ownership of a corporation is held by its stockholders.
Coupon Rate	The annual rate of interest paid on a bond.
Custodian	A bank or a depository company that according to securities law holds the assets (cash and securities) of a mutual fund on behalf of the fund. This safekeeping of the assets serves to protect investors and helps facilitate easier transactions for the fund when securities are bought or sold.
Debt	Reference to amounts that are owing to be repaid in the future. Examples include bonds, debentures, mortgages and short-term notes.
Debt To Equity Ratio	Financial ratio, identifying the amount of debt incurred by a corporation to fund its growth, relative to its equity.
Default	The failure of a debtor (issuer) to make the coupon payments and/ or repayment of principal on the due date.
Disclaimer Clause	Regulators require that all prospectuses have a disclaimer clearly indicating that the regulators/ securities authorities have in no way passed upon the merits of the securities being offered for sale.
Distribution Company/Companies/ Registered Service Providers	Means individual(s), company(ies), firm(s), Bank(s) or other entity(ies) appointed by the Asset Management Company for performing any or all of the Distribution Functions and shall include the AMC itself, if it performs the Distribution Function.
Distributions	Payments made by a fund to its investors representing dividends, capital gains and interest income.
Diversification	Spreading investments among different asset classes; purchasing different securities in different companies, in different businesses, in various locations at different times. A method used to reduce and/ or eliminate unsystematic risk.
Dividend	Generally paid out of retained earnings and determined by the company's board of directors and paid out to its preferred and/or common shareholders. The dividend may be paid in cash or in additional shares. Common share dividends fluctuate with the profitability of a company, while its preferred share dividends are fixed. Dividend payments are not legal obligations.
Equity Fund	A mutual fund whose primary investment objective is growth. The fund would invest in growth oriented securities such as common shares, with growth potential.
Face/Par Value	The stated value of a common share/ unit used for accounting purposes only. The face value is no indication of the current market price of a security. Face value is also referred to as the par value, par, principal amount or denomination.
Fiduciary	An individual or organization placed in a position of trust, acting on behalf of another individual, responsible for holding and/or administering the assets owned by another individual. Examples of a fiduciary include salespersons, trustees, administrators and guardians.
Fiscal Policy	The federal government's use of expenditures and taxes to influence the growth of the economy. Broadly determined by the size of the annual budgetary deficit or surplus.
Floating Rate	Securities (usually bonds or debentures or preferred shares) which have rates that change with changes in the interest rate. The floating rate is generally based on the prime lending rate or the average treasury bill yield over a specific period.
Forward Pricing	The use of the next valuation date for purposes of pricing purchases and redemptions of a mutual fund.
Fund of Funds	The fund invests primarily in other closed end funds with the objective of capitalizing on the discount that the stated closed end funds are traded at.
Futures Contract	Exchange-traded contracts that obligates the buyer to buy and receive, or obligates the seller to sell and deliver, a specified amount of a commodity or asset at an agreed-upon price at a future date. Profits and losses are settled daily (mark-to-market) between the two parties rather than being settled when the contract is exercised. Also known as a future.



