Fund Managers' Report
July 2019

UBL FUNDS

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Disclaimer: All investments in mutual funds are subject to market risks. The NAV of units may go up or down based on market conditions. Past Performance is not necessarily indicative of future results. Investors are advised in their own interest to carefully read the contents of the Offering Document of USSP-VI, in particular, the investment policies mentioned in Clause 2.2.19, risk factors mentioned in Clause 2.8, Taxation policies mentioned in Clause 7 and warning in Clause 9, before making any investment decision. UBL Special Savings Plan-VI is an allocation plan under UBL Special Savings Fund. Capital Protection feature shall not be available on units redeemed before Twenty-four 24 months of the Plan. The plan will be dynamically allocated in treasury bills, PIBs, Term deposits receipts (rating AA- & Above) and Cash & cash equivalent (Including T-Bill & GOP ijarah sukuks, not exceeding 90 days). Duration of the Plan is Perpetual from the commencement of Life of Plan. Subscription Period: 05-08-19 (Monday) to 03-10-19 (Thursday) both days inclusive as per offering document of USSP-VI. Fund type: open-ended, category: capital protected scheme risk profile: Low risk, benchmark: an average of 6 months PKRV rates. investment may take more than a month to be deployed according to the allocation strategy. *The Tax credit are as per Section 62 of ITO 2001. AMC Rating AM1

Market Review & Outlook

Fund Managers Report - July'19

Managed by:
UBL Fund Managers Limited

From the CIO's Desk

The benchmark KSE Index lost 5.8% (i.e. 1,963 points) in July, extending its losing streak to 6 months and bringing CYTD return to -13.8%. Negative catalysts for the month included adverse ICSID decision on the Reko Diq case accruing a liability of USD5.9bn, further monetary tightening of 100bps, some major results undershooting street consensus and rising investor concerns on tough conditions attached with the new IMF Program. The inability of the government to follow through with the expected bailout fund, the PKR 200bn energy sukuk and resolution of the GIDC further added to the uncertainty. Furthermore, average daily traded value and volumes fell to Rs2.8bn and 77mn respectively, a multi-year low.

Mutual funds continued to remain major sellers amidst thin volumes, offloading shares worth US$40mn as risk off trade and attractive fixed income yields shifted flows out of equities. Foreigners however softened the landing, mopping up shares worth USD30mn with buying concentrated in cements, banks & power utilities. Major drag to the Index came from E&Ps (-4.8%), banks (-4.0%), OMCs (-11.8%) engineering (-17.7%) & refineries (-18.4%).

The headline inflation touched double-digit figure of 10.34% for the month of July in line with street consensus. Major drivers for inflation included one-off utility tariff adjustments, recently announced budgetary measures and quarterly house rent adjustment. The inflation was largely in line with our expectations and we expect it to remain in low double digits in the coming months before softening in early FY20. The June current account deficit (CAD) witnessed a decline of roughly 50%YoY, settling at USD 995mn. For the full fiscal year, CAD narrowed by 32% to USD13.6bn, due to 6% increase in remittances, 11% decline in goods trade deficit and a sizable 30% fall in services balance. The monthly CAD run rate is still high and needs to be brought down to USD500-600mn to achieve external sector stability.

On the international front, the Fed in a widely anticipated move cut rates by a quarter point to cushion the economy from a global slowdown and rising trade tensions between US and China. Going forward, the Fed may continue with a liberal monetary policy in the wake of intensifying trade hostilities and increasing risks of a currency war. This move has afforded room for emerging economies to loosen or delaying their monetary tightening. Further, oil and other commodity prices have responded with a sharp downward move which could turn out to be a boon for net commodity importers like Pakistan.

The equity market has discounted numerous positives amidst thin volumes and continuous selling by local participants. The government has embarked upon major revenue reforms which should eventually ease the fiscal stress faced by the economy. In the aftermath of massive currency devaluation last year, the real effective exchange rate is now close to 90. Hence, local currency is likely to remain relatively stable going forward which could attract foreign flows. Notwithstanding any major fiscal slippages or exogenous shocks, inflation and interest rates are likely to peak out soon. Moreover, the country is finally making serious efforts to get out of the grey list in the upcoming FATF review in October. Finally, subdued commodity prices and lower global interest rates could hasten a local rate reversal. The above, in the backdrop of undemanding valuations where KSE-100 is trading at a forward PE of 5.9x, offers a lucrative entry point to build equity positions.

