



# PRIMUS

Investment Management Limited

Performance Summary as on June 28, 2013

Sr. No.	Fund Name	Stability Rating	Rate / NAV	Fund Performance (Annualized Returns %)					
				MTD	Day(s)				
					01	15	30	90	180
<b>MONEY MARKET</b>									
1	Primus Daily Reserve Fund	AA+	100.1829	9.02	8.86	9.22	9.02	8.97	9.85
2	NAFA Government Securities Liquid Fund	AAA	10.0359	8.32	8.55	8.88	8.27	7.82	7.77
3	Pakistan Cash Management Fund	AAA	90.4858	8.58	7.74	8.89	8.54	8.25	8.18
4	Primus Cash Fund	AAA	100.9837	8.18	8.27	8.78	8.12	7.72	7.82
5	AKD Cash Fund	AA+	90.3583	8.34	8.88	8.87	8.23	8.76	8.82
6	BMA Express Cash Fund	AA+	10.1713	8.32	7.88	8.78	8.43	8.18	8.01
7	Faysal Money Market Fund	AA+	100.2880	8.88	-10.72	8.32	8.87	8.34	8.18
8	ICI Money Market Fund	AA+	101.2541	8.11	7.88	8.72	8.04	8.50	8.34
9	JB Cash Fund	AA+	100.3188	8.38	-10.88	8.78	8.42	8.87	7.88
10	KASB Cash Fund	AA+	102.7073	8.47	8.25	8.53	8.48	8.28	8.28
11	PNDC Cash Fund	AA+	100.3488	8.81	8.88	8.82	8.81	8.18	8.88
12	Ascent Beverage Cash Fund	AAA	100.3888	8.38	7.81	8.78	8.38	8.88	7.88
13	UBL Liquidity Plus Fund	AA+	100.0781	8.27	7.81	8.88	8.38	7.88	7.78
14	HBL Cash Fund	AA	10.8120	8.38	7.87	8.38	8.38	8.13	8.08
15	Alfalah GHP Cash Fund	AA	903.8888	8.42	8.88	8.87	8.38	8.81	7.84
16	Atlas Money Market Fund	AA	102.1882	8.34	8.44	8.81	8.44	8.84	7.88
17	First Habib Cash Fund	AA	100.7883	8.35	8.38	8.88	8.28	7.88	7.88
18	HBL Money Market Fund	AA	101.2444	8.70	8.82	8.18	8.83	8.11	8.18
19	Lakson Money Market Fund	AA	100.8480	7.88	8.71	7.88	7.88	7.78	7.73
20	MCB Cash Management Optimizer	AA	101.0303	8.88	7.70	8.21	8.75	8.18	8.10
21	NAFA Money Market Fund	AA	10.0131	8.18	8.02	8.36	8.18	8.08	8.02
CATEGORY AVERAGE				8.54	8.21	8.91	8.51	8.16	8.12

**OUR PERFORMANCE SPEAKS FOR ITSELF !**

**FUND MANAGER'S REPORT**  
June 2013

**Facts you must know before choosing an Investment Partner**

- Minimum Net Equity requirement for an AMC as of 31st March 2013. 150 million
- Minimum Net Equity requirement for IAS issuance as of 31st March 2013. 30 million

**About PRIMUS Investments**

- Net Equity of PRIMUS Investments as of 31st March 2013. 276.79 million

*(Compliant with SECP's requirements)*

**From the CEO's desk**

The government is off to a bumbling start ..... and Khan's missing in action ..... all that pre-election excitement and rumpus has, seemingly, fizzled out.

Although, sufficient time was not available for the new govt. to prepare the budget and a hastily prepared budget was announced last month directing towards seeking support from IMF. Ready to support the wounded economy of Pakistan IMF has shown serious concerns about the revenue collection targets, projection of foreign inflows in the budget and steps to achieve macro-economic targets in the medium term. The loan will be a breather for the govt. as they will have ample time to design and structure the policies to boost trade and growth to strengthen the economy.

As always public have to bear the burden of loan in terms of taxes, inflation and specially food inflation as the month of Ramadan is about to begin!!!!

Equity market had another wild month. Triple digit intra-day moves in the KSE has become a norm. Conventional asset class correlation has broken down. Investors are enticed to take more and more risk at elevated prices. Going forward, fundamentals (rather than financial engineering) should play a greater role in determining the level and correlation of asset prices. The excessive participation of crossover investors adds to the vulnerability as these tourist dollars are first to flee on signs of turbulence.