Ijarah	Ijarah means lease, rent or wage. Generally the Ijarah concept refers to selling the benefit of use or service for a fixed price or wage. Under this concept, the Bank makes available to the customer the use of service of assets/equipments such as plant, office automation, motor vehicle for a fixed period and price.
Income	Earnings made from an investment in the form of interest or dividend income.
Income Statement	A financial statement issued by a company showing its revenues and expenses over a given period of time, usually a year, resulting in either a profit or a loss.
Inflation	The general rise in the price of goods and services in the economy.
Initial Public Offering (IPO)	The first public issues of shares by a corporation that has not previously traded publicly in the financial markets.
Institutional Investor	An organization, often a collection of professional investors, whose primary objective is to invest its own capital (assets) or that of those whose interest it represents. It generally buys and sells in large volumes. Examples include pension funds, investment companies, banks and life insurance companies.
Instrument	A term used to describe securities or investments.
Interest	Payments made by a borrower to lenders for the use of their money for a period of time.
Interest Income	Income earned on fixed-income investments treated as ordinary earned income and taxed fully at an individual's marginal tax rate.
Investment Objective	The investment goal of an investor. The three primary investment objectives of an investor are safety, income and growth. Two secondary investment objectives are tax minimization and liquidity.
Investors	An individual whose principal concern is to invest in an asset or security or set of securities with minimal risk.
Leveraging	Refers to borrowing funds to purchase a security in order to magnify returns.
Liabilities	Claims made by creditors against a corporation. Liabilities include those due and payable within the year, known as current liabilities (including accounts payable, taxes payable) and those payable after one year, referred to as long-term liabilities (including bonds, bank loans and mortgages).
Liquidity	(1) The ease with which an investment can be sold or pledged for cash. (2) The ability of a given market to absorb a reasonable amount of buying and selling of securities at reasonable price changes. (3) A company's cash position: the amount of current assets in relation to its current liabilities.
Load/Sales Load/Front-End Load/Back-End Load	"The commission or cost of acquiring a mutual fund." The sales charge or commission not exceeding 5% of the net asset value, which may be included in the Offer Price (Front-end Load) of certain classes of Units or deducted from the Net Asset Value in order to determine the Redemption Price (Back-End Load) of certain classes of Units."
Management Fee	The amount paid by the fund directly to the management company for providing portfolio management, day-to-day and administrative services to a fund. The fee is calculated as a percentage of the average assets being managed annually.
Market Price	The last reported price at which a security was sold on an exchange.
Market Value	The current value of an asset if it were sold on the marketplace.
Maturity (or Maturity Date)	Date on which the principal amount of a note, acceptance paper, bond, debenture or other debt instrument becomes due and payable.
Net Asset Value (NAV)	The value of a mutual fund's holding less any liabilities. The NAV is calculated for most funds after the close of the exchanges and markets each day. It is calculated by taking the closing market value of all securities owned plus other assets such as cash, subtracting all liabilities and, then dividing by the total number of shares outstanding.
Offering Document	The prospectus, advertisement or other document, which contains the investment and distribution policy and all other information in respect of the Unit Trust, as, required by the Rules and is calculated to invite offers by the public to invest in the Unit Trust.
Open-End Fund	Commonly referred to as a mutual fund. These funds are in a continuous process of issuing shares/ units on demand and redeeming shares/ units on demand. Hence the term: open-end fund. The shares/ units do not trade on a market. The number of shares/ units outstanding varies each time the net asset valuation calculation is carried out, which is daily for most open-ended funds.
Participant	Means any person who makes Contributions or on whose behalf Contributions are made into the Pension Fund, and held in an identifiable Individual Pension Account managed by the Pension Fund Manager.
Portfolio	The combined holdings of more than one cash equivalent security, bond, stock, commodity, or any other assets by an individual investor or institutional investor
Profit	The amount remaining after all costs (direct and indirect) are deducted from the income of a business or from the amount realized on sale.
Proxy	(1) Generally, a person authorized to act or speak or substitute for another. (2) Written permission (or power of attorney) granted by a shareholder to someone else, to represent him/ her at a shareholders' meeting, and vote on his/ her behalf. (3) An alternate term for an attorney.
Rate of Return	The coupon rate (as in bond or debenture) or annual dividend (as in preferred or common share) divided by the purchase price.
Recession	Defined as two consecutive quarters of decline in real Gross Domestic Product. It may also be defined by several quarters of virtually zero net growth.
Redemption	(1) Repayment of a debt security or preferred share prior to or at maturity by an issuer, at a specified price (usually at a premium). (2) Mutual fund units are redeemed at the net asset value, when a unit holder's holdings are sold.
Regulations	A rule, principle or law for governing a procedure. "Regulations" here means the Non-Banking Finance Companies and Notified Entities Regulation, 2008 and the Schedules and Forms attached to it, as amended from time to time.
Reinvestment	Mutual funds provide a service that allows unit holders to purchase more units of the fund with the proceeds from interest and dividend income, usually at no additional cost (no sales charge).
Retained Earnings	A company's profit not paid out in the form of dividends. They are retained by the company to help finance future expansion and form part of shareholder's equity.
Return	The profit earned from an investment.
Risk	The potential of loss on an investment due to a number of factors, listed below: a) Credit Risk - Potential that an investment (specifically fixed-income securities) will go down when assigned a negative rating (downgraded) by a reputable credit rating service. b) Default Risk - Risk associated with an issuer of a debt instrument that may not have the financial ability to meet regular interest payments or is incapable of repaying the debt at maturity. c) Equity Investment Risk - Risk resulting from changes in a specific company or industry developments and prospects, as well as changes in interest rates, economic conditions and stock market news. d) Interest Rate Risk - Risk resulting from increased interest rates in the market place, that the income earned from an original investment will not be worth as much as the going market rates. e) Liquidity Risk - Inability to sell a security reasonably quickly at the prevailing market price or convert an asset into cash as quickly as possible. f) Political Risk - Potential for changes in government to impact the value of an investment. It may also include policy changes made by governments.