We recommend our investors to invest in our equity funds as per their risk appetite and return expectations. For instance, our Al-Ameen Islamic Asset Allocation Fund (AIAAF) offers an appropriate strategy for investors with low to moderate risk tolerance. This fund invests in a diversified portfolio of stocks, bonds, and money market instruments. It has the potential to earn returns well above those on offer in Money Market and Income Funds, while limiting risk by investing no more than 40% of its assets in stocks at any point in time. For those with higher risk tolerance and return expectations, we have Al-Ameen Shariah Stock Fund, which offers pure exposure to the domestic equity market.

We strongly recommend our investors to also invest in our Voluntary Pension Scheme (Al-Ameen Islamic Retirement Savings Fund) in order to avail tax benefits, grow their long-term savings and achieve retirement security. For those with a longer investment horizon, we recommend a high exposure to Equity Sub-Fund of the Scheme. We have been following an aggressive investment strategy in this Sub-Fund considering its long time horizon and low liquidity/redemption pressures. The strategy has performed well and the Equity Sub-Fund has generated an absolute return of 383.46% (KMI-30 Index: 225.14% since inception). This translates to an average annualized return of 18.61% p.a.(KMI-30 Index: 13.62% p.a.) - thus outperforming the KSE-100 Index by a significant margin.

Syed Suleman Akhtar, CFA
Chief Investment Officer
UBL Fund Managers

UBL Money Market Fund

Fund Managers Report - July'19

Investment Objective

The objective of UBL Money Market Fund is to generate competitive returns within a low risk portfolio to provide a regular stream of income and easy liquidity to its investors by investing a major chunk of the portfolio in short term government securities.

Fund Performance

	UMMF[1]	UMMF[2]	Benchmark
FY-YTD (p.a.)	11.30%	11.90%	12.19%
July 2019 (p.a.)	11.30%	11.90%	12.19%
Since Inception (CAGR)		8.04%	8.62%
Standard Deviation*		0.12%	1.73%
Sharpe Ratio**		(10.90)	(0.64)
Weighted Avg Time to Maturity		66.73 Days	
Expense Ratio [3]		0.13%	

	Jun'19	Jul'19	%Δ
Fund Size (PKR Mn)	2,725	3,933	44.30%
Fund Size excluding FoFs (PKR Mn)	2,337	3,611	54.52%
NAV (PKR)	100.6767	101.6426	0.96%

[1] Simple Annualized Return | [2] Morning Star Return

* 12m Trailing | ** 12m Trailing, 3M PKRV yield is used as a risk-free rate

[3] This includes 0.03% representing government levy, Worker's Welfare Fund and SECP fee.

Note: Benchmark has been changed effective from October 2016; Previously 75% 3M PKRV + 25% 3M TDR (with AA or better banks)

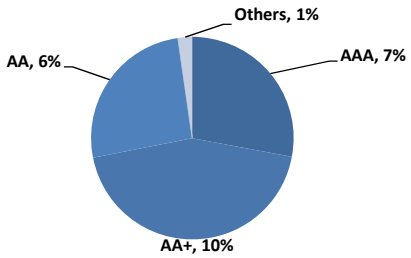
*Actual Management Fees charged for the month is 0.96% based on average net assets (annualized).

