



## KARACHI STOCK EXCHANGE

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### NOTICE FOR ALL MEMBERS

Dated: June 13, 2013

#### NATIONWIDE INVESTOR AWARENESS PROGRAM

The Pakistani Stock Market has a total investor base of around two hundred and fifty thousand investors (including investors of mutual funds). Such a small overall base cannot be considered as adequate to keep volumes at a desired level. Comparable markets such as India and Bangladesh boast investor base of 18 million & 3.5 million respectively.

There is a dire need to bring in new investors in the capital market in order to strengthen the investor base. Bringing back the lost volumes on sustained basis, better price discovery, better liquidity and an increased capacity of fund raising would be the direct impacts of induction of new investors in the market. Moreover, a diverse investor base would greatly reduce the possibility of market manipulation. It is therefore imperative that a stable base be developed for sustainable growth of the securities industry and also to reduce the impact of global financial and economic volatility on the local market.

At present, bulk of the investors comprising of approximately 85% of the total investor population belongs to Karachi. It is a known fact that this figure has been achieved without significant marketing efforts. Same is the case with Lahore and Islamabad which comprise of approximately 12% and 3% of the total investor base. This ratio presents a unique opportunity of not only increasing the penetration in Karachi, Lahore and Islamabad through focused marketing efforts but also to tap the virgin regional markets of Faisalabad, Sialkot, Gujranwala, Multan, Rahimyar Khan, Hyderabad, etc. It is to be noted that little or no efforts have been put in to bring investors from other key areas such as Peshawar and Quetta, which should also be considered as viable markets for achieving the ultimate goal.

We feel that that much emphasis has been laid on issues facing the capital markets in the media. However, not much focus has been put forth for efforts to promote the market as viable investment avenue.

With this perspective, a nationwide Investor Awareness Campaign (catering to 26 districts) has recently been initiated. Annexed is the schedule of Awareness Plan for next 12 months, TREC Holding Members and other Financial Institutions including the Asset Management Companies are encouraged to partner with KSE in any of the program. Given below are basis for program allocations:

1. The Program Allocation will be made on first come first serve basis.
2. Entities, seeking program allocation will be required to contribute in the event costs on either 100% or 50% basis.
3. In case, the program is sponsored on 50% cost sharing basis, the Exchange can allocate rest of the sponsorship to some other entity.