Retirement Age	Means any age between sixty and seventy years or such age as may be prescribed in the Rules from time to time, which the Participant selects for retirement, in accordance with the provisions of the Rules.
Rules	Means the NBFC Rules 2003, which governs the operation of the mutual funds.
SECP/commission	The Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange commission of Pakistan Act, 1997.
Shareholders' equity	Ownership interest of common and preferred stockholders in a company. That is, it represents the difference between the assets and liabilities of a company.
Shariah Advisor	Means an Islamic Financial Institution, an Islamic scholar or a body of Islamic scholars, appointed in its place by the Pension Fund Manager with the approval of the Commission, having knowledge of Islamic finance, to supervise and monitor the activities of the Pension Fund to ensure that all its activities comply with Shariah.
Shariah Compliant	Shall mean any activity that is in accordance with the Islamic Shariah, as may be advised to the Pension Fund Manager by Shariah Advisor.
Shariah Compliant Fund	These funds invest in securities which are Shariah compliant.
Shariah or Islamic Shariah	Means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad (Peace Be Upon Him) and embodies all aspects of the Islamic faith.
Sharpe Ratio	This ratio measures risk-adjusted performance. It is calculated by subtracting the risk-free rate of return from the rate of return for an investment and dividing the result by the investment's standard deviation of its return. Usually Sharpe ratio is used for analyzing fund performance where the investor wants to see how much excess return is available while taking more risk than risk free rate. The Sharpe ratio tells investors whether an investment's returns are due to smart investment decisions or the result of excess risk. This measurement is very useful because although one portfolio or security can reap higher returns than its peers, it is only a good investment if those higher returns do not come with too much additional risk. The greater an investment's Sharpe ratio, the better its risk-adjusted performance.
Standard Deviation	It measures the dispersion of data from its mean. It measures the total risk associated with a fund (market and company specific). It measures the extent to which the fund return varies across its average return. The return of a fund is the percentage change in its NAV and it can be calculated on a daily, weekly, monthly or yearly basis. A high standard deviation implies that the periodic returns are fluctuating significantly from the average return and this signifies risk. On the other hand, a low standard deviation implies that the periodic returns are fluctuating close to the average return, which implies a low probability of loss.
Stock Exchange	Means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under section 5 of the Securities and Exchange Ordinance.
Sub-Fund	Means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Deposited Property shall be accounted for and segregated with respect to each Sub-Fund.
Sukuk	Suku are Islamic equivalent of bonds. However, fixed income interest bearing bonds are permissible in Islam. Hence, Sukuk are securities that which prohibit the charging or paying of interest. Financial assets that comply with Islamic law can be classified in accordance with their tradability and non-tradability in the secondary market.
Tax Credit	An amount subtracted from the federal tax payable, which will directly reduce the amount of tax payable.
Total Return	The annual return on an investment including interest income, dividend income and capital gains.
Treasury Bills	Short-term debt instruments issued by governments for a year or less. They are issued at a discount and mature at face value. The difference between the purchase price and the maturity value is considered interest income.
Trust Deed	Legal document that includes the conditions under which a fund is issued. It includes the face value, maturity date, coupon rate and any other terms and/or features.
Trustee	In the case of a mutual fund established as a trust, an individual or person responsible for representing the interests of the unit holders.
Unit	Part of ownership in a mutual fund, when it is established as a trust.
Unit Holder	Owner of one or more units in a mutual fund.
Unlisted Security	A security not listed on a stock exchange
Volatility	Measures the amount of change in the price and the returns of a security over a period of time. A measure of the relative volatility of a stock to the overall market is its beta.
Withholding Tax	(1) Deductions by an employer from employees' salaries for the payment of federal and provincial income taxes. (2) Withholding by corporations and financial institutions of interest and dividend payments due to investors.
Yield	Also known as return. It is the amount of interest paid on a bond or dividend paid on the current market price of the security, expressed as a percentage.