Fund Information

Fund Type	Open-end
Fund Categorization	Money Market
Risk Profile	Low
Launch Date	14-Oct-10
Benchmark	70% Average of 3M PKRV rates + 30% 3M average deposit rate of three 3 AA rated scheduled Banks as selected by MUFAP
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	KPMG – Taseer Hadi & Co
Management Co.Rating	AM1 (JCR-VIS)
Fund Stability Rating	AA (f) (JCR-VIS)
Minimum Investment	Rs. 500
Load	1% (Front-end)
Dealing Days	Monday to Friday
Cut off times	Issuance: 4:00 PM (Mon-Fri) Redemption: 9:30 AM (Mon-Fri)
Pricing Mechanism	Backward
Management Fee	7.5% of gross earnings (with min. fee of 0.25% p.a. & max fee of 1% p.a.)
Fund Manager	Syed Sheeraz Ali
Investment Committee	Yasir Qadri | Syed Suleman Akhtar, CFA
Members	Hadi Mukhi*|Syed Sheeraz Ali

* Head of Risk - non voting observer

Portfolio Quality (% of Total Assets)



Asset Allocation (% of Total Assets)	May'19	Jun'19	Jul'19
Placements with Banks	0%	0%	6%
Placements with DFIs	0%	12%	14%
PIB	0%	0%	0%
GOP Ijarah Sukuk	0%	0%	0%
T-Bills	0%	0%	76%
Cash	100%	87%	3%
Others	0%	1%	1%
Leverage	Nil	Nil	Nil

Total amount invested by FoFs is PKR 322.01 Mn

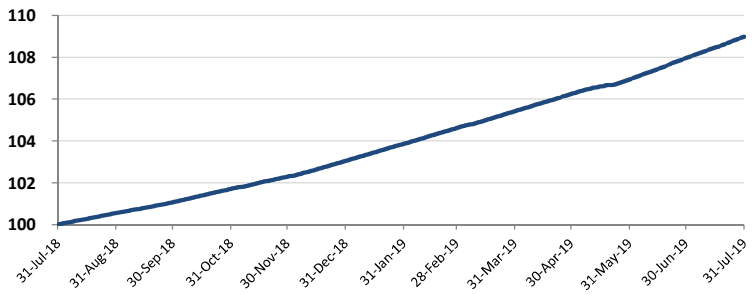
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
UMMF (p.a)	10.66%	10.20%	8.99%	6.53%	6.48%	8.04%
Benchmark	11.54%	10.65%	9.22%	6.65%	6.76%	8.62%

Returns are annualized using the Morningstar Methodology

Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 6,318,047, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.16/0.16%.

Value of 100 Rupees invested 12 months ago



Monthly Yield*	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	CYTD
UMMF	6.71%	6.41%	7.68%	7.22%	9.02%	9.75%	9.88%	9.42%	9.93%	7.97%	12.21%	11.90%	10.14%
Benchmark	6.66%	6.89%	7.50%	7.97%	8.83%	8.99%	9.27%	9.76%	10.11%	10.77%	11.66%	12.19%	10.40%

*Returns are annualized using the Morningstar Methodology | For periodic returns as per SECP's SCD Cirular No. 16 of 2014, refer to the end of this FMR

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Al-Ameen Islamic Asset Allocation Fund

Fund Managers Report - July'19

Managed by:
UBL Fund Managers Limited

al ameen funds

Investment Objective

The investment objective of the Fund is to earn competitive riba free return by investing in various shariah compliant asset classes/instruments based on the market outlook.

Fund Performance

	AIAAF	Benchmark
FY-YTD	-2.36%	-2.28%
Jul-19	-2.36%	-2.28%
Since Inception (CAGR)* **	6.60%	5.73%
Standard Deviation*	7.53%	8.56%
Sharpe Ratio**	(2.31)	(2.36)
Expense Ratio [1]	0.25%	

	Jun'19	Jul'19	%Δ
Fund Size (PKR Mn)	3,599	3,279	-8.89%
NAV (PKR)	112.3411	109.6917	-2.36%

*12M Trailing. **12M Trailing, 3M PKRV yield used as Risk-Free rate.
***Returns have been annualized using Morningstar Methodology
[1] This includes 0.03% representing government levy, Worker's Welfare Fund and SECP fee.
Selling & Marketting Expense PKR 1.17 million.