SBP showing concerns of inflation slashed the interest rate by 50 bps to 9%. This move will largely fail to deliver the desired growth outcome. The market may observe a rising interest rate scenario in the medium term as IMF has already shown their surprise and concern about the recent cut in interest rate.

Our economy is a wounded heart that cannot be saved by them from themselves. More and more debt cannot cure a debt crisis unless it generates real growth. The beating heart is now arrhythmic and pumping deoxygenated blood. Investors should look for a pacemaker to follow a less risky but more life sustaining path.

To succeed, investors must pull together and rely on knowledgeable and steady hand at the helm. For Investors, active managers serve that role. They can use time-tested methods to design portfolios that seek to add value and minimize risk.

When fear and greed rules the market, investors who can stand back from the fray and apply informed and reasoned decision-making can better protect their capital and position themselves for better opportunities. As at Primus, planning, discipline and perspective are essential.

We will do our best to reflect all this in positioning the savings and investments you have entrusted to us to manage. We will be emphasizing the importance of economic growth and work very hard to identify opportunities that remain attractive. We will seek to navigate this environment for you by maintaining a higher degree of operational agility and a solid dose of resilience.

Thank you for the trust you have placed in us. We value your confidence, and will continue to work diligently to meet your expectations. If you have any query regarding any of your PRIMUS funds investments please contact your account manager at 0092-213-529-0006. We also invite you to visit our website [www.primusinvestments.com](http://www.primusinvestments.com) to learn more about our fund, views and thought leadership.

**Economic Snapshot**

- Highlight of the month was Budget FY14. The crux of the budget revolves around bringing down fiscal deficit from current 8.8% of GDP to 6.3% in the next fiscal through cutting subsidies and mobilizing indirect taxes. Moreover, medium-term budgetary framework comes in with astoundingly audacious measures as government plans to double Real GDP growth rate in three years to 7% while capping the inflation at 8% inflation. Government also made an encouraging outline of gradually increasing Tax to GDP ratio from current 9.3% to 15% by FY18 with complete reliance on indirect taxation.

- Headline inflation clocked in at 5.9% YoY in June 2013 as compared to 5.1% last month. Core NFNE increased by 7.8% in June 2013 as compared to 8.1% last month. This slight uptick in CPI is attributed to rise in Food and beverages prices, Non perishable food and perishable food that contribute around 29.8% and 5% respectively of CPI Basket rises by 7% and 15.1% YoY. Average Inflation for FY13 remains well under budgetary target of 9.5%.

- SBP announced a surprise cut of 50bps in Discount Rate (now at 9%) in its Monetary Policy meeting primarily on the back of tamed inflation. However, as Pakistan is almost set to enter into another IMF program, this might well be the last cut. In fact, some news reports claims that the IMF team was less than happy with this monetary easing.

- Current Account posted a deficit of USD 346 million during May 2013 compared to a deficit of USD 354 million in April 2013 consequently taking 11MFY13 deficit to USD 1809 million. Financial Account posted a deficit of USD 93 million during May 2013 as compared to a surplus of USD 102 million in April 2013. Overall balance of payment for 11MFY13 stands at

USD (2073) million thus demanding strict vigilance to tackle structural imbalances.

- Foreign Exchange reserves have come down to USD 11.34 billion, down 26% YoY, owing to IMF repayments of USD 260 mn during June 2013. Remittances for the month of May 2013 decline by 2% MoM consequentially taking 11MFY13 total remittances to USD 12.76 billion against USD 12.06 billion last year showing an impressive rise of 6% YoY.

**Money Market Review**

- SBP conducted Two T-Bill auctions (12th, and 26th June) with targets aimed at a total of PKR 350 billion.

- The first auction had a target of PKR 200 billion and the realized amount was PKR 224.5 billion. Cut off yields stood at, 9.2301%, 9.2523% and 9.2792% for 3-month, 6-month and 12-month T-Bills respectively in the auction.

- The second auction had a target of PKR 150 billion and the accepted amount was PKR 153.4 billion. Cut off yields stood at 8.9583%, 8.9673% and 8.9808% for 3-month, 6-month and 12 Month T-Bills respectively.

