

Editor's Note

It gives me immense pleasure to present the MUFAP Yearbook for the year 2014.

The outgoing year 2014 was not only an eventful year for the economic development but also for the financial industry and mutual funds in particular. On the economic front, Pakistan was able to achieve 4.14% GDP growth rate, highest in last six years. This economic growth was reflected in the financial sector particularly in the capital market. The equity market showed growth of 41% while on the debt market, major reforms were undertaken by the Government for credit rating agencies, Commercial Papers' Regulations, introduced trading of government securities, development of commodity market and new products for Conventional and Shariah Compliant Markets.

The mutual funds industry grew by 15% in terms of Assets under Management (AUM) and the size of the industry stood at Rs. 416 billion as compared to Rs. 362 billion last year. During the year, 22 funds were launched upto June 30, 2014 in 13 different categories. The highest number of funds launched were in the category of Shariah Compliant fund of funds category. Equity funds (both Conventional and Shariah Compliant) dominated the AUM of the industry with the largest share i.e. 31.89%. Money Market funds (both Conventional and Shariah Compliant) held the second largest market share i.e. 29.45%, followed by Income funds (both Conventional and Shariah Compliant) with market share of 24.06%. The awareness campaigns for VPS has yielded encouraging results as evident from the increase in AUM from Rs. 4,822 million to Rs. 8,030 million and 33% increase in number of investors. To provide detailed information about retirement saving and VPS, a dedicated website was also launched.

MUFAP's professional committees were actively involved in dealing with industry issues pertaining to double taxation, WWF, FED and distribution of income. Various meetings were held with Ministry of Finance, Federal Board of Revenue and SECP.



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On the regulatory front, SECP allowed the outsourcing of non core operations by AMCs. To maintain and further promote the transparency, the advertising code and requirements for placement of constitutive documents were introduced.

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

I would like to thank Dr. Amjad Waheed, Chairman MUFAP and Ms. Mashmooma Majeed, CEO MUFAP, our Board of Directors and my colleagues for their ongoing support and commitment.