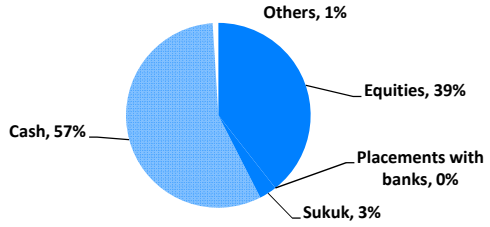
Note: Benchmark has been changed effective from 2 January 2018; Previously Average of 6M KIBOR + 2%.

Fund Information

Fund Type	Open-end
Fund Categorization	Islamic Asset Allocation
Risk Profile	Medium
Launch Date	10-Dec-13
Benchmark	Weighted Avg. of 3M & 6M avg. deposit rates of 3 AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP and KMI-30 Index based on actual proportion of the scheme
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	KPMG, Taseer Hadi and Company
Management Co.Rating	AM1 (JCR-VIS)
Minimum Investment	Rs. 10,000/- initial & subsequent
Load	3% (Front-end)
Dealing Days	Monday to Friday
Cut off times	4:00 PM
Pricing Mechanism	Forward
Management Fee	2% p.a.
Fund Manager	Usama Bin Razi
Investment Committee Members	Yasir Qadri | Syed Suleman Akhtar, CFA | Hadi Mukhi*|Usama Bin Razi

* Head of Risk - non voting observer

Asset Allocation (% of Total Assets)



Asset Allocation (% of Total Assets)	May'19	Jun'19	Jul'19
Equities	40%	38%	39%
Placements with banks	16%	16%	0%
Sukuk	3%	3%	3%
Cash	40%	41%	57%
GoP Ijarah	0%	0%	0%
Others	1%	1%	1%
Leverage	Nil	Nil	Nil

Top Ten Equity Holdings (% of Total Assets)

Hub Power Co. Ltd.	4.6%	Pak Oilfields Ltd.	2.5%
Mari Petroleum Co. Ltd.	4.4%	Fauji Fertilizer Co. Ltd.	2.2%
Oil & Gas Development Co. Ltd.	4.2%	Kohat Cement Co. Ltd.	2.0%
Engro Corporation	3.6%	Nishat Mills Ltd.	1.6%
Pak Petroleum Ltd.	2.7%	Engro Polymer And Chemicals Ltd	1.5%

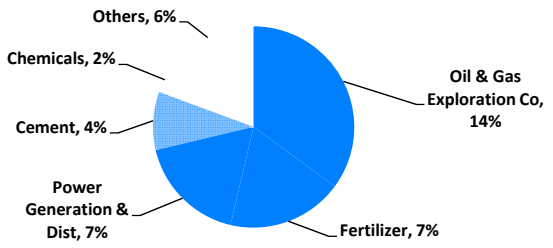
	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
AIAAF	-5.04%	-8.12%	-7.12%	2.53%	34.06%	43.41%
Benchmark	-4.92%	-9.39%	-9.90%	3.09%	26.03%	36.97%

Returns are on absolute basis

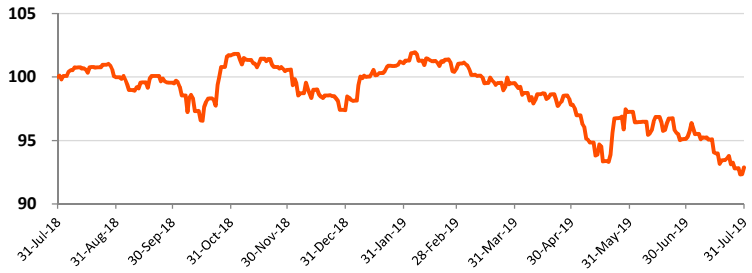
Disclosure of Excess/(Short) Exposure as a %age of NA as at July 31, 2019

Name of Investment	Exposure Type	% of NA	Limit	Excess
Listed Equity Exposure	Total Equity	40.34%	40%	0.34%

Sector Allocation of Equity



Value of 100 Rupees invested 12 months ago



Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 24,245,715, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 0.81/0.74%.