- SBP also conducted a PIB auction on 19th June, 2013 with a target of PKR 25 billion. Accepted amount was PKR 33.04 billion.

**Key Economic Indicators**

		Jun-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
<b>External Sector Indicators</b>								
Overall Balance of Payments	USD million	(870)	(191)	(191)	(640)	(327)	(150)	n.a
Current Account Balance	USD million	(586)	(315)	(596)	(513)	(354)	(346)	n.a
Exports	USD million	2,035	2,116	1,920	2,190	2,186	2,345	n.a
Imports	USD million	3,505	3,398	3,041	3,380	3,429	3,353	n.a
Worker's Remittances	USD million	1,117	1,090	1,028	1,119	1,216	1,193	n.a
Foreign Direct Investment	USD million	56	(38)	(14)	118	232	465	n.a
Foreign Portfolio Investment	USD million	(36)	9	30	29	21	(122)	n.a
Forex Reserves	USD billion	15.28	13.64	13.19	12.25	11.81	11.47	11.35
<b>Exchange Rate against PKR</b>								
USD	Month Avg.	94.115	97.472	97.969	98.061	98.312	98.374	
<b>Inflation Indicators</b>								
General CPI	YoY change	11.3%	8.1%	7.4%	6.6%	5.8%	5.1%	5.9%
Food CPI	YoY change	10.3%	8.1%	7.4%	6.3%	5.5%	6.5%	7.9%
Core (NFNE)	YoY change	11.4%	9.9%	9.6%	9.0%	8.7%	8.1%	7.8%
Core (Trimmed)	YoY change	11.1%	9.9%	9.2%	8.4%	7.6%	6.7%	6.8%
<b>Monetary Growth</b>								
Broad Money (M2)	YoY growth	14.1%	17.3%	15.8%	14.9%	15.3%	15.7%	15.1%
GoP's Borrowing from SBP	YoY growth	42.1%	12.6%	24.2%	23.3%	22.2%	22.6%	24.4%
Pvt. Sector Credit	YoY growth	7.5%	3.2%	3.1%	4.6%	3.7%	2.0%	1.9%
<b>Interest Rates</b>								
SBP Policy Rate	Current	12.0%	9.50%	9.50%	9.50%	9.50%	9.50%	9.00%
6 Month KIBOR	Month Avg.	12.0%	9.36%	9.43%	9.54%	9.58%	9.60%	9.39%
12 Month KIBOR	Month Avg.	12.4%	9.70%	9.78%	9.88%	9.91%	9.91%	9.68%
3 Month T-Bill Yield	Month Avg.	11.9%	9.10%	9.15%	9.31%	9.40%	9.44%	9.30%
6 Month T-Bill Yield	Month Avg.	11.9%	9.16%	9.29%	9.42%	9.43%	9.39%	9.16%
12 Month T-Bill Yield	Month Avg.	12.0%	9.26%	9.39%	9.53%	9.51%	9.41%	9.16%
10 Year PIB Yield	Month Avg.	13.3%	11.61%	11.97%	12.01%	11.93%	11.27%	10.85%

n.a.=Not Available

Source: SBP, MoF, PBS

**Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.**

## Fund Manager's Review

The Primus daily reserve fund continued to provide attractive monthly distributions, complemented by strong overall total returns during June. The fund returned, over the month, 9.18% and outperformed the bench mark of 7.94%. Positive risk-asset performance was the dominant theme throughout June. Our return seeking position includes investments in government securities, placements with DFI's and deposits in banks, all of which are expected to deliver relatively attractive real returns over time. We plan to maintain sufficient liquidity to earn better returns as well as to opportunistically deploy at attractive entry points.

## Fund Objective

The objective of the fund is to generate consistent returns with minimal risk by investing primarily in Government Securities, cash and near cash instruments

## Fund Details

Fund Type	Open End
Category	Money Market
Fund Stability Rating	AA+ by PACRA
Benchmark	50% 3 months PKRV + 3 months average deposit rate of AA & above rated Banks
Inception Date	1st January 2013
Dealing Days	Daily (days when Banks are open for business)
Cut-Off Time	4.00 pm
Pricing Mechanism	Forward
Management Fee	0.45%
Load	0% (Front-end) 0% (Back-end)
Risk Profile	Low Risk
Listing	Karachi Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd
Auditor	Deloitte Pakistan
Legal Advisor	Mohsin Tayebaly & Co.
Fund Manager	Ms. Umema A. Siddiqui