# Asset Allocation Limits (as per SECP's Circulars)

	Money Market	Income	Aggressive Income	Capital Protected	Balanced	Asset Allocation	Funds of Funds	Equity	Index Tracker	Commodity
Cash/T-Bills less than 90 days maturity	0%-100%	10%-100% If at least 70% of net asset is invested in Government Securities	10%-100%	0%-100% (original amount of investment shall be protected)	10%-70%	10%-100%	Shall invest in other schemes only and not in seed capital	0%-100%	0%-15%	10%-100%
Government Securities / TDRs / Money Market Placements including COD / COM / Reverse Repo, Commercial Paper	0%-100%	0%-75% not more than 15% of net assets of securities with over 6 months maturity	0%-90%		0%-70%	0%-100%		0%	0%	0%
Margin Financing	0%	0%-40%	0%-90%		0%-25%	0%-100%		0%	0%	0%
TFCs/ Sukuks	0%	0%-75%	0%-90%		0% - 70%	0%-100%		0%	0%	0%
Listed Equities	0%	0%	0%		30%-70%	0%-100%		At least 70% on quarterly average	More than 85% in securities covered in the index	0%
Commodity/ETFs	0%	0%	0%	0%	0% - 60%	0%-100%	0%	0%	0%	At least 70% on quarterly average
Minimum Credit Rating of Instruments	AA & above	BBB & above	N/A	N/A	A- & above	N/A	N/A	N/A	N/A	N/A
Minimum Credit Rating of Bank/ DFI	AA & above	BBB & above	N/A	AA- & above	AA- & above	AA & above (for earmarked cash)	N/A	N/A	N/A	AA & above
Minimum Credit Rating NBFC/ Modarba	AAA & above	BBB & above	N/A	N/A	AA & above	N/A	N/A	N/A	N/A	N/A
Time to Maturity of a single asset	Max 6 months	No Limit	No Limit	N/A	N/A	N/A	N/A	N/A	N/A	max 90 days
Weighted Average Time to Maturity of Fund	Max 90 days	Max 4 years, excluding Government Securities	Max 5 years, excluding Government Securities	N/A	Max 2 years (of non-equity assets)	N/A	N/A	N/A	N/A	N/A

NOTE: Shariah Compliant Schemes shall invest in Shariah Compliant Assets only keeping the asset allocation same as defined in the conventional category. The minimum credit rating of Instruments and Bank/DFIs shall be A- and above

## SECP's Circulars:

Circular 7 of 2009  
Circular 16 of 2010  
Circular 4 of 2011  
Circular 32 of 2012  
Circular 9 of 2013  
Circular 3 of 2015