Monthly Yield	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	CYTD
AIAAF	-0.02%	-0.42%	2.13%	-1.10%	-3.17%	3.81%	-0.44%	-1.12%	-1.72%	-0.57%	-2.19%	-2.36%	-4.62%
Benchmark	-0.61%	-0.62%	1.70%	-1.57%	-3.78%	4.53%	-1.38%	-1.05%	-2.35%	-0.03%	-2.68%	-2.28%	-5.29%

For periodic returns as per SECP's SCD Cirular No. 16 of 2014, refer to the end of this FMR

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Al-Ameen Shariah Stock Fund

Fund Managers Report - July'19

Managed by:
UBL Fund Managers Limited

Investment Objective

ASSF is an open-end Equity Fund, investing primarily in Shariah compliant equities. The Fund seeks to maximize total returns and outperform its benchmark by investing in a combination of securities offering long term capital gains and dividend yield potential.

Fund Performance

	ASSF	Benchmark
FY-YTD	-6.52%	-6.56%
Jul-19	-6.52%	-6.56%
Since Inception (CAGR)***	11.90%	11.44%
Standard Deviation*	17.98%	22.14%
Sharpe Ratio**	(1.91)	(1.83)
Beta*	0.78	1.00
Alpha*^	6.03%	
R-Square^^	92%	
Price-to-Earning Ratio ^^^	7.04x	8.10x
Dividend Yield ^^^	6.68%	5.14%
Value at Risk	-1.31%	-1.52%
Expense Ratio[1]	0.25%	

	Jun'19	Jul'19	%Δ
Fund Size (PKR Mn)	5,377	4,892	-9.01%
NAV (PKR)	109.51	102.37	-6.52%

*12M Trailing. **12M Trailing, 3M PKRV yield used as Risk-Free rate. *^ Alpha measures the risk adjusted performance of the fund vs. the benchmark.^^ R-Square measures the correlation between the benchmark and the fund. ^^^ Benchmark figures are for KMI-30 Index only. ^^^^ NAV based. ***Returns have been annualized using Morningstar Methodology. [1] This includes 0.03% representing government levy, Worker's Welfare Fund and SECP fee. Selling & Marketing Expense PKR 1.75 million.

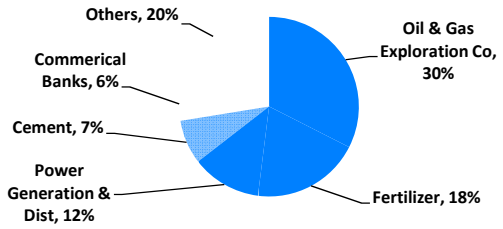
Fund Information

Fund Type	Open-end
Fund Categorization	Islamic Equity
Risk Profile	High
Launch Date	24-Dec-06
Benchmark	KMI-30 Index
Listing	Pakistan Stock Exchange (PSX)
Trustee	Central Depository Company (CDC)
Auditor	To be appointed
Management Co.Rating	AM1 (JCR-VIS)
Minimum Investment	Rs. 500
Load	2.5% (Front-end), Nil (Back-end)
Dealing Days	Monday to Friday
Cut off times	4:00 PM
Pricing Mechanism	Forward
Management Fee	2% p.a.
Fund Manager	Asim Wahab Khan, CFA
Investment Committee Members	Yasir Qadri | Syed Suleman Akhtar, CFA | Hadi Mukhi* | Asim Wahab Khan, CFA

* Head of Risk - non voting observer

*Reconstitution of the Fund on 18th July 2012 from "Islamic Balanced to Islamic Equity"

Sector Allocation (% of Total Assets)



Asset Allocation (% of Total Assets)

	May'19	Jun'19	Jul'19
Equities	91%	91%	92%
Sukuks	0%	0%	0%
GoP Ijarah Sukuks	0%	0%	0%
Cash	9%	8%	7%
Others	0%	1%	1%
Leverage	Nil	Nil	Nil