## Investment Committee Members

Ahmed Ateeq	CEO
Rahaila Aleem	CFO & Company Secretary
Ali Kazmi	Chief Investment Officer
Umema A. Siddiqui	Fund Manager
Arfeen Zia	Head of Risk
Haider Hussain	Head of Research
Sonam Peswani	Head of Marketing & SMAs & Investor Services

## Fund Statistics

Net Assets (PKR mn)	4,001
NAV per Unit (PKR)	100.2453
Weighted Average Maturity (days)	10
Sharpe Ratio *	3.7802
Information Ratio	0.2358
Standard Deviation *	0.312%

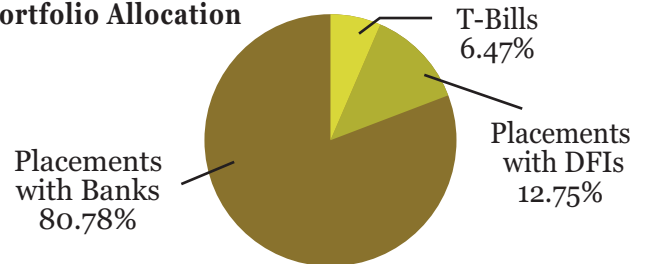
\* Annualized

## WWF Disclosure

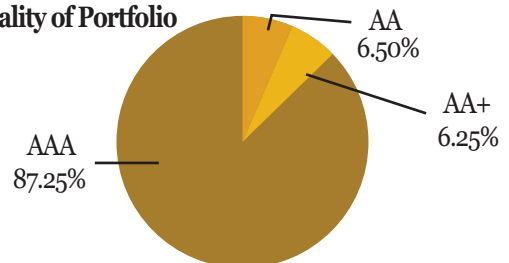
\*Please note that WWF liability for Primus Daily Reserve Fund till the close of financial year ended June 30, 2013 since inception was borne by the management Company\*

"The fund has nil WWF liability and 0% impact on its return for the period ended June 30, 2013. However, the fund would start provisioning for WWF from July 01, 2013".

## Portfolio Allocation



## Credit Quality of Portfolio



## Portfolio Allocation

	Jun '13	May '13
Placements with Banks	80.78%	81.44%
Placements with DFIs	12.75%	10.11%
T-Bills	6.47%	8.45%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Credit Quality of Portfolio

AAA	87.25%
AA+	6.25%
AA	6.50%
<b>Total</b>	<b>100%</b>

## Fund Performance

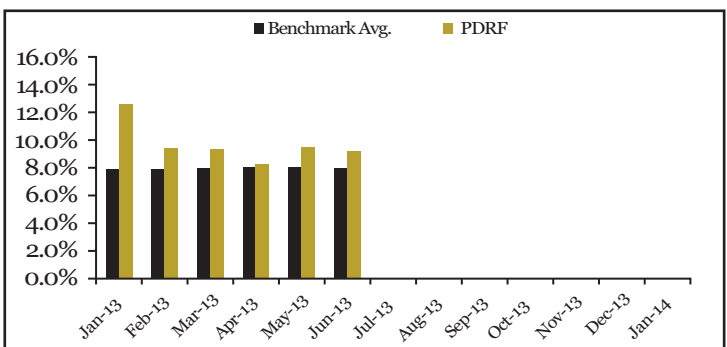
	PDRF*	PDRF**	Benchmark***
Since Inception	9.87%	10.12%	7.93%
May-13	9.43%	9.85%	8.01%
June-13	9.18%	9.58%	7.94%

\*Simple Annualized

\*\*Morning Star

\*\*\*Average of reporting period

n.a.=not applicable



## Fund Manager's Review

Over the reporting period the fund posted a decent return of 8.16% against the average bench mark of 9.30%. Your fund seeks maximum total return, consistent with preservation of capital and prudent Investment management, by investing under normal circumstances atleast 70% of its total assets in a diversified portfolio of fixed income instruments i.e. government securities of varying maturities. We tend to retain our positioning and our focus on yield derived from high quality sources and active management.

## Fund Objective

The objective of the fund is to generate consistent returns with minimal risk by investing primarily in Government Securities, cash and near cash instruments

## Fund Details

Fund Type	Open End
Category	Money Market
Fund Stability Rating	AAA(f) by PACRA
Benchmark	3 months PKRV
Inception Date	09th August 2012
Dealing Days	Daily (days when Banks are open for business)
Cut-Off Time	4.00 pm
Pricing Mechanism	Forward
Management Fee	1.25%
Load	0% (Front-end) 0% (Back-end)
Risk Profile	Low Risk
Listing	Karachi Stock Exchange
Trustee	Central Depository Company of Pakistan Ltd
Auditor	Deloitte Pakistan
Legal Advisor	Mohsin Tayebaly & Co.
Fund Manager	Ms. Umema A. Siddiqui

## Investment Committee Members

Ahmed Ateeq	CEO
Rahaila Aleem	CFO & Company Secretary
Ali Kazmi	Chief Investment Officer
Umema A. Siddiqui	Fund Manager
Arfeen Zia	Head of Risk
Haider Hussain	Head of Research
Sonam Peswani	Head of Marketing & SMAs & Investor Services

## Fund Statistics

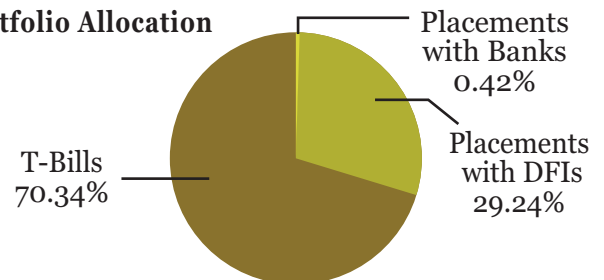
Net Assets (PKR mn)	3,007
NAV per Unit (PKR)	100.1066
Weighted Average Maturity (days)	46
Sharpe Ratio *	-0.8438
Information Ratio	-0.2231
Standard Deviation *	0.213%

\* Annualized

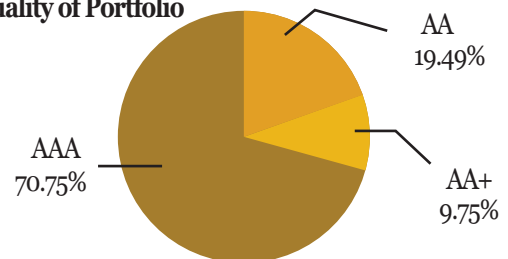
## WWF Disclosure

The Scheme has maintained provision against Worker's Welfare Fund's liability to the tune of Rs. 4,570,602, if the same were not made the NAV per unit/year to date (YTD) return of the Scheme would be higher by Rs. 0.1522/ 0.1707% enhancing the YTD return to 8.89% p.a"

## Portfolio Allocation



## Credit Quality of Portfolio



## Portfolio Allocation

	Jun'13	May'13
Placements with Banks	0.42%	0.74%
Placements with DFIs	29.24%	18.73%
T-Bills	70.34%	80.53%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Credit Quality of Portfolio

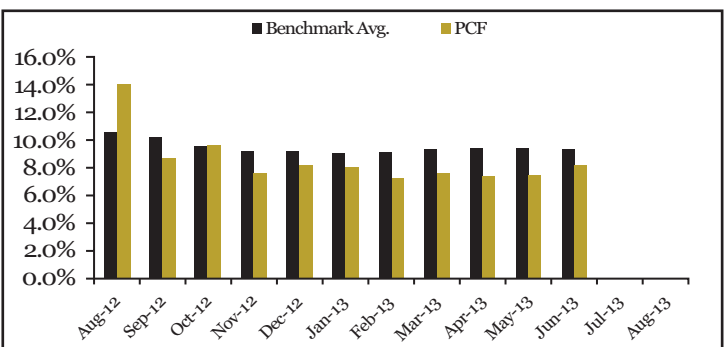
AAA	70.75%
AA+	9.75%
AA	19.49%
<b>Total</b>	<b>100%</b>

## Fund Performance

	PCF*	PCF**	Benchmark***
Since Inception	8.72%	8.76%	9.46%
May-13	7.45%	7.71%	9.44%
Jun-13	8.16%	8.47%	9.30%

\*Simple Annualized  
\*\*Morning Star

\*\*\*Average of reporting period  
n.a.=not applicable



## Contact Us

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**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.