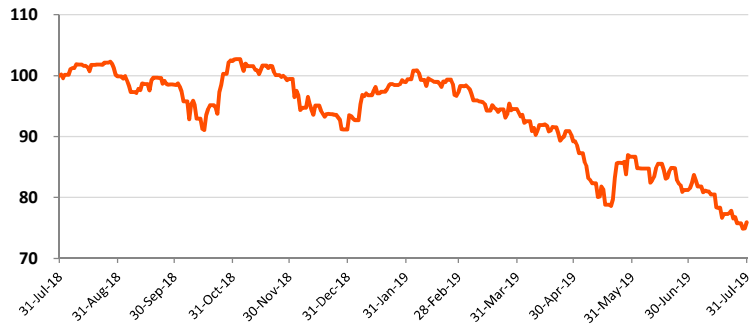
Top Ten Equity Holdings (% of Total Assets)

Oil & Gas Development Co. Ltd.	9.7%	Meezan Bank Ltd.	5.6%
Hub Power Co. Ltd.	9.6%	Pak Oilfields Ltd.	5.6%
Engro Corporation	8.9%	Fauji Fertilizer Co. Ltd.	5.6%
Mari Petroleum Co. Ltd.	8.7%	Nishat Mills Ltd.	3.7%
Pak Petroleum Ltd.	6.0%	Engro Fertilizer Ltd.	3.6%

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
ASSF	-14.90%	-23.25%	-24.07%	-19.07%	22.36%	312.81%
Benchmark	-14.60%	-25.92%	-30.10%	-27.85%	3.24%	292.03%

Returns are on absolute basis

Value of 100 Rupees invested 12 months ago



Disclosures regarding Sindh Workers Welfare Fund

The Fund/Scheme has maintained provisions against Sindh Workers' Welfare Fund liability to the tune of Rs. 63,332,395, if the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 1.33/1.30%.

Monthly Yield	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	CYTD
ASSF	-0.10%	-1.37%	3.94%	-2.90%	-8.34%	8.54%	-1.71%	-2.80%	-5.60%	-2.85%	-6.29%	-6.52%	-16.70%
Benchmark	-2.11%	-2.24%	3.62%	-4.67%	-10.55%	11.60%	-4.04%	-3.35%	-6.48%	-1.65%	-7.07%	-6.56%	-17.33%

For periodic returns as per SECP's SCD Cirular No. 16 of 2014, refer to the end of this FMR

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Historical Performance

Disclosure as per SECP's SCD Circular No. 16, 2014

Fund Managers Report

The periodic returns for the funds have been presented below as per SECP's SCD Circular No. 16 dated July 03, 2014. The returns presented below are:

- Yearly returns for the last five fiscal years, and
- Absolute returns for every fiscal year since inception

The returns have been annualized for money market, income and aggressive income schemes where the performance evaluation period is less than one year.

Last 3 & 5 Fiscal Years

	FY'14	FY'15	FY'16	FY'17	FY'18
UBL Money Market Fund	7.81%	7.98%	5.15%	5.41%	5.12%
Benchmark	10.06%	8.61%	5.91%	5.31%	5.26%

	FY'14	FY'15	FY'16	FY'17	FY'18
AIAAF	5.26%	17.98%	9.15%	14.58%	-1.33%
Benchmark	7.32%	11.56%	8.74%	8.45%	6.56%
ASSF	34.36%	27.07%	14.47%	29.19%	-12.38%
Benchmark	29.89%	20.10%	15.53%	18.80%	-9.59%

Since Inception Absolute returns

UMMF vs Benchmark (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
-	11.9%	21.6%	32.9%	43.2%	54.7%	62.6%	71.5%	80.2%
-	14.2%	24.5%	37.3%	51.1%	64.1%	69.7%	78.8%	88.4%

AIAAF vs Benchmark (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
-	-	-	-	5.3%	24.2%	35.6%	55.3%	53.2%
-	-	-	-	7.3%	19.7%	30.2%	41.2%	50.5%

ASSF vs Benchmark (Fund return in top row)

FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
9.9%	39.0%	63.6%	144.8%	228.9%	317.9%	378.4%	518.0%	441.5%
32.0%	67.1%	88.2%	184.6%	269.7%	344.0%	412.9%	509.3%	450.9%

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